



January 31, 2008

## Hotel Developer Acquires Tract in MetCenter

By Amy Wolff Sorter

AUSTIN-A land deal involving 1.3 acres is paving the way for a new hotel in the 550-acre MetCenter. Pending approval from city entities, the new hotel could boast 70 rooms and go vertical at an all-in cost of \$5 million.

The hotel site, located near Ben White Boulevard and East Riverside Drive, is the first development for BDS Gatekeeper LLC, a local company. A source familiar with the deal says the developer is pursuing a Microtel Inns & Suites for the site.

"As of now, they're still working with the city to determine exactly how many rooms can go on that site," the source tells GlobeSt.com. "It'll likely be 10 months or so before this project breaks ground." Once ground has been broken, the source estimates an eight-month time frame for completion.

Gay Ruggiano, a broker with Kucera Cos. in Austin represented the buyer. Austin-based Zydeco Development, MetCenter's developer, used an in-house broker to negotiate the sale. David Sheldon, principal with Austin-based Zydeco Development, says that once the hotel is built, MetCenter will boast more than 700 rooms.

In the meantime, Zydeco has just completed infrastructure for MetCenter's 350-acre second phase. In addition, the developer is nearing completion of a 150,000-sf flex building.

Sheldon says that land sales, such as the one to BDS Gatekeeper and a 14-acre sale a year ago to a data company that will soon break ground on a building, are somewhat rare. Zydeco prefers to build its own product and typically leases the space. "If there's a corporate mandate or a company needs to own land to build on, we'll do it in certain circumstances," Sheldon explains. "We'll also do build-to-suits for people who want to purchase them, too."