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## Stacy beefs up Congress plan

Investment could top a half-billion dollars

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More than three years after Austin developer Tom Stacy and a Chicago partner company purchased the building at 501 Con-

gress Ave. and unveiled plans for a dramatic multiuse tower on the site, the deal has grown much larger, incorporating one-and-a-half city blocks, two soaring towers and an estimated \$500 million investment.



Stacy

Stacy's company, T. Stacy & Associates Inc., and Walton Street

Capital now plan a 500,000-square-foot office and retail tower at 501 Congress that would be slightly taller than the 26-story Bank of America Center building the partnership owns at 515 Congress next door. The group is also plotting a hotel and condo tower at the corner of Brazos and Fifth streets that would rise more than 800 feet, mak-

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### TALLEST TEXAS BUILDINGS

1. JP MORGAN CHASE TOWER	Houston	1,002 ft.
2. WELLS FARGO BANK PLAZA	Houston	992 ft.
3. BANK OF AMERICA	Dallas	921 ft.
4. RENAISSANCE TOWER	Dallas	901 ft.
5. COMERICA BANK TOWER	Dallas	886 ft.

Source: Emporis

## CONGRESS: Tower would top Austin's skyline, rank as sixth-tallest in entire state

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ing it by far the tallest building in Austin and the sixth-tallest in Texas.

Stacy and Walton Street had initially proposed a 700-foot-tall tower at 501 Congress — with a hotel, condos, office and other uses — that would have been the tallest in Austin. But when the group finalized the purchase late last year of the Littlefield Garage just east of 501 Congress fronting Fifth Street, plans were reworked.

Stacy and his partners now control the entire block bounded by Congress Avenue, Fifth, Sixth and Brazos streets, as well as half of the block immediately east where Bank of America currently has a drive-through operation. That large a block of downtown space called for an even grander vision, says the developer.

"We believe that Sixth and Congress is the best location in the whole marketplace," Stacy says. "We wanted to be very mindful of how we developed that block."

T. Stacy and Walton Street, which purchased 501 Congress and Bank of America Center in December 2004, are working through Holliday Fenoglio Fowler LP to locate another group interested in getting in on the deal.

"This is a half-billion-dollar project, so there's plenty of room for another joint venture partner, especially one that has experience with other major projects," says Stacy.

The purchase of the garage allowed the group to separate the office and retail uses from the hotel and condos in two towers. With 501 Congress dedicated to office and retail along with a 1,000-car garage, the site to the east will feature a 300-room hotel and about 200 condo units in a slender tower that could rise as high as 830 feet. The office building would likely be complete by 2011 or 2012, Stacy says, though the condo/hotel tower could be further down the road.

Stacy says the plan for the half-block between Brazos and San Jacinto streets calls for a 1,200-space parking garage atop about

8,500 square feet of retail/restaurant space and a new Bank of America drive-through. He says drawings on that portion of the development are about 75 percent complete and construction should start in June.

Meanwhile, work has been ongoing for months in the lobby of the 515 building that will allow Bank of America's retail operation to move next door by March, essentially vacating 501 Congress and paving the way for demolition.

While there is some concern in the office market right now over lackluster leasing activity market-wide, Stacy says his group is confident downtown Austin will need another major office building by the time his project is complete in three to four years. Even with the recently announced 425,000-square-foot Museum Tower office building Hines Interests is developing at Fourth and Guadalupe streets, Stacy says interest among companies to operate in a dynamic downtown will only grow.

As for financing in a tight lending land-

scape, Stacy says, "if it's a viable project, we think the financing will be there."

Stacy did not reveal any details on a potential brand for the hotel. As for the project architect, T. Stacy has used Pelli Clark Pelli in the past, but Stacy says he's uncertain who will handle the reworked development.

"Downtown Austin is a great long-term play," says Derek Land, co-managing partner with Stream Realty, which is actively leasing office space in the Central Business District. "There's not a lot of new office product that's in the works, but demand seems to be a little stronger than in other areas of town. With all of the residents moving in, new retail and everything happening there, it's dynamic."

With about 4,000 condo units set to hit downtown in the next two years, there is concern over what some see as an approaching condo glut. But several developers whose projects are being marketed say sales are strong. Experts say demand for downtown is only going to increase in coming years.