



## The Art of Economics

You can find a city's soul simply by strolling its central business district--the place where the city was born. Here, among the aged, often seedy sections of town you can peer at boarded-up, painted-over windows of once proud, hard-working facades, and ponder what ancient wonders lie behind them.

Often, inside these ghostly time machines of silent brick, wood, steel and glass, you'll find a teeming subculture of magnificently funky lofts, apartments, studios and offices. The best ones are like secret childhood clubhouses open only to a select few--staring straight out and screaming their

potential to commuter nine-to-fivers who pass by, oblivious to the vibrant life inside.

More and more of those painted-over street level and second story silent structural souls will be made up and tricked out like South Congress Avenue hookers, family theme parks, or national franchise offices. Like sniffing out truffles in the French countryside, developers are smelling money in the long-ignored downtown sector, turning it into the hot new retail, restaurant and entertainment quarter.

One such example is a plan by Austin entrepreneurs and developers who have announced a partnership with a national cinema chain to build a multi-screen theater complex in the heart of the West End. Urban revitalization and preservation guru Sinclair back, as in the firm Black & Vernooy, says the project will start by wrecker-balling a district namesake, the Tips Warehouse.

In a story of vision, priorities, fatal flaws, public consensus and private enterprise, Austin growth looks inward.

### The Big Picture Show Plan

In November Austin CBD, Inc. and managing partner Bonner Carrington Corp. announced their plan with United Artists Theater Circuit to build a 12- to 14-screen movie theater and entertainment complex on a "vacant city block bordered by Lavaca and Colorado streets, and West Second and West Third Streets."

The \$10 million project will seat more than 3,000 viewers, drawing over a million moviegoers a year. In addition to the 85,000 square foot theater, the complex will house a 25,000 square foot virtual reality entertainment center, and a parking garage. There's also talk of street level retail, restaurant and a possible health club.

A major player in the warehouse district's redevelopment, Austin CBD Inc., includes Schlotzky's Inc. President John Wooley, and developer Stuart Shaw. The group owns or controls 2 1/2 city blocks, including all the properties under development along Second and Colorado Streets. Englewood, Colorado-based United Artists operates 428 theaters nationwide, with 2,359 screens.

What no one mentioned in all the excitement was that half of the "vacant city block" is occupied by the two-story 1929 Tips warehouse.

That raises the question, "do we really need a movie house at the cost of one of the district's biggest warehouses?"

### **The Plot Thickens like Concrete**

From the outside, the Tips, 211 Colorado Street is a typical utilitarian "modern age" structure. Its brown brick facade is broken into concrete quadrants framing gaping metal frame windows. The no-nonsense masonry cornice features four ornamental glazed tiles in diamond shape above the boarded-up front door.



Carl Holiday, an architect for the firm of Black & Vernooy, says, "The warehouse is representative of a well thought-out building by an established company of its time. The detailing in the masonry shows some architectural aspiration, certainly unlike anything you'd find in a warehouse today."

Babbs George is the acting school director for Live Oak Theater, whose administrative offices and theater school are the only occupants in the cavernous concrete-floored building. "It's a

marvelous old building, she says, "The second floor has these great windows that let light pour in. It's got thick round columns that make the light dance around the place. We've had artists hang their work and do shows up there. Photographers come up to shoot, using the natural light."

Live Oak Theater, like many downtown artists, are there only through the good graces of the building owners, paying minimal month-to-month rent until renovation and long-term tenants move in or, in this case, 'til the building is leveled. (See accompanying piece) "We know our days are numbered here," says George, "but we were surprised to hear that the movie theater people were going to tear the place down."

### Creative Shop with No Creative Solution

Not that no one's tried to put the building to use. Before the United Artists deal, advertising powerhouse GSD&M announced plans to move its 275 employees downtown into the warehouse (presumably so they could look out over Town Lake and write inspired beer commercials). The



firm went to Black & Vernooy for consultation on adapting the building to its office needs.

GSD&M Vice President and Account Director Duff Stewart says the firm's problem, ultimately, was space. "By the time we installed a

couple of elevator cores and stairways, and cut an atrium through the middle of the building to allow natural light in, we'd reduced our usable square footage to about 60,000, which is what we've got now."

The ad shop opted instead to build 83,000 sq. ft. in two stories on the site of the former McMorris Ford dealership on West Sixth Street next to the Whole Foods/Book People complex.

### The Visionary of Urban Vitality

"If you took GSD&M as an office tenant and added their requirements for parking, which would waste a lot of valuable land, you'd produce marginal profits, it would be a positive use for a building that wasn't being used, but with the attitude that everybody should drive to work, it

would add nothing to a vital urban neighborhood. So in economic terms, downtown is better off without them."

You guessed it; these are not the words of a politician.

Since 1967 when he opened shop in Austin, Sinclair Black has studied and struggled to revitalize downtown Austin as a viable human environment and tax base. His solutions are spelled out most succinctly in two studies published in the May/June 1981 Texas Architect Magazine. And though many of the options available then have been short-circuited by things like high-rise office buildings and boondoggles like the Austin Convention Center, Black's patterns are equally-if not more-applicable today.

Sitting in a small conference room in the 208 Fourth Street offices of his Architectural firm, Black lives the gospel he preaches. Most days he shuttles on the city bus between the architects' offices, his UT classes and his home, even though he has paid parking places behind his buildings.

The offices exude the warmth of their archaic materials: walls of local brick peeking from behind thick stucco, wood floors, stairways and massive beamed ceilings. There's no effort to hide the contrasting modern trappings of heat and air conditioning ducts and electrical lighting. Rather, they hang from high ceilings like shining sculptural ornamentation. The windows reach higher than anyone can reach, letting sunlight spill in, and invite you to slide them open for a breath of fresh air or to shout down across the open courtyard at contractors taking a cigarette break from their renovation work to expand Cedar Street nightclub.

Black, along with architect Chartier Newton and engineer Jose Guerra, bought the turn-of-the-century warehouse buildings back in 1979 when the area was a wasteland and the buildings were inhabited by floor-to-ceiling rolls of yellowing newsprint and an a few itinerant squatters. The architects adapted the buildings for office, retail, restaurant and entertainment use, leaving the sub-street-level courtyard (the former basement of a building that had burned down years earlier) between two of the buildings as an off-the-street oasis of people space.

The seemingly spontaneous renaissance and entrepreneurial anarchy the area is seeing today actually spawned from this very deliberate seed.

Talking with Black about the Tips warehouse demise, the United Artists cineplex project, and the other activities buzzing about the district, you get a lesson in urban planning and the pattern language that defines it.

### **Walter Tips' Fatal Flaw**

"I personally, if nominally the guru of the warehouse district, believe that the district can slowly but surely evolve, but a lot of the building stock won't be here. The land values will be too great, and that's the reality. That's not a sentiment. It's not something I wish for.

Black says the Tips' fatal flaw is its low, 9 1/2 foot floor-to-ceiling heights-too low for almost any contemporary use once you've added insulation, electrical wiring, plumbing, and heating and air conditioning ducts.

"The original builder decided to save a couple thousand dollars by making the ceilings so low," he says, "Someone forgot to consider that the building might have another life in the future. One thing I've learned is that a building is nothing more than a dumb box that changes uses over and over in its lifetime."

"If someone were campaigning to save the Tips, they'd immediately come to me for help," he says, "knowing I'll go to the wall to save a building. But the Tips is a sad case because of an original structural decision." He adds, "Of the four buildings owned by Austin CBD (the Tips, Zilker, Nalle, and 300 Colorado building), only the Tips lacks the basic structure, dimensions, and light access, that could ensure its survival."

### **Destroying the District to Save It**

Having once written off the Tips, Black then turns his attention to the bigger picture of his life's project: re-animating the warehouse district as the catalyst to revitalizing the central business district.

Bonner Carrington and Austin CBD came to Black and Vernooy with the United Artists cineplex proposal, asking how the firm could make the project urban-friendly. Black said he presented a concept that would turn the project outside-in.

"Taking in the whole block," he says, "the valuable part is the edge. So you take things that don't need an edge, and you put them in the middle. The primary objective of an urban building is to have it meet the street, preferably in continuous opposing edges all along the street. So we presented a scheme that put the theaters inside, retail and restaurant on the ground at the edge, the parking below, underground, and housing above the retail."

Black concludes, "The proper use of that property is far more important than saving a non-historic, relatively uninteresting existing building. If that existing building could be adapted to generate urban life and activity like Boston's Quincy market did, like Seattle's Fish Markets did, like Alexandria, Virginia's Torpedo Factories did, that's a different story. But it can't. It isn't going to.

"So the prospect of a truly urban building that's new, with several uses mixed in and parking underneath, and creating an impetus for things like a city hall and housing on adjacent blocks, is far more exciting to me than saving a building that's totally undistinguished to begin with. I'm the fool who'd say, 'save it because it's there'. But only if that's the best alternative."

Black's better alternative refers to a bigger picture that asks: What is downtown all about? What activities should it have? What does it do for the tax base? "If we can't figure out how to build a compact, sustainable downtown that takes on density activity and vitality and creates a tax base,"

he says, "then we're going to sit in our surface parking lots and watch real development go to other jurisdictions like Hayes, Williamson, and Bastrop Counties.

"I'm assuming, here, too, that the theaters will serve as a training device. If a million people a year come downtown to the theaters, they'll park in the garages, they'll walk around and they'll experience-many of them for the first time-a truly urban environment. You can see that in the people who come and sit in this courtyard and have a drink. They're learning about what urban life means. You can't discount the importance of that.

Black's analysis of the Tips' structural uselessness can't be taken as gospel. Wooley maintains "if we can't pull off a quality theater that reflects the values of the district and benefits everyone, we won't do it. There are a lot of uses for that building that could be economically feasible." Would he and the Austin CBD partners really wait for the next, best opportunity for the Tips before selling the block to Trammel Crowe for a high rise office building? And can Sinclair Black and compact city proponents like him educate the forces that can destroy the district's present positive momentum?

The answers may play out in coming months at a theater near you.

*-Cory Walton*

## **SoHo Redux**

A recent casualty of this inner-urban development bonanza was Austin artist Hawkeye Glenn, who was evicted from the Second Street studio space he'd occupied for the last three years, as developer Bonner Carrington Corporation and Austin CBD, Inc. cranks up its plans for the property.

A major player in the district, Austin CBD owns or controls two and a half blocks of the area. This includes the Tips warehouse building, the Zilker building, the Nalle plastics building, the 300 Colorado building, and several smaller Second Street buildings.

Businesses that have already committed to these properties include Schlotzky's, who'll move from their current Fourth Street corporate headquarters into the Nalle building; Sullivan's (a division of Lone Star Steak House and Saloon franchises), who'll open a restaurant in the 300 Colorado building, and the Austin Children's Museum, which plans to occupy 14,000 square feet of the Zilker building.

During his farewell party and sale, Glenn pointed to a towering totem pole he'd made from a huge rough hewn wood beam, fitted with cut and welded steel appendages. "I'm making bigger pieces," he said, "I need more space, so it's time for me to move anyway."

But there was a note of bitterness as Glenn spoke to friends about the time and effort he'd put into clearing the wall-to-wall trash, discarded waste and toxic materials from the concrete floor, replaced frayed, exposed electrical wiring, and patched leaks in the roof.

It takes a lot of time, space and expensive materials for artists to hone their work into something salable. That's why you often find them in low rent abodes like abandoned downtown warehouses. The artists' alternative lifestyle brings a street-level subculture of character and color to the area. Then, ironically, they're left out in the street while property owners cash in on that subcultural color and character.

Sculptor T. Paul Hernandez, a six year veteran of the downtown studio scene, also leases space in one of Austin CBD's warehouse properties. "We probably won't be here much longer," he says, "Entrepreneurs are moving in and squeezing the artists out. It's all about money. Just like in Manhattan's old SoHo area. It's a universal formula. I've seen it over and over again. I'm not bitter about it; it's just reality."

### **The Artist MBAs**

While the urban renaissance goes down in financing packages, lease agreements and construction contracts, a portrait of the new, smarter, more business savvy urban artist emerges.

Since June, Joel Mozersky, Robert Leeper and about a dozen independent crafts people have occupied 5,000 square feet of the Austin CBD-owned, Bonner Carrington-managed Zilker building, under the umbrella name "Buzz."

Mozersky and Leeper and their crafts incubator have created stained concrete floors and custom furniture for Austin businesses including Little City Cafe and Texas French Bread.

In a gallery/display area inside Buzz's Second Street entrance, the cacophony of table saws, sanders, metal grinding and welding in the background fits the still "rough" space where Nalle Plastics manufactured from 1946 until 1991. Mozersky says, "Bonner Carrington has been more than generous to artists in this area. They've allowed us to work out of the building at reduced rates until they lease the property for finish-out and occupation by long-term tenants at market rates. You really couldn't ask for more."

Mozersky, a UT Art History undergraduate who went on to get an MBA from San Francisco's Golden Gate University, targets Buzz's products and services to the kinds of businesses and customers Bonner Carrington would love to see in their warehouse space.

### **The Artist Entrepreneurs**

Other downtown artists have either found patrons in their landlords, or have found a commercial niche to help them pay the market rate for their space.

Painter Layne Jackson pays for her Congress Avenue studio with income from the multi-media design business she opened there after running Dell Computer's international marketing

department. "The only way I can hold any space is to operate like a business person," she says, "I pay my rent and I don't give them any opportunity not to like me."

This year, as district rental rates escalate, property owners nearly doubled the rent for Capitol City Playhouse's 214 W. 4th street warehouse residence, reports managing artistic director Michele Jaroschy. The 17-year-old operation was able to get additional funds through the city's downtown and arts commissions this year to offset the increased operating expense.

Felicia and Chris Vreeland run Vreeland Graphics silk screening from 4,400 square feet of a 1902 brick and stucco structure at Fifth and Lavaca Streets. Under Chris's perfectionist production direction, and Felicia's audacious business management, what was a husband-wife garage operation has grown to a million dollar business with 13 employees, specializing in four-color fine art prints.

"We're making marketable art," says Felicia, "We're doing something we love and making money at it, and we're stoked. We've locked in our lease for the next three years, and we're giving our employees a share of the business."

With a flat bed bellows camera taller than Felicia, an 8-color, 10-station screening press, and freshly printed tee shirts coming off a wide conveyor belt that passes through a gas dryer the size of a compact car, the space is far too small. Graphic artists and typesetters work in a loft overlooking the production area, where press operators, order packers, a retail receptionist and a harried computer programmer are constantly bumping into each other.

From an open delivery door looking across Lavaca, they watch the renovations for yet another restaurant and nightclub. Felicia muses, "When the lease is up here, we may have to move to Mexico and leave the equipment to our employees. Adds Chris, "They'll have to move the presses to somewhere on 183, or to Round Rock."

So while the downtown warehouse district resurrection may be an exciting example of free enterprise making a more livable downtown Austin, there will be costs to our cultural and historic fabric. And fewer of those great hulking inner-urban treasures that give a city soul, and artists a place to work.