

*From Dallas Business Journal*

## Craig Ranch TND Adding Business District

by Bill Hethcock | May 30, 2010

Craig Ranch has joined with real estate development firm KDC to build and market a \$400 million, 160-acre business district in the masterplanned community in McKinney.

Called the Corporate Employment District, the area will be north of the Sam Rayburn Tollway, between Craig Ranch Parkway and Alma Road. It will lie across Van Tuij Parkway from Craig Ranch's 90-acre Medical District, which already includes the Hospital at Craig Ranch and the Cooper Fitness Center.

David Craig, master developer of the 2,200-acre Craig Ranch, said he and KDC are positioning for an economic recovery and what he expects to be "phenomenal growth" in North Texas over the next 10 years.

The goal is to compete with corporate settings such as Legacy Business Park in Plano and Hall Office Park in Frisco, Craig said.

The recent extension of the 12-lane Sam Rayburn Tollway puts Craig Ranch within a 30-minute drive of Dallas/Fort Worth International Airport, which is a requirement of almost all major corporations that consider moving their headquarters to the area, Craig said. That straight shot to the airport, combined with the amenities such as the Cooper center and the TPC Craig Ranch golf course, will make the area attractive to corporations that want to offer employees a comfortable setting for their work and off-duty hours, he said.

"The reason the time is right now is because of the addition of the Sam Rayburn Tollway," Craig said.

About 3 million square feet of office space is planned in the corporate district in the next 10 years, said Bill Guthrey, senior vice president and partner at Dallas-based KDC. Guthrey said the construction will range from two-story office buildings to high-rises and secluded corporate campuses, depending on corporate demand.

KDC will build for companies that want to lease or own their buildings, Guthrey said. Lease space will run from about \$15 to \$29 per square foot annually.

KDC can have a new office building ready for occupancy in nine months to a year at Craig Ranch because roads, water and sewer lines and other infrastructure have already been extended, Guthrey said.

"The speed to market from a developed site like this is key to us, and one of the big reasons we are here," he said.

KDC, which specializes in corporate build-to-suits, has developed numerous high-profile projects in North Texas, including the recent 1 million-square-foot headquarters complex for Blue Cross and Blue Shield of Texas in Richardson. In the past five years, KDC has completed \$1.5 billion in projects, including 70 office and industrial buildings nationwide. Relocation action



*OFF THE RANCH: Bill Guthrey, senior vice president and partner at KDC, left, and David Craig, master developer of the 2,200-acre Craig Ranch, are ready to compete for corporate tenants.*

Craig said he's working with three strong prospects for corporate headquarters or regional headquarters interested in going into the district. He declined to release the names of the companies, but said each would employ more than 100 people. One would involve a relocation within North Texas and the other two would be moves from out of state. Craig said he hopes to announce the identity of at least one of the companies within the next month.

Craig said he plans to have at least one deal signed and construction starting on a building by the end of the year.

As the economy recovers, KDC may build speculative office space at Craig Ranch, but spec space is not part of the initial plans. Large parcels of land in the corporate district will allow companies to have flexibility on where they want to build, said Miles Prestemon, chief operating officer of Craig Ranch.

"Whether they want a campus setting, a new-urban feel, a building along the tollway or a building overlooking the golf course, we can accommodate all of those options," he said.

Craig Ranch has the location and high-end amenities to compete for corporate tenants, but will need strong support from the McKinney Economic Development Corp. to be able to do so effectively, said Linda Burns, an economic development professional with Burns Development Group. Nearby Allen and Frisco are aggressive, quality competitors, said Burns, who served as a consultant for Craig Ranch in evaluating the potential to attract corporations.

"There needs to be good connectivity between the McKinney EDC and Craig Ranch on collective marketing, educating brokers (about the corporate district) and incentives," Burns said.

Jim Young, director of development for the McKinney EDC, said the organization and the city have supported Craig Ranch in the past on projects including the Cooper center, and will continue to do so.

"There's quite a bit of cooperation in that regard," he said.