

REAL-ESTATE

3,500 homes, golf, retail planned for resort-style project in Spicewood area

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A master-planned resort community in western Travis County is moving forward with a new vision under a different developer. The new plan calls for several thousand homes, a golf course, a grocery store and other development on the 2,200-acre Thomas Ranch property in Spicewood, west of Austin.

Thomas Ranch is off Texas 71, adjacent to Lake Travis. The property stretches from Texas 71 to the Pedernales River and straddles parts of western Travis and eastern Burnet counties.

The development would join numerous master-planned communities in western Travis County, and is one of the larger such developments proposed for a growing part of the region.

The new Thomas Ranch landowner and developer is Areté Collective. Areté is based in Salt Lake City, with a local management team for Thomas Ranch in Austin. Areté Collective has developments in the works in Hawaii, the Bahamas, Baja California, Idaho and Costa Rica.

A previous plan for the Thomas Ranch site was announced in 2017. That proposed project, estimated at \$150 million and led by Illinois-based Blakefield LLC, was expected to bring thousands of new rooftops and other development over 15 to 20 years, but never materialized.

For the new project, Areté Collective's goal is to build out the development in phases over the next decade.

If the vision unfolds according to plan, the project "will generate multi-billions of dollars in real estate transactions within Burnet and Travis counties and create thousands of temporary (engineering and construction) jobs along with thousands of permanent jobs (golf course,

club, resort, office, retail and hospitality) in the future," Rebecca Buchan, chief executive officer and co-founder of Areté Collective, wrote in an email.

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Areté's plans for Thomas Ranch include:

An estimated 3,500 to 4,000 new residences, spread among a mix of single-family homes (both for sale and for rent), townhomes, apartments and senior living units. The developer said there will be some housing units at below-market prices.

A "downtown district" with 250,000 square feet of retail, restaurant, office and civic spaces

A grocery store

A private 18-hole golf course designed by renowned golf course architect David McLay Kidd

School and health care offerings

A boutique resort hotel;

A private residential community with more than 400 homes, which are included in the 3,500 to 4,000 total planned). Lot sales in the private section are expected to begin in the fourth quarter of 2023.

More than 1,200 acres of open space (including the golf course), or about 55% of the total acreage.

More than 40 miles of hike and bike trails throughout the project.

The Thomas Ranch project is in the early stages of development. Areté executives say they will submit preliminary plans to Burnet County this week, along with grading plans for the golf course, which Areté said it intends to break ground on in the second quarter of next year.

Areté plans to start work on infrastructure in the second half of 2023, "including our primary access road, water treatment plant, wastewater treatment plant" and associated utilities network.

Areté said it plans to build a variety of housing types for a range of budgets. The first homes could be ready for residents by late 2024 or early 2025, the company said.

Areté executive said it is too soon to discuss prices for the housing, including for the more moderately priced units planned for the project.

The first home sales could begin in late 2023, with a full sales rollout in 2024, Tom Hogan, Areté Collective co-founder, said in a news release.

Along with retail and restaurants, Areté executives said they are working to find a grocery store chain to be part of the project.

"While it is still early in the process, we would love to attract the likes of H-E-B or Whole Foods," said Joe Rentfro, Areté's managing director for Thomas Ranch. "This would be a gamechanger not just for the residents of Thomas Ranch, but for the entire surrounding community and dramatically decrease drive times to a grocery store for those that live in the area."

Areté executives also are seeking a hotel developer, Buchan said.

"Stay tuned for that announcement in 2023," Buchan said. "We are in active discussions with various hotel brands/operators, and a couple of prospective resort development partners."

Areté said sustainability will be a cornerstone of the development. The project will aim to encourage transportation other than cars, company executives said. That will include a "walkable downtown village," and a focus on preserving water quality, including a golf course that uses water-conservation measures.

Buchan said Areté's goal is to develop Thomas Ranch in such a way "that it will pave the way for more integrated planning to better support the inevitable growth of Austin.

"While the last generation was about what you build, this generation is focused on what you preserve," Buchan said. "We hope to inspire our entire region to remain attentive to the needs of our unique community and landscape, developing in a way that honors both the land and the people who call it home."

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Water usage an issue for area

The size of the development has raised some questions about water usage for the project.

Areté officials said they have been talking to community members, neighbors and local conservation groups and meeting with elected officials in Burnet County and Travis County. The company said its next community outreach event is set for this coming spring.

For the project's water use, Hogan said Areté has a contract to obtain water from Lake Travis, which is among the chain of six Highland Lakes.

Water quality and quantity are major concerns in the area, and across the Central Texas region as a whole.

“Even as we add residents at a rapid pace, inflows into the Highland Lakes, which is our region’s primary source of water, have declined to a fraction of what they once were,” Jo Karr Tedder, president of the Central Texas Water Coalition, said in an email. “In fact, in August, the lakes saw their longest-ever streak of zero-inflow days. The old ‘don’t worry, it’ll rain’ philosophy of water management just isn’t sufficient in today’s world of mega-factories and mega-developments. We are transitioning to a time where mega-droughts may be our new normal.”

Without action from legislative and other leaders to protect the region's water supply by ensuring that new developments have enough water for their proposed projects, "Central Texas could end up facing serious water shortages such as we’re seeing in California and other western states," Tedder said.

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Demand is there for project, market expert says

Even as growth continues its push into western Travis County, the latest numbers show that housing activity "is actually down in the Lake Travis area," said Bryan Glasshagel, a senior vice president with Zonda, which tracks the housing market.

On an annual basis, new home starts in the area declined to 497 starts in the 12 months ending in September 2022 from a peak of 974 starts in the 12 months ending in September 2021, according to Zonda.

"It is not due to a lack of demand, but rather a lack of supply," Glasshagel said. "Less than 300 lots were delivered in this location over the past four quarters."

Though slightly further out than some other residential communities along the Texas 71 corridor, "Thomas Ranch should do exceptionally well" due to its location, planned amenities and lakeside setting, Glasshagel said.

"With other large-scale lake-oriented communities such as Rough Hollow (a luxury resort community in Lakeway) nearing build-out, direct competition for Thomas Ranch should be

limited," Glasshagel said. "Primary and secondary homebuyers will love this location."