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## Coventry developing new community near likely Exxon campus

Big village grows in old forest

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Coventry Development Corp. plans to create a master-planned community near acreage **Exxon Mobil Corp.** has acquired for a possible campus.

Springwoods Village is designed as a sustainable development in a forest-like setting on 1,800 acres south of The Woodlands, and the newcomer will rival its neighbor to the north with a similar mix of residential and commercial.

Plans for Springwoods Village include:

- 5,500 homes for sale or lease, including 2,000 to 2,500 single family homes
- 8.5 million square feet of office and medical space
- More than 1 million square feet of retail space
- 500 to 600 hotel rooms
- A 150-acre nature preserve.

Once the project is built out in 2025, more than 35,000 people are expected to



Keith Simon of Coventry Development: 'We've been waiting a long time.'

work within its boundaries and 12,000 to 15,000 people will make their homes there.

New York-based Coventry is developing the land for Springwoods Realty Corp., which has owned much of the property bounded by Spring Creek on the north, Interstate 45 on the east and Spring Stuebner Road on the south since the 1960s.

Keith Simon, Coventry's director of development in Denver, says after 48 years of managing the property as a forest, it's good to proceed with the project.

"We've been waiting a long time," says Simon.

### BEST KEPT SECRETS?

Simon notes that project planning on Springwoods Village started in mid-2008.

He also acknowledges that in late 2008, Springwoods Realty sold a little less than 400 acres adjacent to the project to an entity called Palmetto Trans Oceanic.

Exxon has made no secret of the fact that the Irving-based company is considering development of a corporate campus north of Houston, where some of the 15,000 employees working at more than two dozen Houston-area locations could be consolidated. A 400-acre complex containing several million square feet of office space is a possibility, say real estate sources.

Exxon is currently evaluating real estate options in a formal study scheduled for completion some time in 2011.

Alan Jeffers, an Exxon spokesman, says some basic site work is being done at the company-owned property near Interstate 45 and the Hardy Toll Road as part of the real estate study. He would not disclose any further details on the site.

Coventry also declines comment on Exxon's plans for the tract located north of Springwoods Village and south of Spring Creek.

Coventry's own corporate history is something of a mystery in regard to the company's relationship with property owner Springwoods Realty.

Simon says while both entities have some of the same officers, including Simon, the two are not affiliated.

Coventry handles all of the real estate holdings for a privately held umbrella organization that Simon would not name. Springwoods Realty is under that umbrella.

Other entities under the umbrella own approximately 1,000 acres of undeveloped land by Baybrook Mall. Coventry has developed approximately 1 million square feet of retail property around the mall over the past 25 years.

"It's really a confusing puzzle," Simon admits.

## **GREEN STRINGS ATTACHED**

Coventry expects to begin infrastructure work on Springwoods Village in the second quarter of 2011. The road, utility and site work will take two years to complete and cost approximately \$100 million. Financing is in place for the project, says Simon.

In conjunction with the improvement work, Coventry will sell land tracts to outside developers for construction of office buildings, hotels, retail centers and residences. Each parcel will come with green strings attached, as developers will be required to build structures that are more sustainable and environmentally friendly than most.

Roughly 90 percent of the improvements in Springwoods Village are expected to be built by outside companies.

Coventry may elect to develop the town center, which could include two hotels and 500,000 square feet of retail topped by office and retail space.

According to Coventry, the acreage is ripe for development after being held as an investment for nearly 50 years because the property has become an in-fill site surrounded by other developments.

Future transportation is also a factor. Construction of the Grand Parkway scheduled in the next few years will benefit Springwoods Village with much more mobility.

#### **A communal contender for The Woodlands crown**

Springwoods Village will directly compete with The Woodlands in the residential and commercial realms.

The new community in Houston's extraterritorial jurisdiction plans a residential mix of single family homes, townhomes and apartments from the onset.

The properties will go up against those in The Woodlands, one of the fastest-selling master-planned communities in the country.

Charlie Savino, executive vice president with CDS Market Research, says The Woodlands sold 635 homes during the first six months of this year, and closed a total of 1,260 homes in 2009.

Savino, who was hired by Coventry to do a residential market analysis for Springwoods Village, says The Woodlands is selling homes at a rate that will build-out the community within seven years if no more land is acquired.

That bodes well for Springwoods Village, which Savino says could fill 5,000 residences by 2025.

"Our forecasts are not outrageous," Savino says. "We're confident that the project will be successful."

Coventry is planning 8.5 million square feet of offices and medical space for development at the same time the residential properties are being built.

The Woodlands is far from build-out on the commercial front.

Dennis Conine of Conine & Associates Inc., who markets office space for The Woodlands Development Co., says 3.2 million square feet of office space has been built so far in the Woodlands Town Center. And the plan is to double that amount as demand warrants.

The newest building in The Woodlands is 4 Waterway Square, which opened in March. The 218,000-square-foot office building is 45 percent leased. Conine says the rental rate of \$25 per square foot is the second-highest in the area behind downtown Houston.

He says Coventry may find it challenging to sell land in Springwoods Village to developers of office properties in today's market.

"There aren't many people doing speculative development right now," he says.

“I would be surprised to see anybody doing that in the near future.”

Conine questions the timing of Coventry’s community, and alludes to speculation that Exxon Mobil Corp. is planning a corporate campus near Springwoods Village.

Says Conine: “It’s certainly not a very good market to open a new multi-use development like that unless you have something to trigger it. And perhaps millions of square feet for a well-known oil company would do that.”

### **Springwoods Village Project Team**

Walter P Moore — Engineer for roads, storm water systems and traffic

Berg-Oliver Associates Inc. — Environmental consultant

Costello Engineering Inc. —◆ Designer of water and waste systems

Gensler —◆ Creator of sustainability program

### **Jennifer Dawson**

Reporter

