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VIA EMAIL

December 8, 2014

Mayor Caroline L. Murphy
City Manager Travis D. Askey
Councilman Bill E. Goodwin
Councilwoman Marie Lowman
Councilwoman Michelle L. Bliss
Councilwoman Kara King
Councilman Tom Matzen

City of Bee Cave City Hall
4000 Galleria Parkway
Bee Cave, Texas 78738

Re: Proposed Bee Cave Parkway Office Development

Dear Mayor Murphy, Manager Askey, and Members of the City Council:

My company, Invesco Realty Advisors, recently acquired the office and retail complex in Bee Cave known collectively as "Hill Country Galleria" ("Galleria"). As a pension fund advisor, we acquired the property on behalf of one of our clients with the goal of making significant physical and leasing improvements in order to increase the property's use and benefit to the residents of Bee Cave as well as those in surrounding areas.

It has recently come to my attention that the city is considering two rezoning requests for new development within the city. Since only one of the proposed developments, the Terraces Office Project on Bee Cave Parkway (the "Terraces") is adjacent to the Galleria, my comments are directed to that property. Neither our firm or our client has any issues or concerns with the Back Yard Project.

Based on the information I have received, I would respectfully request that you give careful consideration to the following as you consider the rezoning request for The Terraces:

- **Development Density:** One of the factors that, in my opinion, makes Bee Cave such a desirable location in which to live, shop, and work, is the beautiful scenery, open spaces and outstanding quality of life. Our goal in acquiring the Galleria is to make improvements within the existing property design that accentuate these qualities. One of the challenges we face, however, is traffic. While traffic congestion in Austin is an ongoing issue, the challenges in Bee Cave have, in my opinion, been fewer and confined to specific areas. One of those areas at present is the

intersection of Bee Cave Parkway and Highway 620. As you know, the line of vehicles attempting to access Highway 620 at peak times is significant and an area of concern for the ongoing success of The Galleria.

A recognized measure for gauging the impact of development on traffic is the Floor to Area Ratio (FAR) for a development. The lower the ratio, the lower the impact on vehicular traffic. At the present time, the FAR for The Galleria is 0.39. If the new Sonesta Hotel is included, the ratio increases to 0.41. Both of these numbers are well below the 0.45 FAR restrictions currently in place. However, if the 848,331 square feet of office space proposed for the Terraces is approved, the FAR for that site alone would be 0.58. If the parking garages are included, the number increases to 0.96, approximately 300% higher than the density of the Galleria tract. Given the fact that the Galleria development is spread over 167.52 acres and the Terraces project is on 19.475 acres, the impact on overall traffic will be significant.

- **Inadequate Sewer System:** It is my understanding that the plans for The Terraces Development do not indicate how sewer issues will be addressed. The lack of existing sewer connections on the site must be resolved either by connecting to an existing system or through the installation of a septic system. I am not an engineer, so I cannot comment on the technicalities of this issue. In my 30 years of development, investment, and management experience, I have also not seen a septic system that can adequately handle a project of the size of the one proposed.

In summary, I would like to emphasize that I am in no way opposed to new development. My purpose in writing is to highlight areas of concern with the proposed size, scope, and density of the proposed Terraces development on The Galleria and the surrounding area. Our goal is to continue the efforts of the previous ownership to improve The Galleria, enhancing its' role as the "Main Street" for the Town of Bee Cave, and continue to make it a source of pride and economic benefit for both The Town of Bee Cave and our client.

I appreciate your consideration and courtesy.

Sincerely,

INVESCO REAL ESTATE



W. David Bass
Director, Asset Management