



# Site work begins on Block 21

## Area near City Hall destined to become site for W Hotel, new home for Austin City Limits

By [Shonda Novak](#)

AMERICAN STATESMAN STAFF

Friday, August 03, 2007

Site work has started on a vacant tract just north of City Hall, setting the stage for Block 21's new life.

Stratus Properties Inc. expects to break ground in October on the estimated \$260 million development that will include a W hotel and a new venue for "Austin City Limits."

Set for an early 2010 opening, Stratus' development will also feature 200 luxury condominiums within the 35-story, 250-room W hotel, plus a new home for the Austin Children's Museum.

The sales center for the condos is set to open in October. Condo prices are expected to range from about \$400,000 to more than \$3 million.

Stratus started taking reservations for the condos three weeks ago and has reservations for more than 70 percent of the units, said Beau Armstrong, Stratus' chairman and CEO.

In 2005, the city tapped Austin-based Stratus to redevelop Block 21, bounded by Second, Third, Lavaca and Guadalupe streets.

Stratus has some high-profile people lending their names, money and expertise to the project.

NBA superstar-turned-businessman Earvin "Magic" Johnson and his private equity fund, Canyon-Johnson Urban Fund, are investing \$50 million in the project. The fund has pledged nearly \$1 billion toward urban revitalization and mixed-use projects in such cities as Los Angeles, Miami, Chicago and Brooklyn, N.Y.

The Block 21 project is expected to create thousands of construction jobs and hundreds more jobs when it opens.

Johnson has said Stratus' project fits the profile of cities where the fund likes to invest, from growing areas such as Central Texas to ethnically diverse neighborhoods in heavily populated metro areas.

The project's musical component also struck a chord, as several Canyon-Johnson officials are fans of "Austin City Limits" and its public television sponsor, KLRU.

Legendary singer Willie Nelson and his nephew, Freddy Fletcher, will be partners with Stratus in the "Austin City Limits Theater" venue, lending financial and technical support.

When ACL isn't taping, Live Nation will operate a 2,200-seat live music/performance space in the venue. The facility also will be available for corporate meetings and other functions.

The venue is expected to heighten the show's profile, while providing locals and tourists with a destination entertainment attraction that has five times the capacity of ACL's existing digs on the University of Texas campus.

snovak@statesman.com; 445-3856



### **STRATUS PROPERTIES**

Two hundred luxury condominiums are slated for the W hotel downtown that's scheduled to open in 2010. Prices for the units are expected to range from \$400,000 to \$3 million.

**Courtesy of JB Goodwin**