



SEAHOLM POWER PLANT

Work to start on Seaholm redevelopment late next year

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Construction could begin by late next year on the \$117 million redevelopment of the former Seaholm Power Plant in downtown Austin.

The public-private venture is expected to transform the decommissioned power plant on West Cesar Chavez Street into a mix of shops, offices, condominiums, a boutique hotel and special-events space.

The Austin City Council last week approved a new taxing district to cover some costs of the project, including the renovation of the power plant and the construction of streets and a public plaza.

The taxing zone will capture new property and sales tax revenue generated within the 7.8-acre project over 30 years. The new revenue will be used for future payments on debt issued to finance \$8.1 million worth of work.

The taxing zone "is a way for the city to participate in the Seaholm project without having to come up with out-of-pocket funds," said John Rosato, principal with Southwest Strategies Group, the lead developer in Seaholm Power LLC, which the city chose to redevelop the site after a competitive selection process.

The city is forecasting that sales and property taxes will be enough to cover the bond payments. However, if the project doesn't generate as much in taxes as expected, the city will be responsible for making the payments, said Jeff Knodel, Austin's deputy chief financial officer.

After the bonds are repaid, taxes generated by the project will go into the city's general fund.

The city expects to spend an additional \$10.5 million on utility and water work and a parking garage west of the site. The city plans to pay for that work from parking revenues and capital improvement funds.

The developers will pay most of the cost for the total project.

"The developers would have the vast majority of the risk," said City Council Member Brewster McCracken, who has been a champion of the project.

City leaders long have wanted to create a lively corridor of development along West Cesar Chavez, Second and Third streets. Today, the city will officially decommission the Green Water Treatment Plant east of Seaholm as part of that initiative.

In the summer, the City Council selected a developer group led by Trammell Crow for that six-acre project.

The developers will buy the land from the city.

The focal point of Seaholm will be the preservation of the landmark power plant, a 136,000-square-foot building with more than 110,000 square feet of usable floor space. Once renovated, the building will house an events center, offices, shops and restaurants.

Jeff Trigger and his La Corsha Hospitality Group will oversee the construction, management and operations of a 180-room hotel planned for the project. Trigger is the former managing director of the Driskill Hotel in downtown Austin.

Trigger said there's interest from "Austin-centric retailers" who want to be part of Seaholm.

"We're not going to be generating a whole lot of electrical power, but we sure want to generate a lot of energy," Trigger said. "As you can tell, I'm jazzed about this."

The groundbreaking is expected late next year, starting with excavation at the site. Next would come construction of an underground garage and foundation work for some of the buildings, along with work on the power plant.

Courtesy of JB Goodwin