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## Going upscale: Former Heep Ranch land being marketed for sale as high-end office, retail park

Posted By [Brad Rollins](#) On June 23, 2010 @ 9:53 am In [Featured](#) | [No Comments](#)



[1]

Stratford Co. Drawing

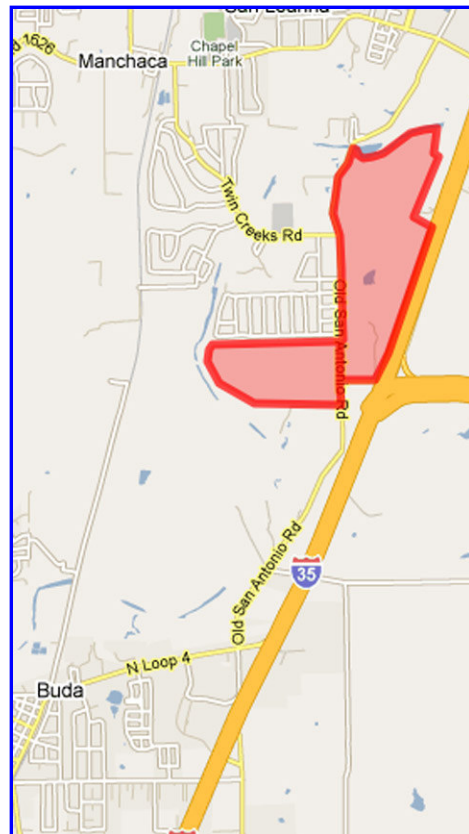
by **BRAD ROLLINS**

It was all Herman Heep's land once, more than 10,000 acres of it.

Fifty years after the oil wildcatter's death, the former dairy farm sits at the bulls-eye — more or less, depending on the parcel — of Austin's roar down IH-35 into Hays County. More than 2,700 acres was sold off years ago and became the Sunfield Municipal Utility District east of Buda. Most of the rest is owned by three Heep granddaughters, each of whom has her own plans for her portion of the empire.

But until now most of the properties have been undevelopable without access to water and wastewater utilities. That may soon change if a Dallas-based real estate holding company succeeds in its efforts to secure City of Austin services for 599 acres it owns on the west side of IH-35 across from its interchange with the nearly-new Texas 45 toll road.

"The reality is that the reason this area has never really developed is the existing water district doesn't have the capacity to supply the water," said Steve Sanders, a consultant to landowner Stratford Co.



The city of Austin is laying 13 miles of water main and three miles of wastewater interceptors and other facilities as part of its South I-35 Water/Wastewater Program, scheduled for completion by the end of 2011. The project will bring water and wastewater services to the Stratford property's edge.

[2]

A 599-acre tract at IH-35 and Texas 45 might be developed sometime in the future—as Estancia Hill Country, a posh mixed-use development that would include a large corporate campus. (Google Map)

The Stratford Co. is marketing the property to developers as Estancia Hill Country, envisioned as a master-planned campus with 10 million square feet of development interlaced with water features and greenspace. The preliminary plan the company filed with Travis County calls for a 1.9 million-square-foot corporate campus; 1.5 million square feet of office space; 277,000 square feet of retail and restaurants; a hospital and hotel.

Whether a developer can secure financing for such an ambitious project, or even a portion of it, is not a certainty. Sanders, vice president of real estate services firm Jones Lang LaSalle, said bankers' clamp down on lending won't last indefinitely.

"When real estate has these down cycles, and nothing happens, the tendency is for everyone to assume those conditions will continue. But you come out of it and you have pent up demand and acceleration of development," Sanders said.

Stratford bought the property in 2007 from Hatsy Heep Shaffer, the blustering heiress whose portion of the property includes the old homestead.

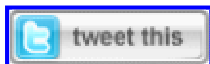
Her half-sisters, Kathleen Adkins and Betsy Urban, have development plans of their own. Urban has floated plans in recent years for a high-end retail development called The Bend at Onion Creek on 73 acres fronting Main Street in Buda. Inspired by a farmer's market, the development would include an outdoor amphitheatre with a floating stage on a manmade lake, niche-market retail including art galleries, restaurants, bars and hotels.

Like many other large scale developments, Urban's plans have been frustrated by cautious creditors and by the explosion of retail development at Endeavor Real Estate Group's Southpark Meadows in south Austin and around the Seton Hospital where SCC Development is building a millions square feet of retail space.

The size and success of those projects went a long way toward sapping development momentum in Buda. The city saw a boomlet of development in the last half-decade spurred by the 2005 opening of the Cabela's outdoors superstore but has seen limited retail growth since.

If the Stratford Co. realizes its plans for Estancia Hill Country, the project would represent a lost opportunity for Buda and Hays County, said Warren Ketteman, Buda Economic Development Corp. executive director.

"There's competition between every city up and down the corridor," Ketteman said. "Each one of us only has so much interstate frontage and when you have these large developments that locate just outside your jurisdiction, people are very mobile as I think we've seen with Southpark Meadows."



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