

# Crystal Kilpatrick

## Austin News and Development

In the hustle & bustle of our daily lives we need to stop and appreciate the beautiful city we live, work & play in.

### West Fifth Street development transforming a gateway into downtown

By Shonda Novak

AMERICAN-STATESMAN STAFF

Sunday, July 20, 2008

West Fifth Street, one of the main gateways into downtown Austin, is undergoing a revival.

Not that many years ago, the stretch of West Fifth between MoPac (Loop 1) and Lamar boulevards was filled mostly with car lots, warehouses and a handful of restaurants. By the end of next year, it will have more than 300 apartments, new stores and the first office project in the downtown area since the Frost Bank Tower opened in 2004.

The street's funkier landmarks, including the Mean-Eyed Cat bar, will remain. Other longtime businesses are getting makeovers, including Castle Hill Cafe, which will reopen soon as Corazon, with an interior Mexican menu.

Before Whole Foods Market opened its flagship store at Lamar and Sixth Street, there wasn't much energy on the western edge of downtown. But the store has been a catalyst for development nearby.

And the activity on West Fifth is a natural extension of the changes going on downtown, where high-rise apartment and condo towers are filling the skyline.

"Fifth Street is really the last opportunity for commercial development on a major roadway into downtown. It's very, very valuable because there's just a finite amount of it left, and people figured it out," said developer Perry Lorenz, a co-owner of Castle Hill and the restaurant that will succeed it.

"Everybody that works in those big buildings downtown drives right down West Fifth every day on the way to work," he said.

His assertion is bolstered by figures from the Weitzman Group, a commercial real estate brokerage, which show that as many as 48,000 cars empty from MoPac onto West Fifth each day between 7 and 9 a.m.

That visibility is invaluable for retailers, who are gravitating to the area because they can capture potential customers not only from downtown, but also from workers who drive in each day from North and South Austin and the more affluent western suburbs.

Michele Gary, vice president of Weitzman's retail division in Austin, said she already has lined up tenants for more than half of the retail space in the 5th Street Commons. Gables Residential is building the project, with 150 apartments and 38,000 square feet of retail space, at West Fifth and Campbell streets.

"The interest has really been high," she said of the project, which is scheduled to open in December. And the prime location is allowing developers to get base rents of \$32 a square foot — close to downtown levels.

Studio apartments will start at \$1,300 a month and two-bedroom units at \$1,850, said Jennifer Wiebrand, a development associate with Atlanta-based Gables Residential.

A short distance away, on the north side of West Fifth, Gables and Capital City Partners are building a project called Pressler. It will have 168 apartments and 25,000 square feet of retail space, said Joe Lamy, principal with Capital City.

It will open in March with apartment rents comparable to those at 5th Street Commons, Wiebrand said.

Lamy said the changes along West Fifth are "just the next logical step in Austin's growth. Austin's growing, and it had to grow in all the other areas before this became the next."

grow in all the other areas before this became the next.

Capital City Partners is joining with Sage Land Co., owned by Lamy's father, Pete, to build Capstar at Compass Plaza, an office building at the western end of Fifth Street. It will be across the street from Hartland Plaza, which Sage bought in the early 1990s, and connected by the bridge that now crosses above Fifth Street.

The new building, 115,000 square feet and eight stories, was permitted in the 1980s, exempting it from later limits on building heights.

More than 90 percent is pre-leased to tenants, including several companies owned by Austin entrepreneur Steve Hicks. They include Capstar Investment Partners LP, digital music company DMX Inc., Harden Healthcare and Girling Healthcare.

At West Fifth and Lamar, Schlosser Development Corp. plans an office and retail project that will include West Elm, a contemporary furniture and home accessories store. The 12,000-square-foot store is scheduled to open next summer.

Brad Schlosser said more tenant announcements are expected soon. His company, which owns four blocks in the area, has been the principal player in development at downtown's western edge.

Cathe Dailey, co-owner of Castle Hill, has seen the changing of West Fifth firsthand.

Castle Hill was at 11th Street and Lamar for five years before moving in into a larger location at West Fifth and Baylor Street in 1991.

At that time, the location "was considered the edge of downtown, kind of a dead zone, a no man's land surrounded by car lots," Dailey recalls.

But the site came with 70 parking spaces, a prize for a restaurant.

"Certainly, I thought that eventually downtown would move in our direction," she said.

Dailey said Whole Foods has been a huge catalyst in the transformation of downtown's western edge.

"Whole Foods is like the epicenter, and we're in their orbit," she said. "If we don't capitalize on that, we're missing the mark."

Dailey said that although Castle Hill was perceived to be a good bargain, Corazon's more affordable menu and casual dining atmosphere will be more appealing to downtown's growing residential population,

The Mean-Eyed Cat, housed in a century-old building, will be overshadowed by its new neighbor, 5th Street Commons. Gables acquired the bar site along with the site of its new project.

Bar owner Chris Marsh said he knew development would eventually come his way and credits Gables for being willing to preserve his business as part of its plans.

"I think they were sensitive from the beginning about how to keep me open and how I was to be incorporated into their plans," he said.

Marsh said he hopes the development along West Fifth will benefit the longtime businesses, such as the El Arroyo restaurant and Donn's Depot bar across the street.

"I think it will be a good mix," he said.

Lorenz said the Tips Iron & Steel Co., just south of Castle Hill, remains one of the most interesting development opportunities in the West Fifth area.

In 2003, Tips President Steve Wimberly envisioned a preliminary long-range development plan for the 5.3-acre site that, under one scenario, was to include up to half a million square feet of locally owned shops, restaurants and businesses, and possibly a hotel. Nothing materialized, and Wimberly did not return several calls for this article.

Lorenz has called the Tips site "a diamond in the rough."

Lorenz has called the TIPS site "a diamond in the rough."

With views of Lady Bird Lake, he said, many developers "have made a run at it," but no deals have been struck. Lorenz thinks the site would be prime for an upscale mixed-use project similar to the Domain in North Austin.

Ultimately, Dailey foresees the West Fifth strip shaping up to become a "self-sufficient living space" with an "inner-city village feel," with people walking about, or on their bikes or scooters, connecting with their urban world.

Said Dailey: "We're not destroying a neighborhood — we're creating a neighborhood."