

Construction starts on Flower Mound building

Project will be third industrial building of five for Hillwood

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by [Holli L. Estridge](#)

Staff Writer

Fort Worth-based **Hillwood** has started construction on a 379,700-square-foot speculative building in its Lakeside Trade Center development in Flower Mound.

The new Lakeside Trade Center 2 building, to be completed in October, will be located on the northeast corner of F.M. 2499 and Enterprise Drive.

The project will be the third industrial building Hillwood has built in the 137-acre Lakeside Trade Center development, which will eventually house a total of five buildings.

The 600,200-square-foot Lakeside Trade Center 3 building, completed in 2002, is occupied by Best Buy and Maytag. Building 1, completed in early 2005, houses Sabry Lee, Exel, Sullivans, D&K Healthcare and Universal Display & Fixtures within its 426,200-square-foot footprint.

Future plans include buildings 4 (334,900 square feet) and 5 (456,950 square feet).

Mark Miller and Adam Curran of Robert Lynn Co. will market the new building for Hillwood.

Dan Tatsch, senior vice president of Hillwood Investment Properties, said Hillwood purchased the steel for Lakeside Trade Center 2 in 2004, when the company expanded building 1 by 196,100 square feet.

"In 2004, we knew we'd be adding another building within two years," Tatsch said. "By combining the steel purchase for two buildings, we were able to realize significant savings."

Tenants in the new building will have access to town of Flower Mound incentives, a 70% real and personal property rebate. Phase two, buildings 4 and 5 have already garnered a 50% real and property tax abatement from the town of Flower Mound.

Hillwood spokesman David Pelletier said the developer is not sure when it will begin the second phase.

Hillwood has also received a real and personal property tax rebate from Tarrant County for the buildings, comparable to the 55% rebate the developer had originally negotiated with

Denton County. The buildings were within Denton County's jurisdiction, until Tarrant and Denton counties' boundaries recently changed following a lengthy legal dispute.

Melissa Glasgow, economic development director for the town of Flower Mound, said more than 800,000 square feet of industrial space is scheduled to come on line in the next 90 days. Within the first quarter of 2007, developers will add another 1.8 million square feet.

"This means we're finally able to increase substantially our commercial tax base and provide new opportunities for companies to move into Flower Mound," Glasgow said. "It also start putting Flower Mound on the map as an ideal location for new businesses."

Bill Guthrey, marketing manager for CentrePort, a Fort Worth office park located in the Dallas-Fort Worth International Airport submarket, said absorption rates will soon drive more speculative development.

"D/FW Airport is the biggest economic driver in North Texas," said Guthrey of Koll Development Co. "From CentrePort's perspective, a central location and access to labor is what it's all about."

hestridge@bizjournals.com / 817-693-0025