

Sonterra starting \$15M phase

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A \$15 million project anchored by a travel center and \$2.5 million worth of retail space are the newest additions to the Sonterra development on I-35 north of Georgetown.

Northwest Petroleum LP of Houston plans to build a 12,000-square-foot Shell-branded travel center on nine acres of land partially fronting I-35 near Jarrell. The **Sonterra Travel Center** will include a Denny's restaurant and a Burger King. The facility will have 80 parking spots for large trucks and feature amenities for truck drivers such as Internet connections, showers and a game room, Northwest Petroleum Senior Vice President Frank Malik says.

Malik says the company's interest in the project was driven by its close proximity to SH 130, now under construction. When the toll road is finished, it will allow motorists to bypass the heavily trafficked section of I-35 through Austin. He says the travel center will be the first of its kind in that area.

Northwest Petroleum operates almost 20 gas stations in Central Texas, but this will be the company's largest project to date.

Meanwhile, major construction is complete on another section of the 1,740-acre Sonterra development, the 30,000-square-foot **Cougar Plaza Center**. Jerry Stephens with Cougar Assets Ltd. says the first tenant, a church organization called Sonterra Fellowship, has moved into its space.

Stephens says he's currently negotiating leases with a grocery store and a number of other prospective tenants, including a bank, auto parts store, dry cleaners, movie rental shop and a Mexican restaurant. He expects leasing of the remaining space to be complete by year-end.

Andy Bilger, project manager for **Sonterra Development LLC**, says he's been impressed with the high level of interest in the development. Bilger says Sonterra's biggest asset is its position along I-35.

The **Texas Department of Transportation** recently awarded contracts to construct additional ramps nearby that will significantly improve access to the site.

Bilger says his firm is negotiating with a national hotel company to build a property at Sonterra. Talks are also ongoing with a number of restaurants, particularly fast-food establishments.

Roughly 140 acres of Sonterra is earmarked for commercial and mixed-use development. The remaining 1,600 acres is set aside for residential development. About 115 acres of the commercial property is still available for development, Bilger says.

"Catering to the highway traffic is going to be one thing that attracts people right away to the commercial space," he says. "But the fact that there's going to be anywhere from 8,500 to 10,000 houses is going to attract a whole other type of business in the next year or two."

Main Street Homes Ltd. of Austin and **NuHome**, a division of Miami-based Lennar Homes Inc., started building at Sonterra in February. More than 90 homes are complete so far. The first residents began moving in April.

Bilger says with home prices currently averaging around \$115,000, Sonterra aims to attract first-time homebuyers who have previously had to look beyond Leander for such prices. Sales have gone so well that the builders have already used up the lots they had planned for the first year in only five months, he says.

Unlike other sectors of the metropolitan market, there's very little standing inventory among the homes being built at Sonterra, says Donna Nichols, director of sales and marketing for NuHome. Nichols says high demand has led the company to raise its prices from under \$110,000 to between \$110,000 and \$150,000.

Nichols says Sonterra is pulling a number of buyers from the Killeen area, along with couples who want to be between Killeen and Austin for work purposes.

"The majority of the buyers out there like this because it's a midway point," she says.

Construction also continues on 24 duplexes on a 6.5-acre tract in the development. Fred Boles with residential developer Exit Realty Lakeline says his company has completed three of the 24 duplexes selling for \$200,000 each. The remainder of the 3,000-square-foot duplexes should be finished by the end of the year, he says.

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