

## Poor economy putting Lakeside hotel project on hold

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Residents on the south part of Flower Mound may have been expecting to see the town's first sky scraper by now.

But because of a troubled economy, that hasn't happened yet.

The Lakeside Resort and Residences, a \$51 million project that will be in the Lakeside Business District, has been put on hold. When Flower Mound's Town Council gave the final approval for the project in the summer of 2008, it was expected that construction would have begun by now.

In an e-mail sent to the Leader, Travis Overall, vice president of Hines, which owns the 9-acre property, said the delay is related to the economy.

"The project was delayed because the U.S. economy went into a recession causing the demand for conference center hotels to soften," Overall said. "Additionally, the debt financing necessary for construction became unavailable."

Overall added that there is not a definitive timeline to commence construction.

The plan for the project features an 18-story luxury condominium with up to 65 for-sale units. It also includes a seven- and nine-story stair stepping hotel with a two-story conference building. The hotel is expected to have 280 rooms and will include a spa and fitness center. There will also be a pool between the hotel and condominium.

Overall said that the plan has not changed.

However, project officials may have to re-visit the town council before plans resume. Before the site plan was approved, the 2005 town council approved an incentive agreement that included Hines paying back any incentives paid to them if they have not generated a minimum of \$45 million in new taxable value by May of 2010.

"Hines plans to proceed with the development of Lakeside when the economy and capital markets improve," Overall said. "We are hopeful that Flower Mound's town council will extend the incentives previously granted to us when the project becomes economically feasible."

Town officials are eager for the project to get underway because of what it can provide for the town.

"We are pleased to hear that Hines is still interested in developing the project when the economy improves," said Melissa Glasgow, the town's director of economic development. "And we will work with them as appropriate to help ensure the project is built."

The project has been years in the making. Town officials have long had discussions about bringing a hotel conference center to Flower Mound. In 2005, the town first approved incentives for the project, which at the time had an estimated value of \$51 million. In February of 2007, ground was broken for the project, but plans were halted for a re-design. The original plan called for one structure to include the condominium and hotel.

Then in the summer of 2008, the town council made a move to help bring the project closer to fruition. It approved a plan that featured separate structures for the condominium and hotel. Later that summer, the council approved an amendment request to allow residential use within a hotel development or mixed use development since, at the time, a mixed use ordinance didn't exist in town. The council also voted to allow multi-family in a planned development district.

At the time of the vote, some council members expressed concern over the height of the 18-story condominium. But Overall said that the tower will be within the proper scale of the area and won't look out of place.