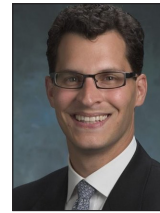


Eyes to the north



Shannon League
Director of Marketing
for Grand Central
Park



Shawn Gross
Gross Investments



Meredeth Cullen
Cullen Realty
Group



Jay Shaw
Cullen Realty
Group

The development boom in Houston's I-45 corridor

BY BRANDI SMITH

Grand Central Park is a master-planned community by Johnson Development Corp., one of the nation's most respected residential real estate developers in the nation.

The sky is blue, save for a few puffy cumulus clouds that dot the horizon. Ahead lay miles of walking trails under a forested canopy, offering a chance for you to connect with nature. The experience is one you could find at any number of Texas state parks, but it's also an opportunity available for residents of Grand Central Park, a 2,046-acre master-planned community in the Houston suburb of Conroe.

"The development team went to great lengths to preserve the natural beauty of the property," notes Shannon League, director of marketing for Grand Central Park. "When you look at its open spaces, nature preserves and six natural lakes including the 80-acre Grand Lake, there's really nothing like it."

Grand Central Park is a master-planned community by Johnson Development Corp., one of the nation's most respected residential real estate developers in the nation. The Houston-based company, which is behind lauded projects including Sienna Plantation and Cross Creek Ranch, purchased the property from the Sam Houston Area Council of the Boy Scouts of America.

"For more than six decades, thousands of campers flocked to the property to enjoy the camaraderie of scouting," League adds. "However, as the area became increasingly urbanized, the Boy Scouts determined a better camping experience could be achieved at a more rural location."

The Boy Scouts wanted property farther from the nation's fourth-largest city (its new 500-acre Camp Strake, near Evergreen, is set to open in late 2019), so it put its giant parcel, nestled right along the I-45 corridor, on the market. In July 2013, the organization selected Johnson Development to purchase the site.

"At the time, it was one of the largest available land parcels within the greater Houston area, obviously a very prized property," League says.

When you think of the fastest growing cities in Texas, Conroe might not be at the top. However, in 2016, the U.S. Census Bureau says its population saw a 7.8 percent increase, a growth rate more than 11 times greater than the rest of the country. Combined with The Woodlands and Spring, the city has helped turn what used to be simply the most direct route between Houston and Dallas into a booming development corridor.

"For years, The Woodlands served as a bedroom community for Houston. People lived in The Woodlands



because they wanted a better quality of life than they felt they could get in the city, but they drove to Houston to work," says Shawn Gross of Houston-based Gross Investments. "What happened over the past few years is that The Woodlands developed a strong economic core of its own. It's now its own center of gravity."

He points out that people started driving to jobs from south of The Woodlands, then west and east. Now, Gross says, they're starting to settle up north.

Howard Hughes Corporation clearly saw that pattern, as well as the area's potential, breaking ground on its 2,000-acre, 4,500-residential development, The Woodland Hills, last fall. The project spans from Conroe into Willis, less than 15 miles from The Woodlands. Likewise, Signorelli Co., the developer of Valley Ranch, has plans to build Granger Pines in Conroe, a 450-acre subdivision with more than 1,300 single-family homes.

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"We've been interested and have worked in The Woodlands now for off and on for quite a while and had looked at developments in the late '90s and early 2000s. But I think the latest round of interest came with Exxon," Gross says, referencing ExxonMobil's decision to put its 10,000-employee, 385-acre, 20-building corporate campus in The Woodlands.

Roughly two and a half years ago, Gross bought 37.50 acres at the intersection of I-45 and River Plantation Drive in Conroe. The property is a developer's dream with more than 1,500 feet of freeway frontage and multiple access points, opening it up to the potential of residential, commercial and retail use.

"With the strength of the area, we just wanted to grab the parcel so that we could determine how best it might be used," says Gross. "My particular interest in the parcel is centered around its flexibility."

His eye for detail is heralded by Meredith Cullen and Jay Shaw of Cullen Realty Group, which is co-brokering the River Plantation lot for Gross and has worked with him on several other properties.

"With most buyers, we can establish their model for what they want in one conversation in an hour or less.

With Shawn, there's no 'model.' It took a few meetings for us to wrap our head around that. It's not just that he's intellectual about it," explains Shaw. "His research level reminds me of Warren Buffett. Buffett is known to not just be lucky in stocks; he studies, reads and gets deep into the weeds. Shawn is the same way with property. That's how he can differentiate from one tract to another, seeing things even people in the business may not notice."

Cullen echoes that, adding, "Shawn digs into it. For this parcel, he studied the path of growth, looking at how much was developed to the north and south of the tract in the past three to five years."

As an example, Cullen offers up the River Plantation property. He says he showed Gross a number of other pieces, but this lot was the one that caught his eye.

"He told me, 'Just because an area is hot, it's not all equal.' He just knows what to look for," says Cullen. "If I find a piece of property he likes, it's a huge victory for me. It's not easy; you have to have vision."

Gross, for his part, says there's really no particular secret to his success. He says most developers can recognize when an area is gaining strength. He says there are a few obvious hot spots right now: the urban core, West Houston and the I-45 corridor.

"Over time the area will continue to grow. One of the great things about the model and success of The Woodlands is that it's influenced the quality of developments that have gone on after," Gross says. "You're getting multiple developments now that are all heavy on trees and pathways, jogging paths and water elements. There's an increased interest in trying to work with nature and create friendly, livable landscapes in that area outside of The Woodlands. But it's really based on the model and the template that was created by The Woodlands. When you mix that with the increasingly broad base of economic strength, I think it's a particularly interesting corridor over the long term."

Working with Gross has been eye-opening for Cullen, who bought and sold properties with his father, Roy Henry Cullen, for many years.

"I thought we were somewhat sophisticated. We'd look at a hot market and place a bet on a property," he says. "But Shawn is looking at it from the microscopic view, as well as from a distance. Unless it's perfect, he does not close on it."

Perfect is how you might describe the River Plantation lot. In addition to having a dedicated freeway off ramp, Gross's property is surrounded by developments to the north and south, including neighbor Grand Central Park.

"Larry Johnson has a strong reputation of putting in good developments and we certainly felt that having him as northern neighbor would be an asset," says Gross.

Grand Central Park broke ground in 2016 and families are now moving in to new homes in the development's West Village. When complete, Grand Central Park's West Village will include about 500 single-family homes.

Also up and running is 336 Marketplace, a regional shopping and dining attraction in Grand Central Park. Retailers including Kroger, HomeGoods, Michaels, Ross and Marshalls have already opened, with a number of other retail and restaurant conveniences coming soon.

Other areas of Grand Central Park are currently marked as "mixed-use," but a final decision on their use hasn't been decided yet. While all that might take up the bulk of a smaller development, it barely chips into Grand Central Park's acreage.

"From the beginning, we pledged to preserve the natural beauty of the land as a key community selling point," explains League.

It's a rare expanse of forest and nature in what is undoubtedly one of the hottest development markets in Houston, as well as all of Texas. Sitting next door, Gross's acreage is shovel-ready for the buyer who sees the potential in it that he does. ■

