

Friday, May 7, 2010

Lockhart poised for boom

Developers plan \$120M, 271-acre project southeast of Austin

Austin Business Journal - by [Francisco Vara-Orta](#) ABJ Staff

Two local developers are planning a \$120 million, 271-acre mixed-use project along State Highway 130 in Lockhart.

Plans for the development, named Centerpoint at Lockhart, feature roughly 1.75 million square feet for housing, retail and industrial development blanketing a major intersection on the toll road's extension under construction there.

Developers John Trube, the former mayor of Buda, and J.P. Newman, president of Principals Capital Funding Inc., have partnered to buy 271 acres covering all four corners of the SH 130 and SH 142 intersection. Trube, who helped lure commercial development such as Cabela's to Buda, and Newman plan to break ground in summer 2011 with a buildout over the next five years or more, depending on market conditions.

The developers' timeline is intentionally vague as they view the area with caution. In the last decade, the opening of the SH 130 toll road east of Austin was expected to be a catalyst for development of thousands of homes and millions of square feet of commercial space. But the economic downturn has stymied much of that anticipated growth.

Nevertheless, Trube and Newman expect Centerpoint at Lockhart, named to reflect its position between Austin and San Antonio, to grow organically as demands along the toll road increase.

For example, Newman said the project will first target retail development geared toward travelers and truckers, such as gas stations, a truck stop, a quick-service restaurant and a hotel. Such an approach runs counter to conventional thought, which would be to build homes first because residential spurs retail.

Besides dedicating 75 acres with 750,000 square feet of space to retail, Centerpoint at Lockhart will eventually offer 94 acres for industrial businesses — with about 1 million square feet for uses such as distribution centers and manufacturing — and 102 acres for about 500 single- and multifamily homes.

“The thing that makes the Centerpoint property particularly attractive is that very few entrance and exit ramps and frontage roads were designed as part of SH 130,” Newman said. “This area features an entrance and exit ramp accessible from both sides of the property, non-tolled frontage roads and driveway cuts, and sits adjacent to **Union Pacific Railroad**'s lines.”

Another factor favoring the site, the developer duo said, is the growing number of Lockhart residents who drive to Austin or San Antonio to shop. Residents in Lockhart spend more than \$37 million a year on retail purchases outside their city, according to a study conducted by the city of Lockhart in 2008.

“Centerpoint will help Lockhart capture ‘leaked’ retail dollars and generate new ones as additional vehicular traffic makes its way through that area,” said David Simmonds, principal with Austin-based **Retail Solutions**, who has been tapped to market the retail portion of the project.

The property has been annexed by the city of Lockhart, which will provide utilities to the site.

Waiting for the boom

While state officials have been vague about the month that the new SH 130 extension will be finished, Newman anticipates it will open in summer 2012.

“So we want to get started by next summer for sure to have everything open” by the following summer, he said.

Meanwhile, there are several projects along SH 130 still hoping to break ground or stalled altogether:

- The nearly 2,000-acre Wildhorse Ranch development, located northeast of Austin and Southwestern Railroad tracks that run north of Walter E. Long Lake, is a master-planned community with mixed uses. It includes 3,900 lots for single-family homes; 3,000 multifamily units; a corporate campus for a major employer; retail space; and a network of parks and trails. Parts of the tract are for sale, and a minor portion in Manor has been developed, but most of the project hasn't started construction.
- [Endeavor Real Estate Group](#) LLC is no longer pursuing a mixed-use project that would have spanned 2.3 million square feet and been similar to its Southpark Meadows development in South Austin. Endeavor had acquired 600 acres northeast and northwest of SH 130 and U.S. Highway 290 with the project in mind. It has said it would be open to looking at the corridor again when the economy stabilizes.
- Across U.S. 290 from that Endeavor site, Williamsville, N.Y.-based [Eastbourne Investments](#) Ltd. announced plans in late 2007 for a 1 million-square-foot retail development. Eastbourne also has plans for Eastbourne Crossing, a 390-acre mixed-use development at the intersection of SH 130 and State Highway 71. Eastbourne President Frank Egan said both those projects will move forward, although likely closer to 2011 than the originally projected 2009 start dates — and perhaps in a different configuration.
- Farther north, at the intersection of U.S. Highway 79 and SH 130, a 466-acre mixed-use development in Hutto named The Crossings of Carmel Creek has undergone changes in ownership but is still in the works, according to a spokesman for its new owner, [Hutto Option Holdings](#) LLC.

Eric DeJernett, a senior vice president with CB [Richard Ellis](#)' Austin office, said development is certain to pick up along SH 130, as the economy is already starting to heal. He said residential building likely will lead the charge.

Newman said SH 130 differs from the stretch of I-35 between Austin and San Antonio. While land along I-35 has been developed fairly contiguously, SH 130's projects will likely be scattered around limited off-ramps. Also, land is cheaper, he added.

Courtesy of JB Goodwin