

Two SH 130 projects revving to go

Homes, shops, offices set for 2,300 acres

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After more than a year in the works, a proposed development agreement for two massive mixed-use developments along State Highway 130 has come back before the Austin City Council so more than \$3 billion worth of construction can start by next year.

The agreement, which would include the formation of a public improvement district, or PID, would also represent a significant step for the city toward land use control in parts of the SH 130 corridor that are in the city's extraterritorial jurisdiction but outside its city limits. The City Council was scheduled to vote on the development agreement after press time on June 18.

Whisper Valley and Indian Hills, both being developed by Taurus of Texas Holdings LP, would span more than 2,300 acres collectively. Whisper Valley is planned for 2,100 acres at the intersection of State Highway 130 and the future extension of Braker Lane. It calls for 2,850 single-family units, 5,000 attached units and more than 2 million square feet of office and

retail space — plus about 700 acres of green space. Indian Hills, which will take shape on 240 acres at the intersection of State Highway 130 and the future extension of Decker Lake Road, will set aside 100 acres for rental units, and the remaining acreage for light industrial, research and development, office, and retail uses.

Joe Petersen, part of the Whisper Valley and Indian Hills development team, said the southern half of Indian Hills would be ideal for a corporate or health campus, or a distribution center, because of its position near major roads.

The development agreement would bring Indian Hills and Whisper Valley into the city with a limited purpose annexation. It would also form a PID that would allow Taurus to underwrite public infrastructure in the largely undeveloped area. The PID asks the city to issue bonds, the proceeds of which pay for infrastructure and are reimbursed through assessments on property owners. In exchange, city officials will have oversight of the project. The PID bonds will not impact Austin's bond rating.

For the developers, it's a chance to build higher-quality projects that fit the city's dense growth guidelines and gain help in funding some of the projects' infrastructure, said Doug Gilliland, a managing partner with Taurus of Texas Holdings. Taurus wants Whisper Valley's design to reflect the open space and trails incorporated into its plans, rather than having repetitive street patterns, Gilliland said.

Gilliland said the rest of the projects' financing will come from the private market, adding that Taurus has "had a number of lending sources that have shown interest."

For the city, it's a chance to have some control over development standards in the corridor. During the 2007 legislative session, the city had hoped to see legislation passed that would give Austin control of

land use over portions of the SH 130 corridor, said Steven Metcalfe, a partner with Drenner & Golden Stuart Wolff LLP who is working with Taurus.

“It’s a preferred growth area, and [the city] wants to see growth, but they want it to occur in denser nodes,” Metcalfe said.

That legislation failed, although since 2007 the city has worked with other developers, most recently Carma Texas, on infrastructure and development agreements.

Courtesy of JB Goodwin