

BUSINESS

Mega industrial park large enough to house 434 football fields is underway in San Marcos

Industrial space continues to be one of the strongest commercial property types in the nation and across Central Texas, Austin-area industrial brokers say.

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Amid booming demand for industrial space, a massive project is launching in Central Texas.

Axis Logistics Park in San Marcos will be one of the largest master-planned industrial parks in the country, according to its developers Scarborough Lane Development and Partners Real Estate.

At 2,000 acres, the industrial park will be more than twice the size of Central Park in New York City. And with about 25 million square feet of industrial space at full build out, there will be enough room to house 434 football fields.

About 735 acres of the park are currently zoned for industrial use. Industrial zoning for the additional acreage is currently under request. Construction of the first phase of the park could begin by the end of the year, a spokesperson said.

Clayton Kendall, executive vice president of Scarborough Lane Development, said Partners Real Estate is marketing the project, which is targeting national and international tenants.

"Axis Logistics Park will serve as a regional distribution hub for retailers, suppliers and manufacturers," he said.

Kendall said Axis is "strategically situated" in the heart of the Texas Triangle – the urban mega-region consisting of Austin, San Antonio and Houston.

More: Texas economy was a mixed bag in March. Austin could be an exception to the slowdown.

The location offers direct access to Loop 110 as well as proximity to Interstate 35, Interstate 10 and Texas State Highway 130. Union Pacific Railway, the BNSF Railway, and the San Marcos Regional Airport are also adjacent to the property and are expected to provide rail and shipping services to the park.

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Central Texas is experiencing a manufacturing boom, led by automaker Tesla, which has made Austin its headquarters. The company operates a \$1.1 billion manufacturing facility in southeastern Travis County, where it produces its Model Y electric SUVs.

In addition, tech giant Samsung is building a \$17 billion semiconductor manufacturing facility in Taylor.

Why is industrial development in the Texas Triangle in massive expansion mode?

According to the U.S. Census Bureau and forecasts by the Texas Demographic Center, the population within the Texas triangle is projected to grow by 3.5 million people by 2030.

The entire area is predicted to become one giant metropolis, with a 19% growth in residents — from 18.1 million in 2015 to 21.7 million in 2030, demographers say.

Fifty Fortune 500 companies are headquartered in Texas. The SH-130 Corridor has become the major industrial thoroughfare for greater Austin, with the likes of Tesla, Samsung, Caterpillar, Applied Materials, GAF Energy and CelLink Technology all located along the route.

What other regional industrial projects are in the works?

In February, Jackson-Shaw, a real estate development firm based in North Texas, announced plans to develop 67 acres at Texas 130 and Elroy Road.

The new business park, called ATX 130, will have 602,400 square feet of office, warehouse and distribution space.

More: New industrial park planned not far from Austin airport, Tesla facility

“This is a prime location on Highway 130, minutes from the Austin-Bergstrom International Airport, Tesla and core Austin,” said Miles Terry, vice president of development for Jackson-Shaw.

The project is scheduled to break ground in March with building sizes of 120,440 square feet, 80,365 square feet, 207,180 square feet and 194,385 square feet.

Late last year, Chicago-based Molto Properties announced plans for Blue Springs Business Park, which will bring buildings with more than 600,000 square feet of space to Georgetown, north of Austin.

Across the Austin region, commercial real estate firm Transwestern is tracking more than 13.8 million square feet of industrial space that is under construction, a 445% increase over pre-pandemic construction levels, said Karen Judson, Transwestern's senior vice president of marketing and research in Austin.

"The big manufacturing and chip companies are adding to this industrial growth since suppliers and ancillary companies want to locate near the big Samsung and Tesla sites, causing developers to snatch up land around these campuses," Judson said. "Even with Amazon pulling back on their warehouse footprint nationally, industrial demand in the Central Texas market will remain strong for the foreseeable future."

More: Austin's job market is confusing. Here's what to know.

In addition, more than 24 million square feet of proposed industrial projects are in the pipeline and ready to start, most of which are along the Texas 130 corridor between Georgetown and San Marcos, Transwestern said.

