

# Last big development in Sunset Valley under way

## Final phase will add 175,000 square feet of retail space and 52 homes.

By Shonda Novak  
AMERICAN-STATESMAN STAFF  
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SUNSET VALLEY — Construction picks pound with the midday heat at the Villas at Sunset Valley, a 52-home residential community that is part of the last phase of a 300-acre retail and housing development in this tiny incorporated city of about 475 residents in the U.S. 290-Brodie Lane area.

The final phase of the \$175 million Sunset Valley Village development is a milestone, Sunset Valley Mayor Cat Quintanilla said.

"Other than a few infill lots, this is the last large tract being developed," Quintanilla said. "Generally, we're looking at this year as being our build-out year. Essentially, everything that's commercial will be built out."

The end of the construction boom in large-scale commercial developments will be a dramatic change for this small city, which has seen a retail explosion in the past 15 years as nearly every major big-box store opened outlets there.

The area around Brodie Lane, U.S. 290 and MoPac Boulevard (Loop 1) is recognized as the retail destination for Southwest Austin. With more than 1 million square feet of retail, the area is a shopper's mecca.

Austin-based Endeavor Real Estate Group and Walters Southwest Co. are developing the retail portion, called Sunset Valley Homestead. Florida-based Mercedes Homes of Texas Ltd. is building the Villas.

Sunset Valley Homestead will add 175,000 square feet of stores and restaurants when it opens in spring 2007.

The retail lineup so far includes Babies "R" Us, DSW Shoe Warehouse and Justice, a sportswear and accessories store for juniors.

Restaurants in the final phase will include La Madeleine and Dream Dinners, a regional concept offering hot take-out meals, plus Doc's Motorworks, Zen, Jamba Juice and Juan's Mexicali.

The Villas project near the northeast corner of Brodie Lane and Ernest Robles Way will consist of 40 traditional homes and 12 garden homes, adding an estimated 100 to 150 residents to Sunset Valley. Prices range from the low \$300,000s to the mid-\$400,000s.

Sunset Valley Village is on land that once was part of a working farm owned by the John and Charlotte Weaver family. John Weaver died in 2005. Charlotte lived in a stone farmhouse on the property until shortly before her death in June, Quintanilla said.

"Even near the end, we would see her out there feeding the donkeys," Quintanilla said. Comprising as much as 40 percent of the land in town, the Weaver property has been the topic of much negotiation and compromise.

The first part of the retail phase, Sunset Valley Village Shopping Center, opened in 1999. Tenants include Linens 'N Things, Barnes & Noble, Petco and World Market.

In late 2000, Sunset Valley Meadows, a 57-lot subdivision, was completed behind the shopping center, with houses priced from \$600,000 to \$800,000.

Kohl's and a Red Robin restaurant followed. And a Cannoli Joe's, a new Italian buffet restaurant from the owners of the County Line Barbeque restaurant, is under construction on the former Wolfe's Nursery site.

With the last phase under way, retail and restaurant space will become much harder to get, says Jeff Newberg, a principal with Endeavor. Endeavor is handling the development and leasing for Sunset Valley Homestead, which has signed leases or letters of interest for 70 percent of its space.

"This very well may be the last opportunity (for retailers) to enter with new construction," Newberg said.

That means any space that becomes vacant in the future "would be at a premium," Newberg said.

Other sites for large-scale development are limited in Southwest Austin, Newberg said, largely because of environmental constraints.

Retail space in Sunset Valley already commands some of the region's highest rents, from \$28 to \$32 a square foot, Newberg said. "Supply is limited, demand is strong and retailer performance is proven," he said.

Incorporated in 1954, Sunset Valley has been funded by sales tax revenue since the 1990s. Brodie Lane was a relatively quiet road until nearby road widenings in the 1990s — including U.S. 290 West — transformed the area into a crossroads and attractive for retail development.

"We really are a small town that got swallowed up on all sides by the city of Austin," said Quintanilla, a resident since 1986. "We've tried to maintain our independence and as much of our small-town existence as we can."

Sunset Valley continues to host citywide barbecues and potlucks, the area's largest organic farmers market and the nation's largest Native American dance completion that attracts 10,000 people every November.

Sunset Valley reaped \$3.1 million a year in sales taxes in fiscal 2005-2006, and expects \$4 million in sales taxes during the next fiscal year.

Yet with its finite size — "we're an island," Quintanilla acknowledged — the building boom couldn't last forever. But Sunset Valley still has a bright future, Quintanilla said.

"This is the last major construction from the outside in, but this is not the last changes you'll see from the inside out," she said. "We have a very active citizenry and government always looking to make things better. There's just a lot of jazz here."

Sunset Valley by the numbers

**Traffic:** More than 166,700 vehicles daily travel the area that includes Brodie Lane, U.S. 290 and MoPac Boulevard (Loop 1).

**Size:** 1.4 square mile

**Population:** 475 residents, but more than 91,500 people live within three miles of Sunset Valley, a 36 percent increase since 1990. The population is projected to increase another 7 percent in the next five years.

**Average household income:** \$62,274

**Retail roundup:** Kohl's, Circuit City, Bed Bath & Beyond, TJ Maxx, Barnes & Noble, Pier One, Home Depot, Ross Dress for Less, Petsmart, Petco, Best Buy, Michaels, Old Navy, Linens 'N Things, CompUSA, Academy, Wal-Mart, World Market, Ulta and Target.

Source: 2004 U.S. Census data

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Kelly West  
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Construction on the Villas at Sunset Valley, a 52-home development has begun. 'This is the last large tract being developed,' Mayor Cat Quintanilla said. The small city, which has a population of 475 residents and is home to 1 million square feet of commercial space, is known as a shopper's paradise.

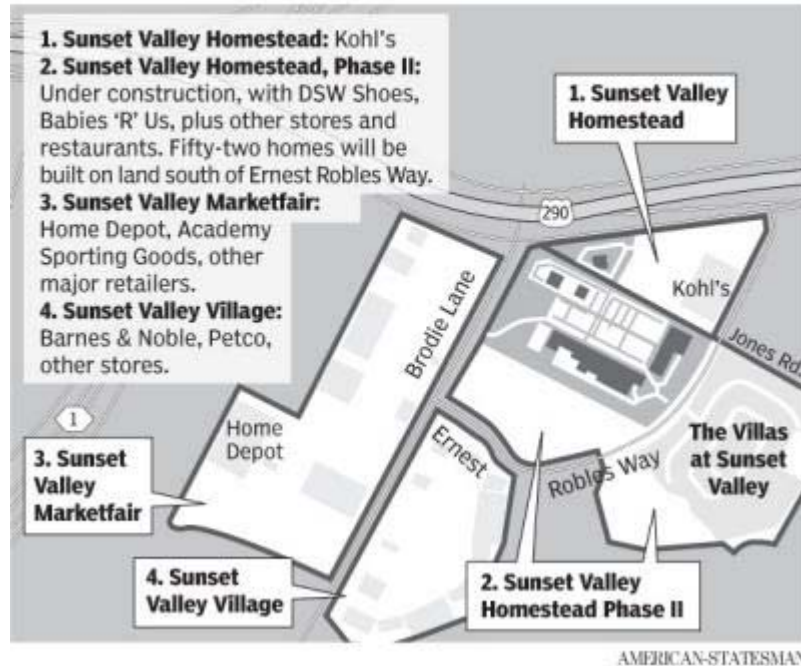
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## Last big retail in Sunset Valley

Development at the former Weaver family farm will be the last major retail project in Sunset Valley, a mile-square city that already has a big concentration of national stores.



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