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Final Edition**N.Y. firm backs \$400M Waller Creek project****BYLINE:** Shonda Novak American-Statesman Staff**SECTION:** BUSINESS; Pg. B7**LENGTH:** 705 words

A New York investment firm said Thursday that it has signed on as a financial backer of one of the most ambitious projects ever planned for downtown Austin, a move the developer said puts the \$400 million project on track for a fall groundbreaking.

McCourt Global told the American-Statesman that its real estate venture, McCourt Partners, teamed with Austin-based developer the Sutton Co. to buy 3 acres along **Waller Creek** for the project, which envisions three skyscrapers, the tallest of which could be more than 50 stories. About 1.4 million square feet of development is envisioned for the project, which is tentatively being called **Waller Creek** Center. The development would include offices, apartments and condominiums, a hotel, shops and restaurants.

The sale of the land, at the southwest corner of East Cesar Chavez and Red River Street, closed Tuesday, said Mac Pike, chairman of the Sutton Co. He declined to disclose the purchase price.

Last year, the Sutton Co. had brought on Klabzuba Realty, a longtime family-owned real estate and oil and gas investment company based in Fort Worth, as a financial partner, but Pike said Klabzuba is no longer involved in the project.

"Not only do we expect this property to be an asset to the city's business district, we believe it will be a very welcome addition to the neighborhood for the countless Austin residents and visitors who will enjoy the revitalized **Waller Creek** area for years to come," said Jeff Ingram, senior managing director at McCourt Global.

The project is planned for an area that is seeing a spurt of development. A \$370 million Fairmont hotel is planned at the northeast corner of Cesar Chavez and Red River, and new residential towers have emerged on nearby Rainey Street. With a medical school and teaching hospital planned at the north end of **Waller Creek**, **Waller Creek** Center "will undoubtedly provide a significant amenity to their students, staff and administration," Pike said.

McCourt Global, founded in 2007 by former Los Angeles Dodgers owner Frank McCourt, invests in real estate, private equity, sports and media ventures. McCourt Partners, which has more than \$550 million in assets and capital at its disposal, is a venture between McCourt Global and financial services firm Guggenheim Partners.

"Austin is a very attractive market and it's grabbing the attention of developers around the country," Ingram said. "The location of this property along **Waller Creek** and its proximity to the convention center make it ideal for mixed-use development. It is exactly the type of development opportunity that our team has been looking for."

The land already has the zoning it needs for the project, said Jerry Rusthoven, a manager in the city of Austin's Planning and Development Review Department. More than a decade ago, it was the site where Austin-based Vignette Corp. proposed building its headquarters. Those plans succumbed to the dot.com bust.

Rusthoven said the city is pleased to see Sutton Co.'s project, which will require approval of a site plan by the city, moving forward.

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"It's one of the largest projects we've ever had downtown, and we're excited to have it on the banks of **Waller Creek**," Rusthoven said. "The property already has the entitlements (development approvals) from a previous project that never happened and we're happy to see this replace it."

Rusthoven said the site is zoned for dense downtown development and is not restricted by rules that protect views of the state Capitol.

Perry Lorenz, an Austin-based developer who sold the land where the project is planned, said he assembled the property over several decades starting in 1977.

"There is no other privately owned tract on **Waller Creek** with anywhere near this amount of creek frontage nor with better views," Lorenz said. "The buyer believes in **Waller Creek**, believes in Austin and has the vision and the absolute wherewithal to do something remarkable with the property. I expect great things to happen there."

Although some real estate observers have questioned the prospects of such a large-scale project becoming reality, Ingram said: "McCourt Global has built a reputation for tackling complex projects and proving skeptics wrong."

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