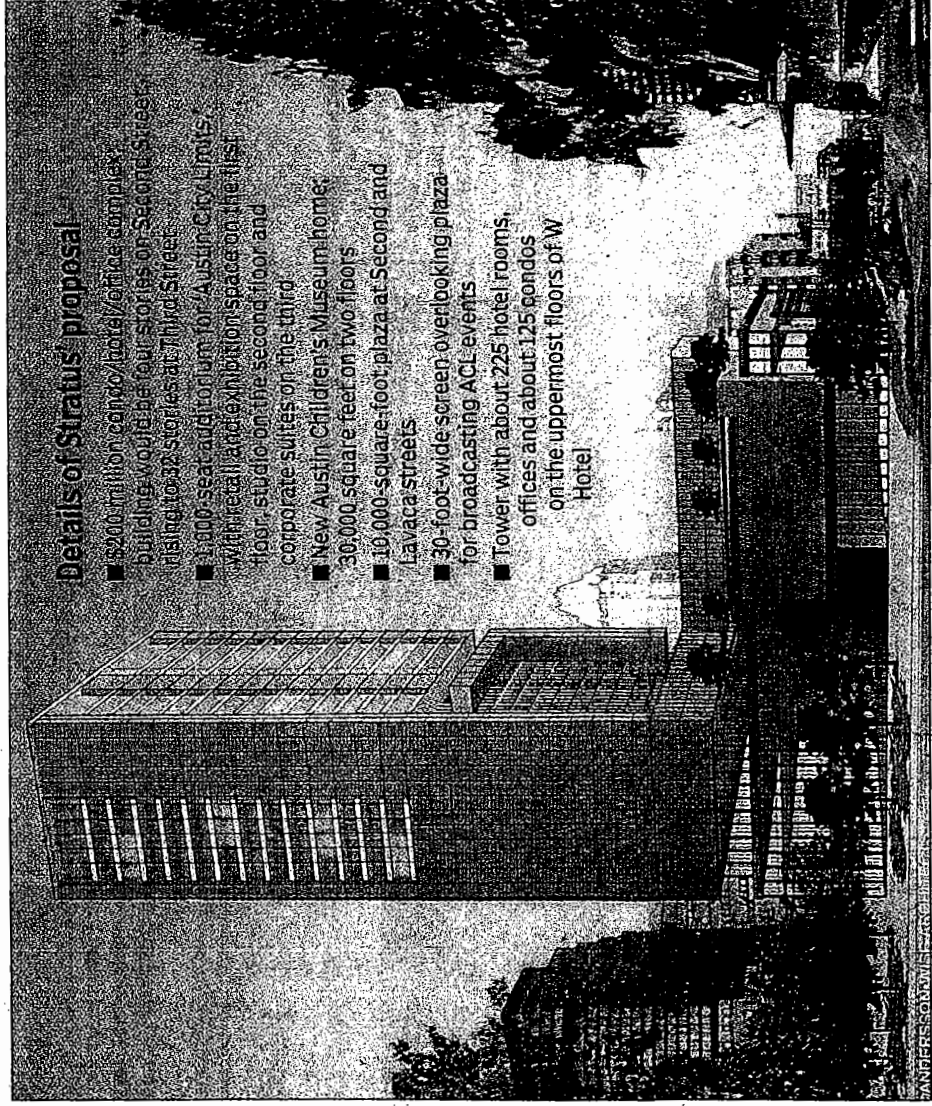


What's rockin' at Block 21



Details of Stratus' proposal

- \$200 million (city/county/office complex) building would be four stories on Second Street rising to 32 stories at Third Street
- 1,000-seat auditorium for "Austin City Limits" with retail and exhibition space on the first floor, studio on the second floor and corporate suites on the third
- New Austin Children's Museum home, 30,000 square feet on two floors
- 10,000-square-foot plaza at Second and Lavaca streets
- 30-foot-wide screen overlooking plaza for broadcasting ACL events
- Tower with about 225 hotel rooms, offices and about 125 condos on the uppermost floors of W Hotel

ANDERSSON-WISE ARCHITECTS

The tower Stratus Properties Inc. wants to build across Second Street from Austin City Hall (its copper 'tail' is at right in rendering) would have a plaza, the Austin Children's Museum and much more.

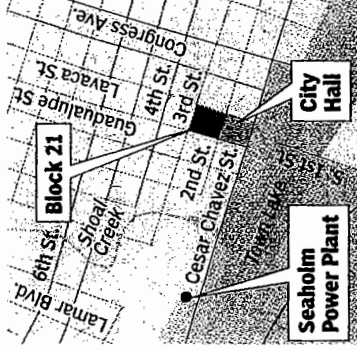
New home for ACL, museum?

Council to look today at plan for tower with hotel, condos, retail

By Kate Miller Morton
AMERICAN-STATESMAN STAFF

In less than three years, the vacant block north of Austin's City Hall could be transformed into a 32-floor high-rise featuring a luxury W Hotel and condominiums, a 1,000-seat "Austin City Limits" venue and an expanded children's museum.

That's the plan Stratus Properties Inc. is set to present today to the Austin City Council. The developer successfully bid \$15



AMERICAN-STATESMAN

Children's Museum.

The project, costing more than \$200 million and encompassing 780,000 square feet, is about 30 percent larger than what Stratus initially proposed last year.

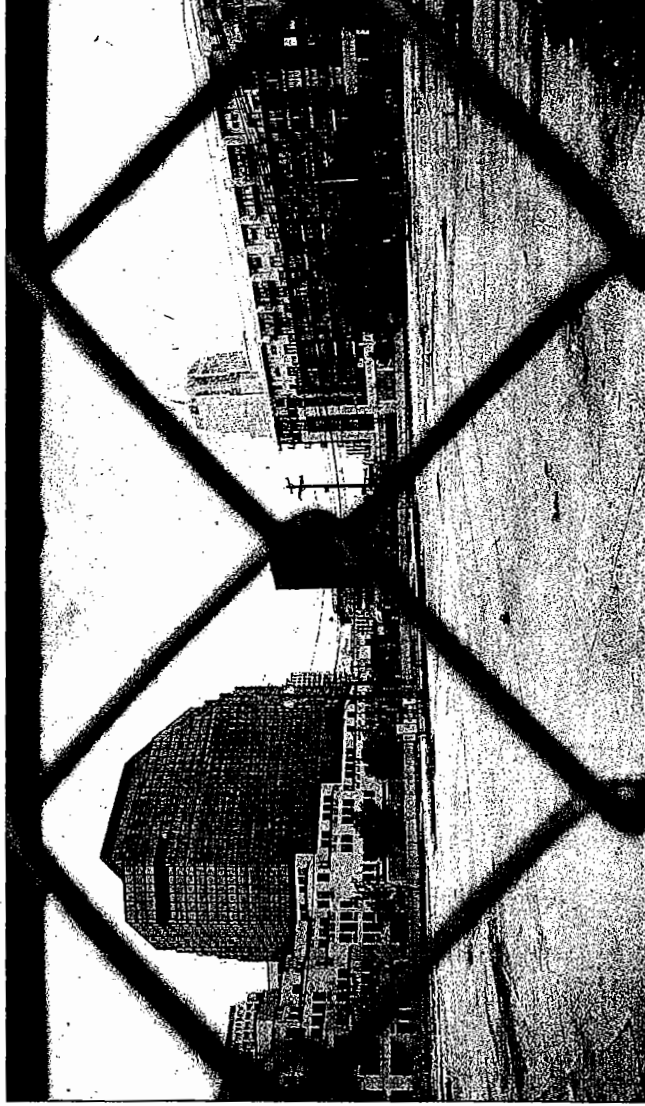
"Some of the feedback we got from council was to add as much density as possible," Stratus Properties CEO Beau Armstrong said.

The project would add a major cultural attraction downtown.

The popular "Austin City Limits" music program would draw residents and tourists alike to a part of downtown that only a few years ago was mostly city-owned buildings and empty land.

See **DEVELOP**, A10

million to buy the city-owned Block 21 last April. The cost for the land would fall to about \$10 million because of proposed incentives for helping the Austin



Ralph Barrera AMERICAN-STATESMAN

if approved by the City Council, construction on Block 21, seen in a view looking northeast, could begin by next year and take two years to complete. The city sold the land to Stratus last year.

DEVELOP: KLRU sees potential for studio

Continued from A1

The transformation already is under way, with new apartment buildings and the emerging Second Street retail district.

Mayor Will Wynn said the project will be a "big leap forward" in the revitalization of downtown.

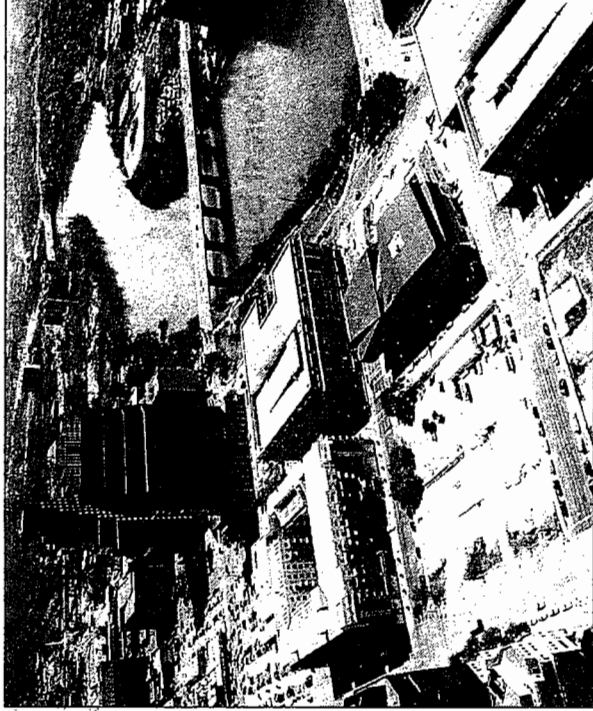
"I'm really pleased with what I've seen, and taxpayers are going to be very well served," he said. "It's a great combination of uses that will have 24/7 vibrancy and vitality there."

Armstrong stressed that the plan is conceptual, with many details to be worked out, including formal agreements with TV station KLRU, which owns and must approve any move of "Austin City Limits," and WHotels, which has signed a letter of intent to operate and manage the hotel and condos.

Stratus and city officials hope to negotiate a final purchase agreement by the end of the month. Construction is set to start by early 2007 and is expected to take about two years. The plan gives ACL a substantially bigger venue than its current quarters on the University of Texas campus, which hold only 320 visitors. The entrance would be on the southern side of the building overlooking a 10,000-square-foot public plaza at Lavaca and Second streets.

"There is a lot of excitement about the potential," KLRU General Manager Bill Stotesbery said.

The music show is financed by corporate sponsors, revenue from the ACL Music Festival



2005 AMERICAN-STATESMAN

Plans call for the now-bare Block 21, north of Second Street across from City Hall, to have a 32-floor tower with views of Town Lake to the south. Read past stories about Block 21 with this story online.

and a popular but limited Friends of ACL program. The new venue would allow ACL to expand its Friends program, and the third-floor suites overlooking the studio would provide another fundraising avenue.

KLRU had considered moving into the former Seaholm Power Plant site farther west, a downtown city-owned property to be redeveloped jointly with Southwest Strategies, but decided against it, in part because the cost of retrofitting the 50-year-old building would be too high.

KLRU has not determined how much the Block 21 studio would cost, but finances aren't the only concern, Stotesbery said.

"The design has to honor the 'Austin City Limits' brand promise to our viewers and the studio audience, which is an intimate experience with the performer," he said.

If ACL ultimately decides not to relocate to Block 21, live music will still be a part of the project, Armstrong said.

"We are going to build a music venue, regardless," he said.

Bringing more Austin flavor to the project would be the children's museum, at the northwest corner of the building.

The museum, now occupying 20,000 square feet at Second and Colorado streets, plans to add exhibits emphasizing Austin's uniqueness, including science and technology components,

said Mike Nellis, the museum's chief operating officer and interim executive director.

The city will subsidize the museum expansion with \$4.95 million, which would be paid to Stratus on the building's completion. The museum would then own its space. Nellis said it was not clear how much the move would cost.

The hotel, office and condo tower, at the north end of the site, would sit atop a three-story section holding ACL, the museum and street-level retail. The fourth floor would contain the hotel's spa and outdoor pool. Offices would be leased on the fifth and sixth floors. Three levels of parking, each with about 250 spaces, would be underground.

About 225 hotel rooms would occupy floors seven through 18, and about 125 condos would occupy the uppermost floors. Hotel amenities would be offered to condo owners. Council Member Betty Dunkerley said Stratus had addressed all her concerns.

"It looks like the children's museum has some very, very nice space," she said. "I love the idea of the possibility of ACL being there."

Council Member Brewster McCracken said the project would have a positive effect on the surrounding area.

"The good thing about a hotel is that it creates a large number of people who are going to be walking around at all times," McCracken said. "A hotel probably has a bigger impact on street-level retail than condos would."

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