

# Whole Foods plans major downtown office expansion

By [Brian Gaar](#) | Wednesday, January 18, 2012

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Readying for major growth, Whole Foods is planning a substantial expansion of its already-crowded corporate offices downtown, with a new 20-story building to be built adjacent to its current headquarters on Lamar Boulevard.

The tower would be one of two buildings that Schlosser Development Corp. plans to build in the parking lot across Bowie Street. The larger structure would be about 325,000 square feet and about 20 stories tall; a second smaller building would be 4-5 stories and 100,000 square feet.

The tower would house hundreds of new Whole Foods corporate employees in the coming years, as well as other tenants throughout both buildings.

Whole Foods would initially lease about 200,000 square feet of the larger building, which could be ready for occupants by the end of 2015, said Jim Sud, executive vice president of growth and business development. In the long run the company could occupy more and more of the project, he said.

It would be the first new downtown office high-rise since the Frost Bank Tower opened in 2004. Planning for the expanded corporate headquarters is still in the early stages: officials don't yet have a projected cost for the building and no leases are currently signed.

Brad Schlosser, president of Schlosser Development, said he's confident in securing financing for the project, given that most would be leased to a tenant the caliber of Whole Foods.

For Whole Foods' part, the new buildings are needed because the natural foods grocer has run out of office space, officials said. About 650 corporate employees currently work in the company's 200,000 square foot headquarters atop the flagship store at 525 North Lamar Boulevard.

When the company moved into the building in late 2004, "we expected it to last us probably about 10 years," Sud said. "And here we are, seven years later and we're actually currently out of space."

And as the company has rebounded from the recession, founder John Mackey and others have mentioned that 1,000 stores would be a reasonable goal for the company. Whole Foods currently has 317 stores throughout the U.S., Canada and the United Kingdom.

"So as you can see, our future growth is pretty substantial ahead of us," Sud said. "So we're looking to create an opportunity for us to extend our office in a sort've campus-like setting that will take us ...all the way to our 1,000-store goal."

That means eventually hiring another 650 employees to work in the new offices. Sud wouldn't put a timeline on that growth, but the company expects to hire about 70 corporate employees in 2012. They will

also be seeking to lease about 50,000 square feet of office space to handle the immediate overflow, Sud said.

The corporate level growth comes as Whole Foods continues to ramp up its pipeline of new stores.

The company plans on opening 24-27 new stores this year and 28-32 in 2013. That will include two new stores in Austin this summer, in the Shops at Arbor Trails at South MoPac Boulevard (Loop 1) and in the Hill Country Galleria in Bee Cave. A third new store at Endeavor Real Estate Group's Domain development at Burnet Road and North MoPac Boulevard, will replace the Whole Foods in the Gateway shopping center, near the Arboretum.

Those three openings will result in another 600 new Austin hires, officials said.

But it's not just Austin and larger markets where the company is scouting for new locations. Buoyed by national trends toward healthier lifestyles, the company is also opening stores in smaller markets, like Boise, Idaho.

"As we look out across the United States ... we're looking at different types of markets (than) we've looked at in the past, as our brand and trends towards healthy lifestyles have both grown," Sud said. "We find that we're able to go into not only dense urban markets but many secondary markets as well."

**Courtesy of JB Goodwin**