

Cielo Partners finds its niche with acquisition of unique Austin properties

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Cielo Property Group has purchased two significant commercial properties recently, including the Austin Music Hall at 208 Nueces St. and the current site of the Habitat for Humanity ReStore, 310 Comal St.

The young local investment company has been acquiring premium commercial real estate since its formation in 2010, including 823 Congress Ave. and a series of historic buildings in the 300 block of Congress Avenue.

Cielo founding principal Bobby Dillard said the 310 Comal St. property will be converted into creative office space while the entertainment venue will continue operating for the foreseeable future, though redevelopment is a possibility in the long run.

The deal for the Austin Music Hall was months in the making due to inherent complexities, Dillard said.

The building was owned by Omnibank NA of Houston, which took the property

back in 2012 after the operators defaulted on construction loans. Omnibank then merged with Little Rock, Arkansas-based Bank of the Ozarks this spring. Also affecting the deal was the fact that the 43,000-square-foot venue sits on a ground owned by a local investor.



Michael Hsu Office of Architecture
This conceptual drawing shows how Cielo Property Group plans to renovate an old commercial building at 310 Comal St.

In the end, Cielo was able to make it work. Chris Skyles of SkylesBayne Co. represented Cielo in the transaction. The price was not disclosed, though the Travis Central Appraisal District values the building at \$2.86 million. The land, which was not part of the deal, is valued by TCAD at \$9.2 million. Dillard said **Bank of Texas** provided the financing. A conceptual plan has been developed for the 310 Comal building, though an architect and general contractor have yet

to be named.

The 37,500-square-foot property was owned by **Austin Habitat for Humanity** Inc. since 1997. The nonprofit was in the process of selling the one-acre site to Austin-based **Cypress Real Estate Advisors**.

In the midst of that, Cielo was approached about a joint venture and decided to take a majority position in the acquisition deal, Dillard said.

Independent Bank provided financing in that transaction.

Habitat will continue to operate its ReStore under a temporary lease until early 2015. Then Cielo will commence renovations. The property already is

being marketed by **CBRE Group Inc.** brokers [Mark Emerick](#), [John Barksdale](#) and Darryl Dadon.

East Austin continues to be a hot ticket for both retail and office. Endeavor Real Estate Group had no problem [leasing its unconventional development at 2021 E. Fifth St.](#) EnviroMedia Social Marketing moved its headquarters there.

Endeavor also is [developing Plaza Saltillo](#), a mixed-used project, in partnership with Columbus Realty.

[MP Commercial Partners](#) also [attracted tenants quickly](#) with the revamping of two old buildings in East Austin near East Sixth and Chicon streets.