

St. Croix beefs up local portfolio

Office project expands in Round Rock

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St. Croix Capital Corp. is adding to its local portfolio going into 2008 with another \$40 million in new investment.

The San Diego-based real estate firm is expanding an office project in Round Rock and recently closed on the purchase of an industrial property in Southeast Austin. St. Croix has also brought on a new executive to oversee operations in Central Texas.

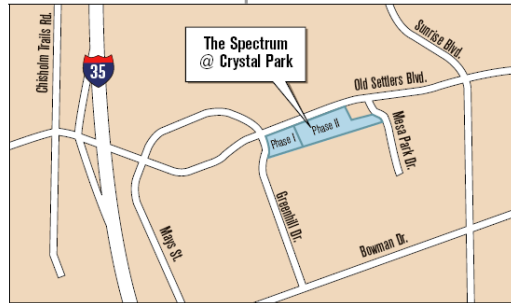
Ken Satterlee, president of St. Croix, says all three recent moves reflect one theme: His company is serious about growing its Central Texas presence.

"Both the expansion and purchase are strategic moves that



Satterlee

ROUND ROCK DEVELOPMENT



complement our other decisions," says Satterlee. "Meanwhile, our local portfolio has grown to a level that warrants employees dedicated to focusing on the local market."

Including the new additions, St. Croix's Central Texas holdings now total about 2.8 million square feet between existing space and projects under construction or in the design phase. Since the company's arrival in Austin two years

ago, St. Croix has invested more than \$330 million in the local real estate market.

In Round Rock, the company has bought 16.3 acres to help expand The Spectrum @ Crystal Park, which is already under construction. Plans for the new tract — just east of St. Croix's current site — call for a 140,000-square-foot building suitable for

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office and medical office space. That will augment the 83,000-square-foot building that recently began rising at the site on the southeast corner of Greenhill Drive and Old Settlers Boulevard.

Located between Seton Medical Center Williamson and Scott & White's new Round Rock hospital, The Spectrum @ Crystal Park is likely to be able to tap into the area's growing medical office needs, says Satterlee.

Round Rock's office landscape is growing fast. There is currently more space under construction than already exists in the burgeoning submarket.

Developers are working on about 444,000 square feet of new product, compared with

the roughly 402,000 square feet that's already on the ground, according to a third-quarter research report from CB Richard Ellis. Office rents in Round Rock averaged about \$24.40 a square foot at the end of the third quarter, up from \$21.49 a year earlier.

Greg Marberry and Casey Ford with the local office of CB Richard Ellis are handling the marketing and leasing of The Spectrum. Smith Consulting Architects designed the project and PBS&J is the engineer. Central Texas Tiltwall has been tapped to handle construction.

In Southeast Austin, St. Croix recently bought University Business Center, a 114,000-square-foot, five-building industrial property at 3019 Alvin Devane Blvd. The seller was Devane Realty LP, a fund represented by Sentinel Real Estate Corp. Devane was

represented by Walter Saad, Cathy Nabours and Greg Marberry with CBRE. Marberry will also handle the marketing leasing of the newly acquired property.

Plans call for upgrading older parts of the property to flex/research and development-caliber space and changing the tenant mix. Roughly 65,000 square feet should become available by mid-2008.

"The [U.S.] Highway 71 corridor is on fire with activity," says Satterlee. Proximity to Austin-Bergstrom International Airport, improved highways and planned expansions all work in the sector's favor, he says.

The most recent purchase brings St. Croix's concentration of existing or planned

space in Southeast Austin to 1.4 million square feet.

Meanwhile, St. Croix has brought on Stephanie Schaefer to serve as its director of the Central Texas region.

Schaefer, who recently relocated from San Diego to Austin, brings with her a decade of real estate experience. She previously worked with Satterlee when both were employed with Burnham Real Estate.

"We needed someone capable of stepping in and immediately being able to direct our new development, brokerage and property management," says Satterlee. "I've known Stephanie for years, and on top of being able to do all those things, I know she'll make an excellent fit in the Austin market."



Schaefer