

Endeavor to start building its piece of Domain by end of year

Whole Foods construction to begin early next year, add momentum to project

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AMERICAN-STATESMAN STAFF

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Construction is to start by year's end on the first office building at Endeavor Real Estate Group's mammoth Domain project in North Austin, where 8.5 million square feet of housing, hotel rooms, offices and restaurants are planned.

Next year, the project will gain momentum when work starts on a Whole Foods store, the first 240 apartments and a 9-acre park and pavilion, Kirk Rudy, an Endeavor principal, said Tuesday.

Rudy said he is in talks to bring a second department store anchor in addition to Nordstrom, along with a third hotel, to the 176-acre project.

Endeavor also is talking to several prospective tenants for the first office building. Called Domain Gateway, the 175,000-square-foot building eventually will be part of 3.5 million to 4 million square feet of space at the project near MoPac Boulevard (Loop 1) and Burnet Road.

A second office building with 225,000 square feet will sit partially atop a new 70,000-square-foot store that Whole Foods Market Inc. plans to open in early 2010, Rudy said.

Endeavor's site is just east of Simon Property Group Inc.'s upscale shopping center that opened in March near MoPac and Braker Lane. Simon's project, also called the Domain, is anchored by a Macy's and Austin's first Neiman Marcus store, plus dozens of other high-end retailers and 390 luxury apartments.

Endeavor originally planned that 700,000-square-foot shopping center and brought on Simon Property as a partner.

Indianapolis-based Simon acquired Endeavor's partnership interest a month after it opened.

Rudy said sidewalks and roads will connect the two projects, so they will feel like a continuous development.

"The goal is you'll feel like you're in one community, one project," Rudy said.

Endeavor expects its mixed-use village to house more than 6,000 residents and 17,500 office workers when it is completed over the next 10 to 12 years at an estimated cost of \$1.5 billion.

Plans call for 4,500 to 6,000 apartments, townhomes and condominiums, he said.

Rudy said Endeavor is not currently seeking public investment from the city or county for the project, but it hasn't made a final decision.

Meanwhile, work is under way at the site, where a former IBM Corp. building is being demolished, Rudy said.

The Whole Foods store is planned for the project's main, north entrance. Whole Foods considered a site just south of Simon's shopping center, Rudy said, but opted for Endeavor's development because of easier access and "to capitalize on the energy" of the project.

Rudy said Austin-based Whole Foods is a good fit for the Domain. The specialty grocer's "strong commitment to environmental stewardship" will blend with a project Endeavor plans to make ecologically responsible by adhering to national and local green-building standards.

Having a locally based grocer also underscores Endeavor's commitment to a strong presence of retailers and restaurants unique to Austin, he said.

Whole Foods said its store will have expanded product selections and services for a growing part of the city.

The one-story store will have two levels of underground parking, plus surface parking. Whole Foods plans to start construction in the fourth quarter of 2008 and expects an early 2010 opening, Rudy said. The store will replace Whole Foods store in the Gateway shopping center.

In the second or third quarter, Endeavor plans to start work on a 240-unit apartment building. In January 2009, Endeavor plans to begin construction on 450 apartments atop shops and restaurants in a district that could have 800,000 square feet of retail and 200,000 square feet of office space.

Anchoring the district will be a 144,000-square-foot Nordstrom store that is scheduled to open in late 2010, along with the rest of the stores, Rudy said. He said he is working on a second department store anchor.

Endeavor also plans to have three hotels, including one with 145 rooms housed in a 28-story condominium/hotel tower that would be Austin's tallest building outside downtown.

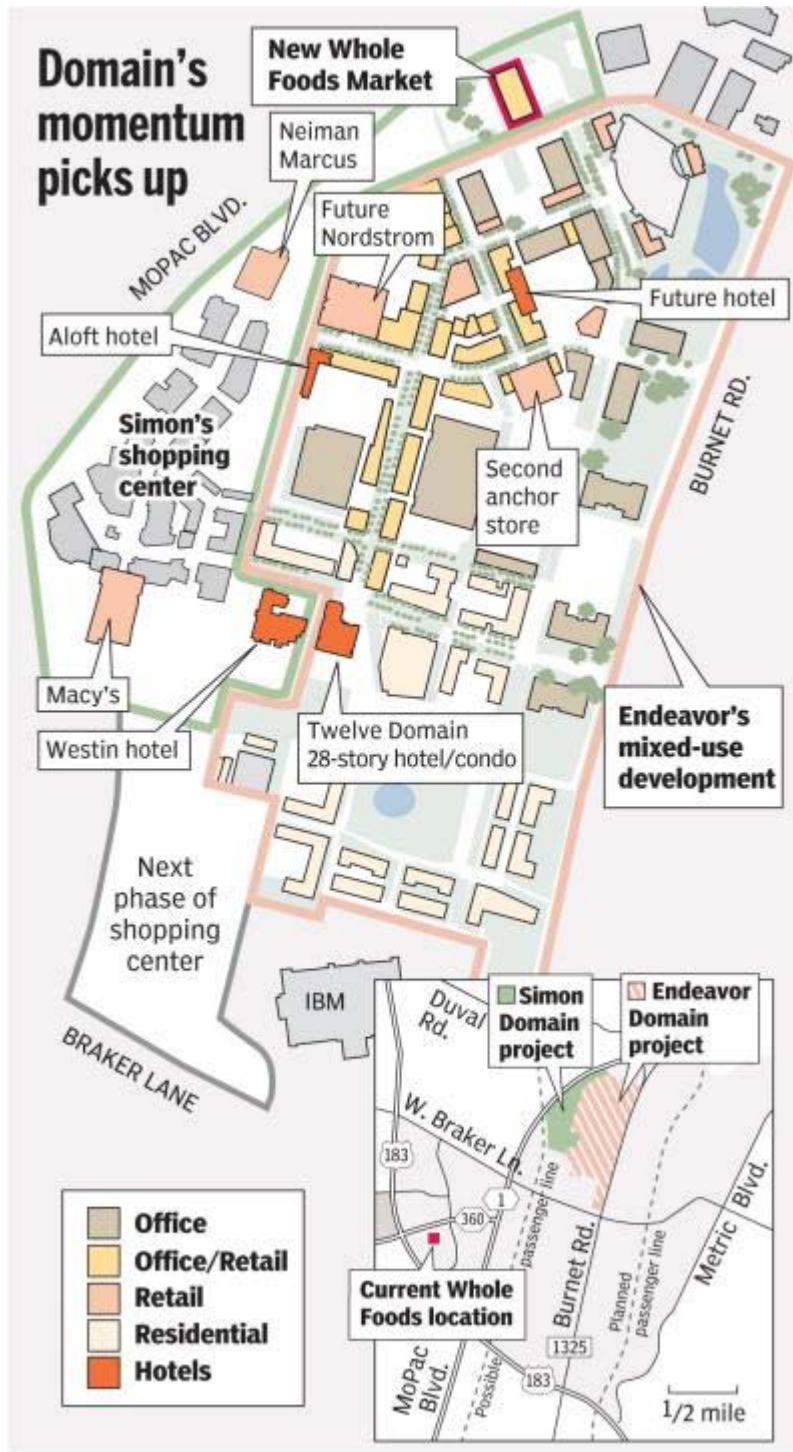
Novare and its Austin development partner, Andrews Urban, hope to break ground on the tower, Twelve Domain, in late spring.

Taylor Andrews, president of Andrews Urban, said prices for the 360 units haven't been determined. But he said they will be similar to those for a 44-story condo tower Novare/Andrews Urban is building downtown, where one-bedrooms go for \$190,000 to \$350,000 and two-bedrooms go for \$270,000 to \$550,000.

There also will be an Aloft , a boutique brand of Starwood Hotels & Resorts Worldwide Inc. The six-story Aloft is being developed as a joint venture between Open Hospitality Partners, a Dallas-based development firm, and Lodgeworks of Wichita, Kan.

Rudy said he is in talks with another chain to build a 200-room hotel but said he could not identify the brand.

Another hotel, Austin's first Westin, is planned in the next phase of Simon's shopping center, which will have a Dillard's and a Dick's Sporting Goods store.



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