

## Statesman exclusive: 15-story office tower planned on south shore of Austin's Lady Bird Lake



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A New York-based developer plans to build two office buildings in Austin, one of which would rise 15 stories on Lady Bird Lake's south shore.

Planned just south of downtown, the 15-story tower — which is being named One Ladybird Lake — is one of two office projects proposed by Related

Companies, a privately owned global real estate company that has \$60 billion in assets owned or under development.

Related Companies told the American-Statesman it plans to build One Ladybird Lake on what is currently the parking lot of the Hyatt Regency Austin at 208 Barton Springs Road. Related and its partner in the project, Austin-based Christopher Investment, own the 3.3-acre site where the office building would be constructed, Related executives said.

The building would overlook Lady Bird Lake and be just steps from the Ann and Roy Butler hike-and-bike trail. The project is expected to break ground late next year, with a planned completion in late 2025.



## **Second project on South Congress**

Related's other planned office project is a five-story building planned for 901 South Congress Ave., on the site of a former apartment complex. The boarded-up apartments will be torn down in the coming weeks, Related executives said. The site is just north of Music Lane, the mixed-use project across from the Texas School for the Deaf campus. Related said its South Congress building is due to break ground early next year, with construction expected to be completed in the second quarter of 2024.

Related executives said the buildings would be the company's first commercial projects in the Austin market. Related said the company anticipates ample demand for both office buildings, which "will enhance Austin's office environment to ensure the city's growing roster of leading companies continually attract the nation's top talent."

"Leading companies in every sector, many of them already Related tenants in other markets, are increasingly establishing and expanding their presence in Austin to capitalize on the talent migration to America's fastest growing city," Mike Iannacone, executive vice president of Related Companies, said in a written statement.

Both proposed buildings will require approval from the city of Austin for a standard site development plan, but will not require zoning changes or variances from the city to build, according to Related executives.

With projects planned along Lady Bird Lake often controversial, Related executives said they are "speaking with a number of stakeholders... and we are also working with relevant parties in regards to waterfront improvements for One Ladybird Lake."

Aaron Scruggs, president of the Bouldin Creek Neighborhood Association, said in an email that the group "has taken no position" on the project.



One Ladybird Lake will sit on 750 feet of waterfront property between the First Street and Congress Avenue bridges. Nearby, another office building has been completed recently, the 15-story RiverSouth office building on a site that formerly housed a Hooter's restaurant. RiverSouth has 372,000 square feet of space in all — 355,000 square feet of office space and about 17,000 square feet of ground-floor retail space.

Also nearby, office space is among the mix of uses planned as part of the redevelopment for the former site of the American-Statesman's offices. Multiple towers are proposed for the 19-acre former Statesman site, which along with office space would include residential, hotel and retail and restaurant uses.

Both RiverSouth and the former Statesman site are in what's known as the South Central Waterfront District, an area where a surge of new development is already happening and is expected to continue as demand drives greater density south of Lady Bird Lake.

Related executives declined to comment on financing for its proposed office projects, other than saying the company "will capitalize each project at the appropriate time. We obviously have a robust track record of financing real estate across the country, having financed over \$15 billion over the last decade," the company said in an email.

Designed by KPF, One Ladybird Lake will have 475,000 square feet of office space and 16,700 square feet of retail space on the ground level. The building will have four large wrap-around terraces, a penthouse bar, solar panels, smart technology (such as mobile apps to call the elevators) and valet service, among other features.

Related's South Congress building, designed by global architecture firm Gensler, will have 106,854 square feet of space, outdoor terraces on each floor and 251 parking spaces. The ground floor will also have space for a retail or restaurant tenant.

The South Congress building will be Related's first "mass-timber construction," which the company said will generate 40% less carbon than traditional construction. Related said such projects also can be built faster than buildings that use steel or concrete framing.

Philippe Visser, president of Related's office division, said the company already is "in conversations with multiple tenants with both buildings, demonstrating how they are both unique product for Austin market.

"These are exactly the type of buildings that leading companies want to take space in because they're some of the most innovative in the country in very dynamic neighborhoods where companies can create offices that their employees want to come to," Visser told the Statesman in an email.



## **Austin office market not slowing down**

Related's planned projects come as the Austin-area office market continues bouncing back from the COVID-19-induced downturn, reaping the benefits of growth in its tech sector by companies including Google, Indeed, Amazon, Apple, Facebook, Tesla and Oracle.

Matt Frizzell, executive director in Austin at Cushman and Wakefield, a global commercial real estate services firm, said that "demand has been strong for Class A (top-tier) office space in neighborhoods south of the river on a consistent basis."

Earlier this year, commercial real estate services firm CBRE said office demand in Austin "shows no signs of slowing down as the city's growth continues." In the second quarter, CBRE said Austin continued to lead the nation in the number of employees who are returning to the workplace, citing data from Kastle Systems.

Seven office buildings totaling nearly 1 million square feet of space broke ground in the second quarter, while construction wrapped up on about 973,000 square feet of office space in the quarter, CBRE said.

In downtown, the Republic broke ground in the second quarter, a 48-story tower that will have more than 800 square feet of office space. In addition, developers Lincoln Property Company and Kairoi Residential announced they have broken ground on Waterline, a mixed-use skyscraper that will become the tallest tower in Texas, rising 74 stories into the air. Waterline will add 700,000 square feet of office space to the construction pipeline. The tower, in downtown's Rainey Street area, also will have 352 apartments and a 251-room 1 Hotel Austin.