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Open-air shopping realm planned for the Domain

Proposed mall in North Austin would include apartments

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Developers are planning a regional open-air mall in North Austin, the biggest retail development in the city since Lakeline Mall opened in 1996.

Endeavor Real Estate Group plans to transform part of the former IBM Corp. campus known as the Domain into a 670,000-square-foot retail project that would include upscale fashion and specialty stores, restaurants and 300 to 600 apartments.

"This is not La Frontera. This is not the Arboretum," said Chris Ellis, a principal with Endeavor, stressing that the Domain would not be a big-box center or a traditional shopping mall.

The project will be modeled after outdoor malls in other cities, with landscaped walkways, plazas, outdoor cafes and shopping and entertainment venues, he said.

It would sit on 50 acres at the northwest end of a 265-acre tract that Endeavor owns with two other partners and which is bounded by Braker Lane on the south, MoPac Boulevard (Loop 1) on the west and Burnet Road on the east.

Ellis declined to name any retailers that his firm is courting. But area brokers say the location could be attractive to any retailer who wants to be in a location with proximity to major employers and a growing population of affluent households. Many of the stores in the Arboretum shopping area, southwest of the Domain, are among the highest-grossing outlets for their companies, retail brokers say.

Retail space has remained strong during the economic downturn, with 95 percent occupancy rates. National retailers continue to open stores in Austin, and brokers say companies scouting the area include Crate & Barrel, the home furnishings chain.

Ellis would not say whether his project would include a department store. But retail brokers said his wish list probably includes some of the stores that developer Chris Milam is trying to attract to his proposed mall in the Village of Bee Cave, such as Neiman Marcus and Macy's.

Endeavor has been giving City Council members a preview of the project, which might require additional water, sewer and other infrastructure work. The zoning is in place, but other city approvals may be required.

Council Member Betty Dunkerley said the project would generate sizable sales tax revenues for the city, which faces a \$75 million budget shortfall and is searching for new revenue sources.

"It's an exciting concept," Dunkerley said. "I love the project. I think it would be wonderful for the city."

Dunkerley said the project is the type "that would bring enough economic impact to the area to merit consideration" for incentives. However, she said, Endeavor has not approached the city for such help. The city has provided other projects with incentives such as fee waivers and utility price breaks.

Endeavor plans to break ground early next year and open the project late in the year or in 2005.

But the project faces significant hurdles, such as nailing down financing and tenants in a weak economy.

Ellis said he's confident he can find retail tenants for a project designed to draw customers from a region with 1.6 million people. Nearly 20,000 people work within walking distance of the site, which is surrounded by the University of Texas J.J. Pickle Research Campus and large employers such as National Instruments, Tivoli and IBM. More than 167,700 people work within five miles, Ellis said.

But he cautioned that there is still "significant work to be done to pull this project together -- almost as if we're on our own one yard line with 99 yards to go."

Endeavor's project undoubtedly will be closely watched by Simon Property Group, the dominant retail developer in Central Texas. Two years ago, Simon and the Rouse Co. were targeting the site for possible projects. Rouse had the land under contract, but interest died with the dot-com bust.

Simon owns all three regional malls and plans to build two more, one in Buda and one in Round Rock, in the next few years. Simon has made clear it has no intention of ceding any part of Central Texas to rivals, and as the world's biggest mall developer, it has the clout to protect its turf.

Endeavor and its partners bought the 265 acres from IBM in 1999, with original plans to develop an office park there. The Domain name was chosen to reflect Austin's standing as a high-tech center.

Endeavor is buying the 50 acres from its partners and will remain a co-owner of the rest of the land, which includes 2.1 million square feet of office space in several buildings. Of that, 1.35 million square feet are leased, mostly to IBM.

The site would have three entrances from the MoPac frontage road and access from Burnet and Braker. More than 100,000 cars a day travel on MoPac by the site.

No estimates are available yet on how much additional traffic would be created, but developers said a project with shops and apartments will generate fewer cars than an office development alone.