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Museum Tower moving ahead

Dallas police-fire pension system to back luxury condo high-rise

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Developers who have been working for more a decade to build a soaring downtown Dallas condo tower say they are moving ahead with those plans.

The 42-story Museum Tower will have more than 100 lux-

ury residences, smack in the middle of the Arts District.

The builders reached an agreement with the Dallas Police and Fire Pension System to fund the \$200 million development, partner John Sughrue said Tuesday.

Construction will start as soon as next week on what will be the largest private-sector real estate project started in Dallas in more than two years.

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Museum Tower moving ahead

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"We very much have confidence in the decision to go ahead and believe this is the right project at the right time for Dallas," Sughrue said. "We won't be delivering units for two and a half years.

"We think we will have the market to ourselves."

Sughrue said the new development plan calls for the police and fire retirement system to own the project. Sughrue's Brook Partners and partner Turtle Creek Holdings will have an economic interest in the building, he said.

"At almost \$3 billion, Dallas Police and Fire Pension System has an excellent track record for investing in quality projects with high potential returns," said Richard Tettamant, administrator of the pension system. "We also like investing in our own hometown because it creates jobs and benefits the local economy.

"This is an investment in Dallas by the people that protect and serve this community."

Unveiled in 2007, the luxury high-rise project at Pearl Street and Woodall Rodgers Freeway was originally supposed to be finished by now. But the credit crunch and recession put the plans on hold.

In the meantime, the Arts District's signature performance halls have opened their doors, and work is under way on Woodall Rodgers Park, which will become a front yard for Museum Tower.

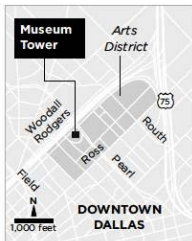
"We have watched the neighborhood grow up around us," Sughrue said. "We now have a billion and a half [dollars] in cultural infrastructure in that neighborhood."

Designed by California architect Johnson Fain, the exterior of the high-rise has three kinds of glass panels that will overlap like scales on a fish.

The building will sit on a half-circle block between the Nasher Sculpture Center and Meyerson Symphony Center.

Units in the tower will start around \$1 million.

"We feel that once the ground is broken, we will have



KYLE ALCOTT/Staff Artist

a lot of interest from buyers," said partner Dan Boeckman of Turtle Creek Holdings. "We believe the demand will more than be there.

"It's one of the great locations in the United States."

News that Museum Tower is a go is causing a stir in Dallas development circles.

"Does this mean the craziness in the market is back?" said condo and apartment analyst Mike Puls of Foley & Puls. "It will sure get developers excited."

Downtown economic development officials are understandably upbeat about the prospect of the groundbreaking.

"It is a very unique property that will just add to all we are doing downtown," said John Crawford, who heads Downtown Dallas Inc. "To have the fire and police pension fund on board gives the project even more credibility, with their balance sheet standing behind it."

High-end condo sales in Dallas have been picking up this year after falling off a cliff in 2009.

But two recently completed luxury condo towers close to downtown still have lots of unsold units. Only about 10 percent of the House condos in Victory Park have been sold, and two-thirds of the Ritz-Carlton Tower Residences are still in the hands of the developer.

"We think those units will all be sold by the time we are finished," Sughrue said.



Museum Tower