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Kyle snags Home Depot

Austin Business Journal - by [Giselle Greenwood](#) Austin Business Journal Staff

The promise of a **Home Depot Inc.** store as an anchor tenant has sparked interest by other retailers in a 700,000-square-foot retail project in Kyle.

Plans for the 105,000-square-foot Home Depot store should be presented to the City of Kyle within 60 to 90 days, according to Ohio-based developer Carnegie Management and Development Corp. Carnegie Management broker Mike Bingham says Home Depot expects the store to open before the end of the company's fiscal 2004.

Bingham says several undisclosed major retailers have shown interest in the Kyle project. Carnegie has worked with national retailers such as Target, Regal Cinema, Linens 'N Things and Barnes and Noble.

Home Depot will be the cornerstone of a project announced in May called Kyle Town Center. The project will cover nearly 100 acres at the southwest corner of I-35 and CR 210.

When plans for the project initially were presented, 220,000 square feet was allotted for the largest retailer, about the size of a Wal-Mart Supercenter. The plans also show four anchor tenants, each occupying at least 50,000 square feet.

In late 2002, the City of Kyle annexed 1,500 acres, including the Carnegie site. At that time, City Manager Tom Mattis said the aim was to zone the property for commercial development. City officials intend to help provide infrastructure such as water and wastewater lines.

The retail center is part of tremendous growth in Kyle. Already, several residential neighborhoods have been established or planned, including the 3,000- to 4,000-home Plum Creek subdivision.

Eric DeJernett, a retail specialist with Austin real estate company NAI Commercial Industrial Properties Co., says roadway improvements planned around the Carnegie site will help draw retailers.

"There weren't a lot of obvious intersections in place, which has been a bit of a deterrent for retailers," he says.

For now, Hays County residents must commute to San Marcos and Austin for the bulk of their shopping.

"The two most important elements for a community creating an identity are its businesses and schools," Mattis says.

In the past year alone, Kyle has experienced a fairly rapid rise in population, and it was only a matter of time before retailers followed, DeJernett says. The next natural step in development will be banks and grocery stores, he says.

A handful of other developers have been poking around the Kyle area, including Indianapolis-based retail giant Simon Property Group Inc., which might compete with the Kyle Town Center for smaller retailers. Simon is planning a mixed use project in Buda, just north of Kyle.

DeJernett says the area can only benefit from retailer competition.

"It's just a question of whether they [other retailers] go with Simon or with the new center," DeJernett says. "However, stores like Wal-Mart or Home Depot don't necessarily need junior stores to be viable."

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