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WHERE CENTRAL TEXAS CAPITALIZES ON BUSINESS

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Mixed use headed downtown

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A \$16.5 million “urban village” soon will rise just a few steps from the Capitol.

Combining office, retail and residential units, a development called 303 will be the first large-scale project with a single owner combining all three uses on the same block, downtown observers say. The building’s name comes from its planned location at 303 E. 11th St.

The owner wants the project to appeal to a wide range of people. Therefore, an 850-square-foot apartment will run as low as \$895 a month, while a 1,500-square-foot condominium will cost as much as \$490,000.

Austin-based Olive Grove Partners Ltd. is the company behind that block’s transformation.

The transformation began in 1999 with a \$4 million renovation of a 70,000-square-foot office building at 1011 San Jacinto Blvd. A company linked to Olive Grove purchased the building in 1998; the renovation was completed in 2000.

The idea to turn the property into a mixed-use development was born of the need to build a parking garage for the office building. Now, a mixed-use second phase will be built on a parking lot immediately east of 1011 San Jacinto. The estimated \$16 million to \$17 million, 180,000-square-foot expansion will include:

- A 73,000-square-foot parking garage with 180 spaces.
- 6,000 square feet of retail space for a small market, a dry cleaning store and spa.
- An 11,000-square-foot café and rooftop terrace.
- 59 apartments and condos.

Olive Grove Principal F.S. Rebeiz is upfront about his investment strategy — it’s

like a fine wine expected to get better with age. Rebeiz says he wouldn’t make any money if he sold his interest too early.

“It’s a good landmark that will be a good investment,” Rebeiz says. “Businesswise, I think time will take care of it.”

Rebeiz, who was born in Lebanon and travels extensively throughout Europe, says he wants 303 to emulate a small village — a place where people will meet for a drink or bite to eat while waiting for rush hour to subside.

Rebeiz envisions people sharing bread and cheese on a landscaped terrace: “It’s going to have passion ... where people talk with their hands and taste with their palette.”

Helping Rebeiz’s passion and vision come to life is Clay Little, principal at Austin-based Noack-Little Architects Inc. Little says the design will be influenced heavily by Rebeiz’s personality, with housing units featuring large windows and generous balconies.

Charles Heimsath, president of Austin-based Capitol Market Research Inc., conducted a market study for Olive Grove. Heimsath says this is one of the first downtown Austin projects in which a single owner will group office, retail and residential. The only other downtown project known to be combining office, retail and residential is Austin architect Sinclair Black’s plans for 721 Congress Ave. That project is expected to be smaller in size than Rebeiz’s.

Heimsath notes the project will target people who desire easy Capitol access.

“Fifth Street has become kind of the residential corridor, and so this is the first



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project to jump north of Fifth Street since the Brown Building in 1998,” Heimsath says.

Heimsath says the proposed pricing will make 303 one of the most affordable new projects in downtown Austin.

“I think any time you can address a broader segment of the market with a more affordable product, that’s a positive thing for downtown,” Heimsath says.

The lower-priced condos were the first to sell in the Austin City Lofts on Fifth Street, says Bobby Nail, a partner in the Austin office of CLB Partners, the project’s developer.

Austin City Lofts has a total of 82 units, 55 of which are sold. Early on, condos were available from \$240,000 to \$1.3 million. Now, the least expensive unit that remains costs \$316,000.

“There are a lot of people that can afford the \$250,000 to \$500,000,” Nail says. “Once you get over that \$500,000 range, your market gets real small.”

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