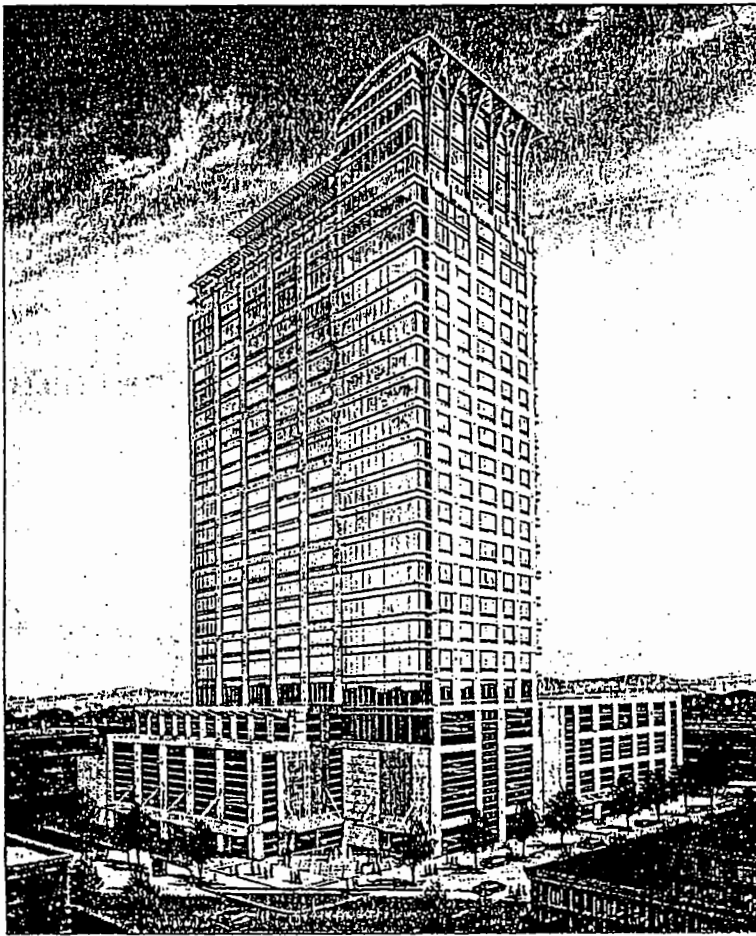


Towering prospect on Congress



Artist's rendering

Developers plan to begin work on the 495,000-square-foot project at the northeast corner of Congress Avenue and Fourth Street when they have the tenants and the proper city approvals.

Group plans 27-story, \$99 million project

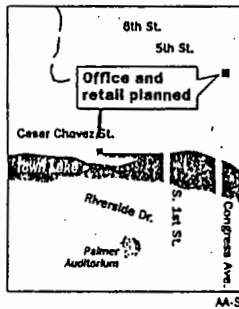
By R. MICHELLE BREYER
American-Statesman Staff

For weeks, tenants in the buildings around Fourth Street and Congress Avenue have heard rumors of another office tower slated for their area.

Thursday, details were unveiled for the proposed \$99 million office and retail development.

The 495,000-square-foot, 27-story building — to be called Congress at 4th — would replace a row of brick buildings now occupied by the recently renovated City National Bank Building, Oscar Snowden's TV & Appliance and Ted's Greek Corner.

The project would be developed by a joint venture among some of downtown's biggest real estate movers and shakers, who are scheduled to close on the land later this month. They are buying the property from the Jacob Schmidt Estate, Leon Schmidt and 401 Congress Limited.



AA-5

They plan to start construction when they have the tenants and the necessary city approvals.

Congress at 4th is the latest office project proposed for Austin's downtown, which has seen occupancy rates and rents soar as businesses have returned to the city's core.

"The arts and technology district downtown will be so vibrant

TODAY'S FOCUS

REAL ESTATE



■ Home Sales: What houses are going for

■ Mortgage Rates D2

In the next three to five years that the space will be needed," said Will Wynn, president of Civitas Investments Inc., which has teamed with T. Stacy & Associates and Highgate Holdings on the project.

Wynn said they plan to preserve the building at 419 Congress Ave. and incorporate it into the new structure. The building currently is home to the Mexic-Arte Museum.

The City of Austin is considering buying the building from Wynn to save Mexic-Arte, which

See 27-story, Back page

27-story tower planned for Congress at Fourth

Continued from D1

focuses on Latin American cultures. Other options also are being considered for Mexic-Arte, Wynn said.

"Personally, I am hopeful that there will be a joint announcement shortly by us and Mexic-Arte," said Wynn, who said he has been working with the museum's board for several months.

"Our preference is to stay put," said Jorge Sedeño, president of the Mexic-Arte Museum's board of directors.

The developers of Congress at 4th have been active in downtown real estate over the past three years.

Highgate Holdings entered the Austin market in April 1996 with the acquisition of the 990,000-square-foot Austin Centre at 701 Brazos St. It bought it for \$62.7 million and sold it for \$97 million in January 1998. T. Stacy & Associates and Highgate Holdings have purchased and renovated several historic downtown properties over the past two years, including the Scarbrough Building, the Littlefield Office Building, the Perry Brook Building and the Stephen F. Austin Hotel. Although they have put the Scarbrough and Littlefield

properties on the market, they plan to open the hotel this fall.

Wynn serves on the board of the Heritage Society and is chairman of the Downtown Austin Alliance — a group of local landowners, tenants and developers with downtown interests. He has renovated two historic downtown buildings since leaving local real estate company Faison-Stone two years ago to start his own company.

Wynn and Tom Stacy, president of T. Stacy & Associates, said they believe the time is right for their project.

There is 7.2 million square feet of office space in Austin's central business district — less than a third of the office inventory in the Austin area. While several million square feet of office space has been built in the suburbs over the past decade, downtown has seen no new multitenant development since 1986.

At the same time, downtown has become a hot business destination. The occupancy rate downtown hit 94.8 percent in the first quarter, its highest level in 13 years.

Congress at 4th isn't the only new project planned downtown. More than a million square feet of speculative office space is on the

drawing board.

Museum Park, a 600,000-square-foot office project near West F and San Antonio streets, is scheduled to begin construction this summer. CarrAmerica Real Corp.'s downtown office project at 300 W. Sixth St., is moving forward. And Metropolitan Life Insurance Co. plans to build 101 Colorado, a 250,000-square-foot company building to 100 Congress.

In addition to offices, plans for Congress at 4th call for three to five floors of stores along Congress Avenue totalling as much as 100,000 square feet, Stacy said. The fate of the current shop owners on block where Congress at 4th is planned has not been decided. "I don't want to displace anybody," Stacy said.

Stacy said he buys his appliances at Oscar Snowden's shop at Congress Ave., which has had a downtown store for 43 years.

Sherman Snowden, one of the owners of Oscar Snowden's, said he hasn't heard many details about the proposed development yet.

"We're not sure what's really going to happen," Snowden said.

You may reach R. Michelle Breyer at mbreyer@statesman.com or 445-3821.

Austin American-Statesman

Friday,
June 11,
1999