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## Another downtown Austin building boom?

At least two office towers in the works; some doubt near-term financing

Austin Business Journal - by [Jake Dirr](#) ABJ Staff

**At least two new office buildings are being planned for downtown Austin and would be among several buildings competing to land a 200-employee law firm. Signing a tenant like that would entice banks to finance such a project.**

Austin-based Cypress Real Estate Advisors plans a 120,000-square-foot, six-story, Class A office building at 800 W. Sixth St., said David Cox, Cypress vice president of development.

Also, the stalled Ovation development, originally reported to be a 37-story condo tower on Block 51 by Atlanta-based **Novare Group Inc.** and Austin-based Andrews Urban LLC, is being revamped. It now involves a partnership with **International Bank of Commerce** and more office space than originally planned, Andrews Urban principal Taylor Andrews said in an e-mailed statement.

The plan revisions are in the beginning stages, and specifics will be available in mid-2010, he said.

Novare executives could not be reached for comment, and Andrews Urban declined to comment beyond its statement.

Meanwhile, multiple sources, who agreed to provide information without being named, said Endeavor Real Estate Group is also planning an office building on or near the same block as the Ovation, bordered by Sixth, Nueces, Fifth and San Antonio streets.

Sources said prospective buildings are competing for law firm **Fulbright & Jaworski LLP** as a tenant, which has 200 employees at One American Center, a 32-story building at 600 Congress Ave. The firm is said to be seeking about 75,000 square feet and has been in talks with various players for quite some time.

The law firm, Austin's third-largest when ranked by the number of lawyers based here, signed a 10-year lease for the space in 2002, according to media reports. It has been in One American Center for almost two decades.

Fulbright & Jaworski partners also declined to comment.

Sources said the projects are also competing with **Schlosser Development Corp.** — which has announced plans for a 27-story tower near **Whole Foods Market's** flagship store at North Lamar Boulevard and West Sixth Street — and Fulbright & Jaworski's current landlord, **Thomas Properties Group Inc.**

It appears that Schlosser's talks with the law firm have cooled in recent months, sources familiar with those negotiations said.

While Fulbright & Jaworski is the most talked about potential tenant for new buildings, other significant Austin companies, so far unidentified, are also exploring options, sources said.

Businesses being courted from other cities and states could eventually land in the buildings, too, sources said.

### **The Cypress project**

Although Cox declined to discuss specifics on Cypress' project, he said the company has had discussions with possible users that are currently occupying space within and outside the Central Business District.

The project will not move forward without a significant prelease, he said.

Landing a preleased tenant tells banks it is all right to loan money for new construction. In the current lending market, projects rarely receive significant bank loans without a tenant on the hook.

If Cypress lands one, it plans to demolish the two-story building at 800 W. Sixth St., which formerly housed Austin architects Page Southerland Page, Cox said. Cypress is four to six months away from having approved construction drawings, he said.

Houston-based **Ambrose McEnany and House** is the lead architect, and the design is a collaboration between San Antonio-based **Lake-Flato Architects Inc.** and Houston-based Munoz + Albine.

Cox said the company will not seek any entitlements or variances.

"The area has a lot of restaurants you want to go to, and a number of new multifamily units have been constructed," Cox said. "We really like this particular area."

A standing Ovation?

Details about the new Ovation on Block 51, which are still being guarded, have been the subject of intense chatter within downtown real estate circles.

What is known is Andrews Urban and Novare Group originally planned a 436-unit condo tower, with about 20,000 square feet of ground-level retail and restaurant space, according to city documents.

In 2008, the **Austin Business Journal** reported the project had shrunk to 400 units and that office and retail space had increased to 40,000 square feet.

Andrews said then the project would break ground in fall 2008, but nothing has happened.

This month, a woman who answered the phone at Novare's headquarters said the Ovation had been killed, but days later an Andrews Urban employee, Greg Anderson, said, "The project is definitely still on."

To what extent **IBC Bank** is associated with the project is unknown; it could be a tenant or simply a financier. Officials there could not be reached for comment.

The bank recently completed construction on a building east of downtown at Cesar Chavez Street and Pleasant Valley Road to house back-room operations and employee training.

The nine-year-old bank is continuing its rapid local expansion and wants up to 20 more branches in Central Texas by 2014.

### **A similar Endeavor**

Meanwhile, sources are abuzz about what Endeavor has in the works for downtown, with conflicting accounts about its size, scope and location.

The company, which developed portions of The Domain, has hired Dallas architects **HKS Inc.** to design a 10- to 15-story building on Block 51, the same site as that of the Ovation, according to sources.

An HKS spokeswoman declined to confirm her firm is working on the project.

Endeavor principal Jamil Alam is running point on his company's downtown projects, sources said.

Reached by phone, Alam said the company is not "ready to talk about that stuff" and he does not want Endeavor's name to be attached to any project.

Endeavor shopped the project around to architects it has worked with in the past, including Austin-based firms **Nelson Partners Inc.** and **STG Design Inc.**, according to sources.

Some sources said Endeavor is instead working on a plan for Block 52, one block east of Block 51, at the corner of Sixth and Guadalupe streets.

Some of the confusion regarding the location may be because both sites are interchangeably called the "Novare post office site" in the community, referring to a post office that is located on one site and was slated to be moved to the other.

Also, a list of emerging downtown projects maintained by the city shows that Novare and Andrews Urban planned a 40-story tower at Block 52 — separate from the Ovation — that included 550 condos, 150 hotel rooms and ground-floor retail.

Developers recently told city staffers that plan has changed, but did not elaborate.

**Courtesy of JB Goodwin**