



A&M pick goes beyond a location

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The investors certainly knew how to make a Las Vegas entrance.

Triple L Management — which includes several casino owners and executives — rolled into San Antonio and spent \$20million in cash within the past six months for 1,700 acres north of the Toyota truck plant.

They've got another 800 acres under contract.

Their aim is to donate 400 acres to the Texas A&M University System for a South Side campus and 150 acres for an irrigation technology center, then build and profit from housing, entertainment and retail developments next door. The planned community would be called Verano at City South.

The essence of their pitch is that everybody — the city, the university, and Triple L management — comes out ahead.

Among Triple L's bankrollers are William McBeath, president and chief operating officer of the Bellagio Hotel and Casino on the Las Vegas strip, and William Paulos and William Wortman, co-owners of Millennium Management Group. Their company runs the Rampart Casino and owns and operates Cannery Casino and Hotel, both off Las Vegas' main drag.

The group's proposal is competing with three others for the A&M regents' approval. The officials are expected to choose a site for a long-planned four-year campus early next month.

Their decision will have big ramifications for the city, whichever site they select.

If the regents choose either of two sites near the intersection of Loop 410 and U.S. 281, the city would have to pay millions to acquire land to donate to A&M and clear it for the campus. But those sites would give A&M greater visibility from the highway, something it has said it wants. And moving there could recast a rundown area that the city has largely ignored.

Terramark Communities, a Sugar Land-based development firm, is tied to both of those proposals. It has acquired 1,200 acres in the area and plans to close this week on 672 more. Since 2004, the company has cultivated plans to build a planned community — to be called Espada — on the edge of an A&M campus on the South Side.

Possible sites

Triple L site (Verano)

- Developer would donate 550 acres
- No eminent domain issues
- Campus would be located a half-mile off Loop 410
- Master-planned community and light-industrial developments

Terramark site near San Antonio River

- Developer would donate 400 acres, city would buy and donate another 400
- High visibility from Loop 410

On the other hand, if regents select the Triple L site, the city avoids paying millions for land to donate to A&M. City officials would eventually have to spend money to build infrastructure — as they would for any of the locations.

A fourth proposed site, south of the Toyota plant and off Loop 1604, is widely considered too far out of the way. City staff offered it as another alternative.

Land at no cost

The Triple L group's proposal certainly has captured the attention of city and county officials.

"If I were the mayor, I know what my favorite would be — the one where the city wouldn't have to pay any money!" County Judge Nelson Wolff said with a laugh.

For his part, Mayor Phil Hardberger said the decision is strictly A&M's and that he isn't favoring one site over another. And yet ...

"When it's between someone donating the land and the city buying the land," Hardberger said, "I think most of us would reach the conclusion that we like the site where we don't have to spend any money to acquire it."

After a closed-door briefing on the four sites Nov. 30, the regents put off a decision until the board's Feb. 1-2 session. They also hired an independent consultant to size up the properties.

Hardberger said that before the executive session San Antonio billionaire and A&M Regent Lowry Mays called to determine whether he favored a particular site. The mayor said he urged the regents to pick the site they considered the most appropriate for a campus. But he had a caveat: "I said cost obviously is a consideration for anybody."

Mays declined to comment for this story.

Like Hardberger, City Councilman Roland Gutierrez said the choice is strictly A&M's. But he has his own preference, and it isn't the Triple L site.

"The site north of Toyota is viable," said Gutierrez, whose district takes in all four sites. "But it's so far removed from other intrinsic benefits, such as cleaning up communities."

He said building at either of the two Terramark sites could lead developers to buy out a handful of nearby salvage yards, for example.

However, the site at the intersection of Loop 410 and U.S. 281 comes with about 100 property owners, including more than 30 homeowners, whom the city would have to buy out. In some cases, the city likely would have to resort to condemning properties.

The City Council set aside \$15million two years ago to buy the properties, clear the land and clean up any environmental contamination. Hardberger worries that the amount won't cover all of the expenses.

"Condemnation is the most expensive way to acquire property," he said.

- Master-planned community
- Campus would include Cassin Lake and parkland

City's original site

- City would buy and donate 400 acres, Terramark would donate 200 more
- High visibility from Loop 410
- However, city would have to buy out about 100 property owners and potentially contend with environmental cleanups

City's second site

- Roughly 1,000 acres
- City would have to buy land

As part of that proposal, Terramark would donate 200 acres nearby for an irrigation technology center. But Terramark CEO Charlie Turner downplays the option, which had been designated the city's preferred site.

"What we've heard from the city is that that's a very problematic site," Turner said. "I think it's one of those sites where everyone involved is hoping — with crossed fingers — that A&M doesn't want to pursue it."

Turner said a far better choice for the university — he contends the best of the four options — would be Terramark's offer of 400 acres between U.S. 281 and the San Antonio River. Under that plan, the city would purchase and donate an adjacent 400 acres, including 265 acres that it would buy at cost from Terramark.

The city would have to acquire the remaining 135 acres from about 25 owners. According to Turner, about 10 homes — mostly rental units — sit on the land.

The proposal would place the campus' northern edge close to Loop 410 and give it 1.6 miles of frontage along the San Antonio River, neighboring Mission Espada and the Mission Trail.

"Together, we'd be donating 800 acres. This is what the (A&M) system wants," Turner said. "They want to develop this campus over 25 years, and you can't do that with 400 acres."

Indeed, Lionel Sosa, a former A&M regent from San Antonio, said the eventual site should have between 700 and 900 acres. "That is ideal for a 25-year growth plan," he said.

A&M officials expect the institution to serve as many as 25,000 students within 25 years.

The Triple L plan includes only 550 acres for a campus and an irrigation center, though the project's planner, Scott Polikov, said that's more than enough room for an urban campus that attracts that many students.

Although it's smaller, Sosa said he prefers the Triple L site because it would be convenient for students from all over the South Side. And, he said, the donation wouldn't be bogged down in legal proceedings.

S.A. on radar screen

Representatives of Triple L have played up their ownership of the property for that very reason. And because they paid cash for the land, they contend they can better plan for the long haul because they don't have lenders pressing for quick profits.

"We just don't believe in leverage," said Ralph Lampman, a principal of Triple L. "We're long-term investors."

Lampman said Triple L began studying the South Side several years ago, after Toyota announced plans to build a pickup manufacturing plant here and as the city crafted what became the sweeping City South development plan. At the time, an A&M campus didn't play into the investors' budding designs.

"We were marching forward with a master-planned community before A&M," Lampman said. San Antonio "popped up on my radar in 2003. We were snooping around when this (A&M) opportunity came up. It looked like a no-brainer."

A big chunk of the Triple L property falls within the three-mile buffer that surrounds the Toyota plant and restricts land uses within its boundaries to developments compatible with a hulking manufacturing plant. But Toyota officials have said a public university would be an acceptable use under the company's pact with the city.

Triple L, in turn, agreed to confine housing and commercial developments to the northern reaches of its 2,500

acres, most of which is now pastureland.

That means the campus would be about half a mile south of Loop 410.

A sewage treatment plant and water recycling facility operated by the San Antonio Water System borders the property to the south. But Lampman contends odor wouldn't impinge on the campus or neighboring developments, saying: "This is a state-of-the-art facility."

As word of Triple L's proposal spreads, investors' ties to the gambling industry have raised eyebrows. Casino gambling remains illegal in Texas, but proposals to usher it in routinely come up in the state Legislature. Indeed, a bill introduced this session would allow casinos in six cities, including San Antonio.

But Tom Lozzi, another Triple L principal, shrugs off speculation about the firm's motivation for acquiring the South Side property, saying eventually building a casino wasn't part of its plan.

"None whatsoever," Lozzi said. "Half of our investors have never even been to Texas."

And if the state legalized casino gambling and Triple L investors chose to pursue a gaming project, he added, "I think we'd look at Padre Island."

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