

Work set to start at 48-story tower

The Republic downtown lands its 1st major tenant

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A 48-story office tower is on track to break ground in the coming weeks in downtown Austin, adding to the building boom in the city's central business district.

Dallas-based Lincoln Property Co. and its partners, Dallas-based Phoenix Property Co. and San Francisco-based DivcoWest, said they have landed the first major tenant for the previously announced office tower.

The developers declined to say who the tenant will be, but said landing that commitment will allow them to break ground on the building this quarter.

The developers are not disclosing an projected cost for the tower, which is named the Republic. A 2018 filing with the Texas Department of Licensing and Regulation lists an estimated cost of \$226 million for the project, but that estimate was made before the coronavirus pandemic, and market changes since could have changed the project's cost.

The developers say they have had equity in place for the project for nearly two years, and are in the final stages of closing on the construction loan, but did not elaborate further.

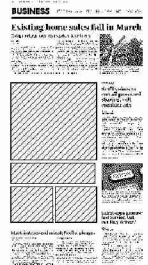
The tower will be built at 401 W. 4th St., on what is now a parking lot, and will a direct connection to its namesake, Republic Square Park.

The Republic's plans call for 833,000 square feet of

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office space, more than Indeed Tower. Indeed Tower currently is the city's tallest office building, rising 36 stories with 730,000 square feet of space. The Republic will also include restaurant and retail space.

The Austin region continues to see an influx of new and expanding companies, and corporate headquarter relocations. Lincoln said the Republic is "prime for new corporate headquarters or companies looking to expand into the Austin market."



“We believe the Republic will be a modern hub for top talent,” Seth Johnston, a senior vice president with Lincoln in Austin, said in a written statement.

The developers said there has been strong interest in the new project, “and interest continues to rise” as groundbreaking nears.

Demand for office space

When another downtown office building was announced this month, Rachel Coulter, managing director of Stream Realty Partners’ Austin office, said Austin’s central business district has rebounded since the coronavirus pandemic hit in 2020.

“The demand for office space in downtown seems to be driven by companies realizing the value of collaborative office space,” Coulter said. “We are seeing professional firms along with technology companies committing to long-term leases in downtown Austin.”

In its latest Austin office market report, CBRE said demand shows no signs of slowing down as the city’s growth continues.

Asking rents for top-tier office space were at a record high in the first quarter, at \$53.34 per square foot. That was the first time they were above \$50 per square foot since CBRE began tracking the figure in 1989.

The Republic’s site, across from Republic Square Park, was a focus for Duda Paine Architects’ design of the tower. A public plaza at the main entrance will serve as an extension of Republic Square Park, the developers said.

Lincoln, Kairoi and DivcoWest are the developers of a 66-story skyscraper that, at a planned height of 875 feet, is the tallest tower currently under construction on Austin’s skyline. Called Sixth and Guadalupe after its location, the tower will include 349 apartments, along with office and retail space. Facebook’s parent company, Meta, leased all the office space — nearly 600,000 square feet — in the high-rise.

In addition to Sixth and Guadalupe, Lincoln and Kairoi plan to start construction in the next few months on a 74-story tower in downtown Austin’s Rainey Street area — a skyscraper that would become the tallest tower in Austin, and possibly the tallest in Texas.

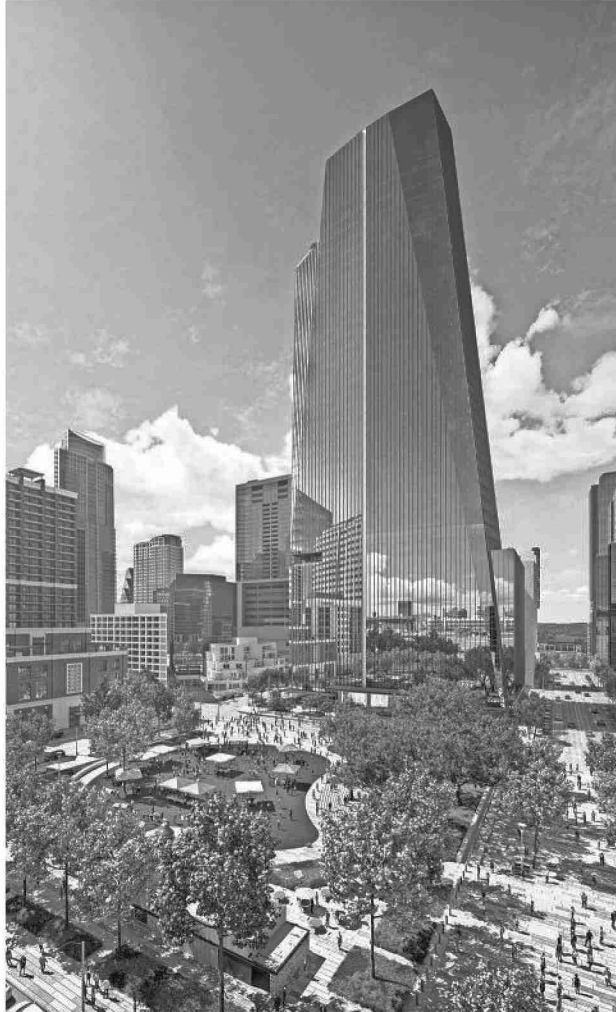
That project, slated for 98 Red River, would have 352 apartments, 686,000 square feet of office space and a 251-room hotel. The hotel brand has not yet been announced.

The property where the Republic will be built was once envisioned by Travis County as a site for a new civil and family courthouse, which instead is being built at 1700 Guadalupe St.

A few years back, Travis County signed a lease with Lincoln Property and Phoenix Property on the Republic site that is expected to bring the county, which owns the property, about \$430 million in lease payments

over 99 years.

The first payment of \$13.4 million — which was paid at closing in early 2018 — was more than half of the \$21.75 million that the county paid in 2010 when it bought the property from the former Austin Museum of Art (now the Contemporary Austin).



An artist's rendering shows the proposed design for the Republic, a 48-story office tower planned near Republic Square Park. PROVIDED BY NEOSCAPE



An artist's rendering shows the proposed design for the Republic, a 48-story office tower planned near Republic Square Park in downtown Austin. PROVIDED BY NEOSCAPE