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## Developers say tenants flocking to massive project in Kyle

Austin Business Journal - by [Kate Harrington](#) ABJ Staff

Spanning 2,200 acres in Kyle, Plum Creek is easily one of the biggest planned developments in Central Texas, rivaling Leander's 2,300-acre transit-oriented development in pure land size. Although only 700 of Plum Creek's acres have been developed so far, some of the project's central acreage is seeing a flurry of new interest and activity, developers say, putting the development in a position to play a key role in Hays County's growth trends.

Plum Creek's most central district, dubbed the Uptown District, comprises about 70 acres that will eventually become the development's most dense residential and commercial piece. Austin's Kemp Properties has a contract to start developing the first 40,000 square feet of the district, says Peter French, director of operations for Plum Creek Development. South of the Uptown District, Austin-based computer maker RSI Inc. is building its new 75,000-square-foot headquarters. On top of all that, the surrounding 185 acres is seeing active interest from medical groups, developers interested in putting flex office space in the area and one company interested in building a 100,000-square-foot manufacturing facility, says French.

French declines to say which companies Plum Creek is talking to, but says interest has flooded in since Seton Family of Hospitals and SCC Development Co. have announced their intentions to build a hospital and retail center on 205 acres east of Plum Creek.

A planned rail stop that would be part of the proposed Austin-San Antonio commuter rail line is also garnering interest from office and retail developers in Plum Creek's central acreage.

"For four or five years, I was taking our site plan to the [International Council of Shopping Centers] in San Antonio and talking to people about different commercial uses," French says. "When the extension of FM 1626 opened, there was a definite uptick, but since the opening of HEB and particularly since the announcement of Seton, everything has accelerated twofold. It's really remarkable."

What that could mean for Kyle and Hays County is a trend toward a new professional cluster, says Sean Garretson, a planner with TIP Strategies Inc. Much of the new office development is going into suburban markets, he says, and with Kyle as close to Austin as Round Rock is to the north, the area could see a jump in commercial and office development.

"It could reverse the commute," Garretson says. "It could provide more primary jobs locally so people won't be in cars as much."

Terry Mitchell, a consultant to Plum Creek Development Partners, says because housing is more affordable on the periphery of cities and because transportation makes it harder to get into growing cities, office and professional development in growing metropolitan areas often inevitably make a move to traditionally suburban areas -- a trend of which Plum Creek is poised to take advantage.

However, Plum Creek will still face some challenges as it grows, Garretson says. While the growth rate for the Austin metropolitan area for 2006 and 2007 has been a healthy 4.6 percent, he says Kyle has traditionally had a reputation for responding slowly to private developers. Garretson says that while Kyle has improved its water and wastewater infrastructure in past years, it still has some basic drainage problems in the city's center, known as historic Kyle.

Plum Creek's infrastructure is in good shape, though, he adds, and will likely help the development pull in a range of projects on top of its existing 1,300 residential units.

[kharrington@bizjournals.com](mailto:kharrington@bizjournals.com) | (512) 494-2523

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