

Austin's Triangle lands tenants

Retailers and apartment residents are set to arrive; long-awaited project prepares for July opening.

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Electronics retailer Circuit City, Austin-owned Galaxy Cafe and national restaurant chain Mama Fu's Asian House will be among the first retail tenants in the Triangle, the long-awaited \$100 million mixed-use development at North Lamar Boulevard and West Guadalupe Street.

The first phase of the 22-acre project is scheduled to open next month, when the first apartment tenants move in. Two four-story buildings will house 26,500 square feet of street-level shops and 335 apartments, with rents starting at \$1,035 a month.

The project's retail developer, Cencor Urban, is also in serious negotiations with other prospective tenants, including the Z'Tejas restaurant chain and Flying Saucer, a chain of brew pubs.

Cencor Urban President Tom Terkel wouldn't comment on specific tenants. But at the recent International Council of Shopping Centers trade show in Las Vegas, Cencor listed those companies and others as having signed leases or being seriously interested in the Triangle.

Terkel said more tenants will be announced soon.



Andrew Price/AMERICAN-STATESMAN

Next month, the first phase of this 22-acre mixed-use development in Central Austin will wrap up, when apartment tenants move in. Two four-story buildings will house shops. Austin's Galaxy Cafe will be among the first retail tenants. Rents for the 335 apartments start at \$1,035 for a 652-square-foot unit.



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Before construction began, neighbors opposed the original plan that included a book superstore and multiscreen movie theater. Work started in late 2003.

The project got its name from the shape of the lot, which is owned by the state. In 1996, Terkel and others signed a 50-year lease on the land.

But neighbors opposed the original plan that included a book superstore and multiscreen movie theater. It took several more years to win approval of a scaled-back version that matched the requirements of the neighborhood, the city and the state. Work finally began in late 2003.

The final plans include nearly 650 apartments and 125,000 square feet of stores and restaurants.

Cencor and the Weitzman Group, its retail leasing partner, are trying to achieve a balance of local and national tenants.

That mix is important in Austin, "a town that really appreciates and enjoys and likes and supports" local businesses, said Eric DeJernett, a senior vice president in the retail division of Trammell Crow Co.'s Austin office. The national stores help bring in the traffic to support local businesses, which don't have big advertising budgets.

Circuit City would not comment on its plans for the Triangle. But Frank Brown, an analyst with SunTrust Robinson Humphrey Capital Markets in Atlanta, said the company is launching smaller so-called urban concept stores, about half the size of a typical Circuit City, to capture sales in areas that can't support a full-size store.

The company has a store near the Arboretum in Northwest Austin and another one in Sunset Valley.

Chris Courtney, who co-owns the Galaxy Cafe in South Austin, said the notoriety the Triangle project earned during the prolonged approval process was one reason he and business partner Kelly Chappell liked the location.

"We just feel like it is one of the more dynamic growth areas in town as far as a concentration of people," Courtney said. "It's just a very high-profile project that we wanted to be involved in."

There's been strong interest in the apartments, said Rick Craig, a partner in Simmons Vedder & Co. The Austin company is developing the residential part of the project.

Already, 160 leases have been signed, an unusually high number for an unfinished project.

The Triangle's proximity to the University of Texas probably is one reason, said Charles Heimsath, president of Capitol Market Research. "It's right there on the Guadalupe Street bus route, and if Gables Central Park is any evidence, I would say the majority of their leases are to students."

The one-, two- and three-bedroom apartments have 10-foot-high ceilings and granite counters and range from 652 square feet to 1,354 square feet. Rents range from \$1,035 to \$2,105.

Craig said Simmons Vedder hopes to start another building on Guadalupe Street this month that will have 115 apartments.

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