

TechRidge gets \$150M project

San Diego developer expands into Austin

A.J. MISTRETTA
 AMISTRETTA@BJJOURNALS.COM | (512) 494-2519

Ken Satterlee has been developing properties in the San Diego area for more than two decades — and he wants a new challenge.

As that market comes off of its most recent wave of growth, Satterlee is turning some of his attention to Austin, a city he says is strikingly similar to his company's base in Southern California.

"Austin recently began what many anticipate will be a very healthy, five-year real estate cycle, just as San Diego is at the tail end of its own cycle," says Satterlee, president and chief executive officer of St. Croix Capital Corp.

So Satterlee is branching out. St. Croix Capital's sister company, Kelly Capital Group Inc., closed last month on the purchase of a 150-acre tract at the intersection of I-35 and Howard Lane that's part of the Lakes @ TechRidge project. The seller was Riverside Resources Investments Ltd. of Austin.



Satterlee

Satterlee has plans for a \$150 million mixed-use development that will include office, retail and multifamily components.

Riverside Resources amassed the 250 acres included in the Lakes @ TechRidge from individual landowners last year. The company completed the entitlement process with the city of Austin, paying the way for a mixed-use project that will feature a series of lakes as a backdrop. Riverside has already begun horizontal site improvements, including construction of the lakes and a new four-lane road that will bisect the property. Riverside is in

DEVELOPMENT PLANS



KYLE MULLER | ABJ

negotiations with a single-family homebuilder for the remainder of the property.

St. Croix's project will include:

- 76 acres fronting I-35 and devoted to 750,000 square feet of retail. A 16-acre parcel is set aside for two hotels with pad sites for restaurants and a possible convenience store. The company is in negotiations with two hotel operators. Construction on the hotel portion of the project is slated to begin in fall 2007. The remaining retail space is earmarked for an anchored in-line center. Satterlee says the company is in talks with two national retailers, one that is already in the market and another that is not. St. Croix will wait to have at least one anchor in hand before breaking ground.

- 15 acres for industrial and office use. The company expects to break ground in July 2007 on a 200,000-square-foot industrial building for manufacturing or distribution use. Work will begin simultaneously on a 12-building, 95,000-square-foot office park.

SEE TECHRIDGE, P53

TECHRIDGE: Highways expected to drive new growth

FROM PAGE 1

- 46 acres for a multifamily project that could include as many as 1,000 apartments. The company is negotiating with a multifamily developer to purchase that portion of the property.

St. Croix Capital has tapped Lance Morris and Parker Estes in the Austin office of The Weitzman Group to handle the retail leasing. Greg Marberry and Casey Ford in CB Richard Ellis Inc.'s local office will market the office and industrial space.

The Lakes @ TechRidge is the first local development project announced by St. Croix Capital. The company entered the market quietly last year with the \$5.5 million purchase of the Kelly Trade Center, a 120,000-square-foot industrial building in Southeast Austin near Austin-Bergstrom International Airport. The company made several tenant improvements, enabling it to take occupancy from 80 percent to 100 percent.

David Blackbird, co-managing partner in the Austin office of Stream Realty, says properties in the Far North Austin area are set to benefit in a big way from a network of new roads coming into play — most notably State Highway 130 and State Highway 45.

"It's going to have a huge impact," Blackbird says.

Moreover, Riverside has managed to amass a sizable piece of property along I-35 and close to SH 45 that's surrounded by major employers such as Dell Inc. and Samsung Austin Semiconductor LP, as well as retail shops and other business parks.

"Basically, from this point and further west, there aren't a whole lot of large tracts where one could master-plan a significant mixed-use development," Blackbird says.

St. Croix employees, including Satterlee, have been splitting their time between San Diego and Austin as the company gears up for this and other new projects in the market. Satterlee says he hopes to hire a vice president of operations for the Austin market by year-end.