

## St. Croix heads north

Round Rock project one of two in works

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St. Croix Capital Corp. is embarking on two new projects that will propel the company's local development plans past the 1.5 million-square-foot mark.

Kelly Trade Ventures LLC, a sister company of San Diego-based St. Croix, recently completed the purchase of two parcels of land in Round Rock and Southeast Austin for projects totaling \$50 million. St. Croix will develop a roughly 500,000-square-foot Class A industrial campus, Centerpoint @ Colorado Crossing, on 60 acres just west of Austin-Bergstrom International Airport near Burleson Road and McKinney Parkway. The first phase of the project will include 263,500 square feet of industrial space spread among four buildings. Construction is expected to begin this summer, with completion slated for early 2008.

A second phase that will be timed according to market demand will include another 245,000 square feet of industrial, and 30,000 square feet of retail space. Smith Consulting Architects designed the project and Central Texas Tiltwall LP will build it.

Centerpoint @ Colorado Crossing is less than two miles from Kelly Trade Center, a 120,000-square-foot industrial development that Kelly Trade Ventures purchased last year and has virtually filled, having to turn away prospective tenants. CB Richard Ellis Inc. is marketing the industrial portion of the new project and Grubb & Ellis is handling retail.

"The tenant activity we're seeing down the street indicates there's strong demand in this part of town," says Mark Emerick, general partner with Kelly Trade Ventures. He says the scarcity of big blocks of space and the significant number of companies looking to expand spells continued demand for new

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**Mark Emerick**  
General partner  
Kelly Trade Ventures

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construction.

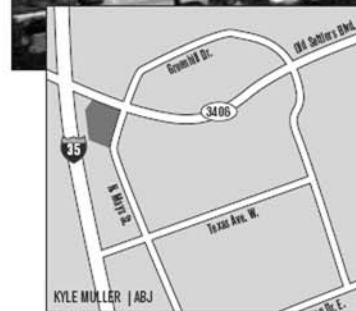
"We really could not have predicted how active that market was going to be," says St. Croix President Ken Satterlee. He says the project's proximity to the airport should drive continued demand.

Meanwhile in Round Rock, St. Croix is plotting 83,000 square feet of office space spread among 10 buildings as part of its Spectrum @ Crystal Park development. The 8.7 acre site at the southeast corner of Greenhill Drive and Old Settlers Boulevard — and near the Crystal Park industrial complex — was purchased from the city of Round Rock. Users will have their choice of blocks of space from 1,000 to 15,000 square feet that can be leased or purchased. CB Richard Ellis is marketing the property being built by Central Texas Tiltwall LP, with PBS&J acting as project engineer.

"We don't even have marketing materials out, and we already have interested parties," Emerick says. "Hopefully that's an indication of the demand that exists."

Some commercial developers believe the Round Rock area could be the next in the region to emerge as an active office sector. Satterlee agrees, and says his company is looking for other tracts in Round Rock and elsewhere in Williamson County for projects ranging from medical office to flex space.

Satterlee says the Austin region is developing in an uncannily similar manner to the San Diego area — only a decade later. He says the same types of users seem to gravitate to comparable corridors in both cities, and that's allowing his team to target areas where they see the growth set to hit.



St. Croix Capital Corp. is plotting 83,000 square feet of office space as part of Spectrum @ Crystal Park (bottom left and right) and about 500,000 square feet near Austin-Bergstrom International Airport.

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St. Croix is moving on Centerpoint at a time when marketwide industrial occupancy is on the rise. After holding steady at 15 percent for several quarters, vacancy fell to 12 percent in the fourth quarter of 2006, according to a report from NAI Commercial Industrial Properties Co. Over the second half of 2006, the Southeast industrial market absorbed a total of 90,027 square feet of space, the report says.

Other companies are already acting to tap into renewed demand in the area. Trammell Crow Co. and project partner ING Clarion Partners are finishing

up two buildings totaling about 226,000 square feet at the Expo Business Park on Burleson Road. HPI Real Estate and Investment Services Inc. and Simmons Vedder & Co. broke ground in December on Airport Commerce Park that will bring a 327,809-square-foot flex campus near the intersection of U.S. Highway 183 and State Highway 71. And Transwestern Austin is under way on Phase Four of Southpark Commerce Center Industrial Park, which will add 417,000 square feet in the area in November. All projects are said to be drawing tenant interest.