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Mixed-use planned near Seton's Kyle site

Austin Business Journal - by [Kate Harrington](#) Contributing Writer

Kyle is set to get a mixed-used development near a proposed hospital, thanks to a partnership between Seton Family of Hospitals and a developer.

The project would be located on 130 of the 205 acres the hospital has under contract in Kyle.

Herb Dyer, vice president and project executive for Seton Center Hays, says the hospital won't disclose the name of the potential developer partnering with the medical group until final approval for the project comes from Seton's board later this year.

But the development, which doesn't yet have a name, will include retail, restaurants, multifamily housing and possibly a cinema, Dyer says.

Seton anticipates closing on the land in August. Dyer says if the board approves the land purchase and development plans, the developer is in a position to break ground on the mixed-use project immediately after closing, possibly by late 2007. The hospital groundbreaking will likely come in mid-2008, and the initial phases of both projects could open their doors by 2010, Dyer says.

The first phase of Seton's Hays County hospital will have 148 beds, and could total more than 210 by the time the hospital's construction reaches completion.

A year ago, Kyle residents wondered if they would have their own grocery store, let alone any significant commercial development.

Kyle officials now say the mixed-use project will bring some much-needed services to the city.

"If they were to do a project here, they would be filling some voids and services we don't have," says Diana Blank, Kyle's director of economic development. "It would be more than just an economic impact, it would be a benefit to the community in other ways."

For years, Kyle struggled to attract commercial development, even as the number of rooftops surged and new business prospects lagged. **Cabela's Inc.** and **Wal-Mart Stores Inc.** chose locations in Buda in 2004, leading to a flood of vitriolic public commentary at Kyle City Council meetings. **H.E. Butt Grocery Co.** announced plans for a new Kyle store in early 2004, but the project didn't break ground for another two years.

Once HEB's commitment to the city was cemented, though, business began to pick up.

Seton put the Kyle land under contract in December 2006, and in October 2006 the IT systems company **RSI Inc.** announced plans to build a 40,000-square-foot, \$3.5 million building in Kyle's Plum Creek.

In most of those cases, the cities provided incentives to lure those developments. Blank says it's too early to know what kind of economic incentives the city might offer to Seton and its potential developer. Dyer also declined to say what kind of agreement the city, hospital and developer will have or how much the project will cost, although he says it will be a significant economic package for Kyle.

The concept of pairing a medical campus with commercial, retail and even residential development isn't necessarily a new one, although it's just starting to gain popularity in Central Texas, says Norm Gelfand, president of **Gelfand Group**.

As transportation needs and land costs shift in an increasingly populated area, hospital systems are becoming more convenience-oriented, Gelfand says.

"The demographics are changing," says Gelfand. "More medical is moving to the market, instead of market moving to the medical."

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