

THE REAL ESTATE ISSUE

# BUSINESS DISTRICT

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## RISING FROM THE ASHES

OASIS OWNER BEAU THERIOT TALKS ABOUT WHAT IT TAKES TO MAKE THE ULTIMATE COMEBACK

## THE SEAHOLM REDEVELOPMENT

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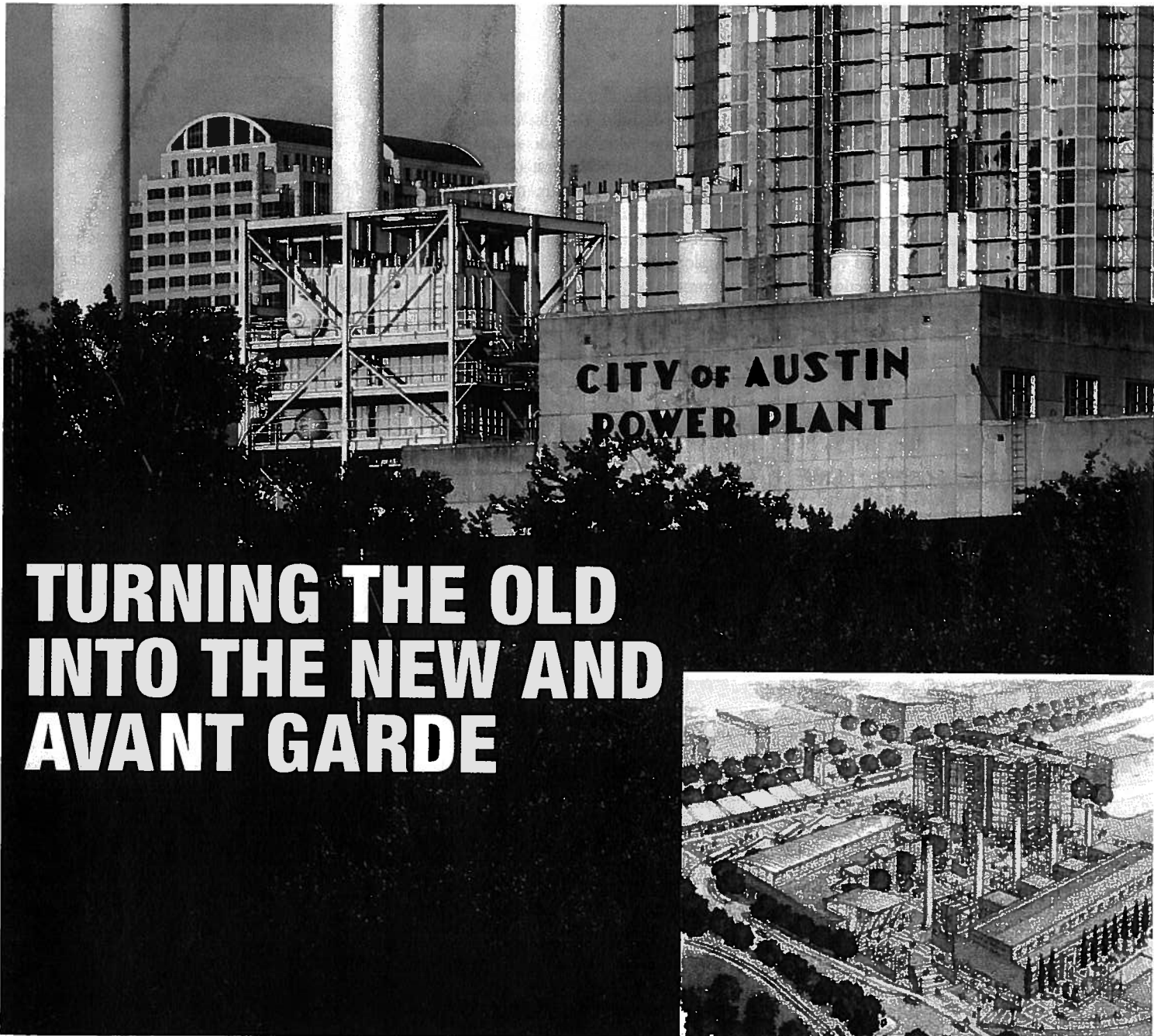
THE GREAT MORTGAGE MELTDOWN

MARC KATZ on the Las Manitas Loan Debacle

September 2007  
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# TURNING THE OLD INTO THE NEW AND AVANT GARDE

Redevelopment of Seaholm site a long time in coming, but it was worth the wait. By Steve Habel

For years – almost two decades, in fact – the Seaholm power plant that reigns over the southwest portion of Austin’s downtown sector just across the street from Lady Bird Lake and the hike and bike trail sat silent and seemingly immune to the hustle and bustle and change of the world around it.

That’s all about to change, and many will say that change is a good thing and a long time coming.

On April 28, 2005, the Austin City Council

selected Seaholm Power, LLC, a development consortium lead by Southwest Strategies Group of Austin, to enter into an exclusive negotiation agreement with the City to redevelop the Seaholm and its immediate surrounding areas.

And while the final details of the project are still under negotiation, plans for the site feature a mix of office space, local retail shops, contemporary condos, a boutique hotel, special event space and an outdoor terrace that overlooks Town Lake.

An architectural gem built in the 1950s, the long-dormant power plant offers a unique opportunity to preserve a key piece of Austin past and unite it with the region’s vibrant future. Thanks to a unique partnership with the City of Austin, Seaholm will combine cultural and civic needs in an exceptional setting for residents and visitors to enjoy for generations to come.

“Imagine a place to live, work, play, shop, eat and sleep,” says the Seaholm website. “Then imagine that special place on the shore

of Town Lake, connected with a major inter-modal transportation network and designed around a historic art-deco structure. This vision will become a reality with the transformation of the former Seaholm power plant site."

The transformation is also expected to create more than 200 jobs and produce \$2 million a year in tax revenue. The Seaholm Redevel-

The Seaholm Power development team is comprised of five principal organizations: Southwest Strategies Group, Design Collective, Beck, Centro Partners & La Corsha Hospitality Group, as well as an impressive list of consultants.

"Seaholm Power brings together highly qualified development, design and construc-

underpass beneath the Bowie rail bridge, a change to the Green Water Treatment plant and a downtown water tunnel.

**A little history**

The Seaholm power plant, a City-owned retired power generation facility, was designed by Burns & McDonnell Engineering Co. and

**"It's the first time that the City has entered into a public-private venture for the sole purpose of saving an iconic building in Austin."**

opment Team aims to cater to downtown Austin's thriving cultural and business needs while paying homage to the site's unique history.

"This is a historic event and an opportunity for saving a slice of Austin's history," said John Rosato, managing partner of Seaholm Power LLC. "It's the first time that the City has entered into a public-private venture for the sole purpose of saving an iconic building in Austin."

tion firms, melding local experience and familiarity with world-class expertise in specific areas," Rosato said. "Not only is our team fundamentally qualified, we are also passionate and committed to this type of complex project."

Along with the redevelopment of the site itself, Seaholm's new face will bring with it many changes and additions to the area, including changes to Cesar Chavez Street, an extension of the Pflugger Bridge, a pedestrian

built of cast concrete in two phases in 1950 and 1955 by Odom Construction. The main generator building, the water intake structure along Town Lake, the five vertical stacks and the fuel oil building immediately to the north of the main structure comprise a building complex that represents a unique period of American municipal architecture and public works engineering.

The Seaholm Power Plant features art deco style common with other municipal water-

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works and powerhouses in the 1930s - 1950s. Seaholm is quite unique in its solid concrete construction, as virtually all power plants at the time were constructed of steel and brick. The exterior walls of Seaholm have a scored pattern of 4' x 4' panels and retain the imprint of wood grain from the plywood form work. The architectural design is also unique for it shows thoughtful consideration to the detailing and proportioning of the elevations.

The generator building contained five gas/oil generation units in a towering turbine room with clerestory windows above flanking aisles, and a 65-foot-high ceiling. Clerestory windows flank the upper aisles and let the sunlight stream through all three floors of the 136,000-square-foot structure. Two lower floors contain an additional 75,000 square feet. In all, the building has more than 110,000 square feet of useable floor area. The complex also contains an electric utility substation, transmission and distribution facilities, and a utility microwave communications center.

The plant was dedicated posthumously in 1960 to Walter E. Seaholm, who served as Superintendent of Water and Light and City Manager during his 33-year career with the City of Austin.

Seaholm operated as a power plant until 1989, and in 1996, the Austin City Council authorized the decommissioning of the power plant and set the table for its adaptive reuse. In the years since, the site has been considered for a myriad of projects, including a business think-tank and startup facility, an aquarium and as the location for the Texas History Museum that now rests on Congress Ave. and Martin Luther King Blvd near the Capitol.

### The right team at the right time

According to Laura Huffman, the assistant city manager for the City of Austin, the determining factors in awarding the site to the current developer was its team's qualifications, including its experience with similar projects and the resources they could bring to the project.

"The City Council selected the development team following a detailed

evaluation of responses to a Request for Qualifications (RFQ), which also included a proposed Redevelopment Concept," Huffman said. "The purpose of an RFQ is to identify the most qualified, creative team.

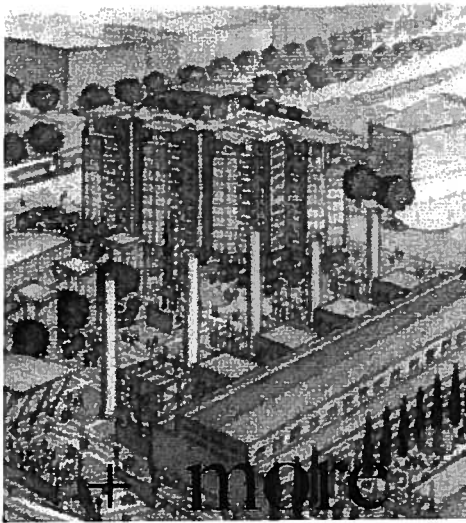
When Council directed City staff to issue the RFQ for Seaholm and the Request for Proposals (RFP) for Block 21, respondents were asked to propose homes for Austin City Limits / KLRU, the Austin Children's Museum and The Texas Music Hall of Fame. "Those three organizations were the most active at the time in seeking new facilities, and were supported by Council," Huffman said. "In the end, both Austin City Limits and the Children's Museum ended up at Block 21. The Texas Music Hall of Fame did not continue their pursuit of a new facility. Other cultural groups or organizations could have submitted responses to the RFQ/RFPs, but none that could be considered responsive to the RFQ/RFPs chose to do so."

"We view this as a pivotal opportunity for revitalizing downtown and realizing a longtime goal for a transit hub at Seaholm," Huffman added.

The project cleared a major hurdle in January 2006 when the U.S. Environmental Protection Agency officially designated the site as suitable for development. During a news conference at the site, federal and state environmental officials said the nine-year, \$13 million remediation to clean up hazardous materials there was finished.

Seaholm is the first facility nationwide to receive a "ready for reuse" designation under the federal Toxic Substances Control Act.

Huffman said the master development agreement for the redevelopment is still being negotiated between the City and the Seaholm Power LLC's development team, and that the developers' timeline of a 2009 completion for much of the site and 2010 for its hotel are still preliminary. "The timelines are based on various approvals and submittals being completed," Huffman said. "Our goal is to get this project under construction as quickly as possible."



These additional projects will occur in conjunction with the Seaholm redevelopment:

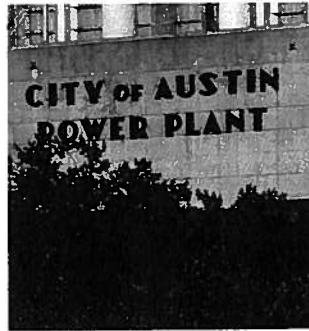
- **West Avenue extension from Third Street to Cesar Chavez Street:**
- **A new street running along the west side of the power plant (tentatively referred to as Seaholm Drive) from Cesar Chavez Street to Third Street.**
- **A wall around the electric substation.**
- **The relocation of the Thomas C. Green Water Treatment Plant at 600 W. Cesar Chavez St., to be decommissioned in 2009. The early planning stages for the redevelopment are in progress and in February 2006, the City Council passed a resolution to reserve part of the Green Water Treatment Plant site for a new Central Library.**
- **A new downtown wastewater tunnel will be run under Town Lake, providing an upgrade in capacity when connected to the extensive existing wastewater network. Construction work will be focused at the shaft site in the area between Lamar Boulevard and B.R. Reynolds Drive.**

The following proposed projects are being considered for future Seaholm District redevelopment phases:

- **Electric substation reduction and redevelopment, along east side of the Seaholm power plant building.**
- **West Second Street extension from San Antonio Street to Seaholm through the Green water treatment plant development with a bridge across Shoal Creek.**
- **Redevelopment of Austin Energy's Energy Control Center, 301 West Avenue.**
- **Water intake structure reuse.**

## Redevelopment bonuses

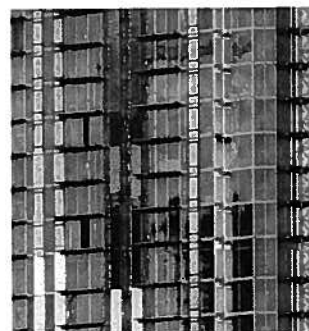
Along with the redevelopment and refashioning of the site itself – of which its north-south boundaries are Town Lake and West Fifth Street and east-west are San Antonio Street and South Lamar Boulevard – the city is pitching in to make sure folks can get to the site and that it blends in with the city's master plan for a revitalized downtown district.



1. **CESAR CHAVEZ STREET** will be converted to a two-way thoroughfare between IH-35 and Lamar Boulevard. The conversion construction will occur between Brazos and San Antonio streets. Two new intersections will be added to Cesar Chavez Street near Lamar as part of the realignment of Sandra Muraida Way. Construction work will be coordinated with the other Cesar Chavez Street projects for safety and efficiency. The Cesar Chavez Street two-way conversion project will involve reconfiguring the lanes, traffic signals and signs for two-way traffic and adding turn lanes and crosswalks.



2. A **PEDESTRIAN ESPLANADE** will be installed on the south side of Cesar Chavez between Congress Avenue and San Antonio Street that will feature a new sidewalk. The small parking lot at the Buford Tower will be removed and replaced with a multi-level plaza. Many urban design enhancements will be added, including rows of trees and a new connection to the Town Lake trail and benches, and an Art in Public Places consisting of laser-cut steel panels integrated into a railing installed in close proximity to the historic marker of two of Austin's disastrous floods in 1869 and 1935.



3. **THE LANCE ARMSTRONG BIKEWAY**, a six-mile bike route, will be constructed from U.S. 183 (near the Montopolis Bridge) to Veterans Drive (just west of MoPac). The bikeway segment in the Seaholm District will be a 12-foot wide concrete path running along the north side of Cesar Chavez Street. This new concrete path will start at the Shoal Creek Hike-and-Bike Trail and end near Stephen F. Austin High School. Other segments of the bikeway will be located on existing roadways marked with signs and paint. Construction of the east and west segments of the bikeway began in June 2007.



4. As part of the project, the **PFLUGER BRIDGE** for bicycles and pedestrians will be extended to the north over Cesar Chavez Street, connecting Town Lake with the Sixth and Lamar Market District. The bridge extension is an integral part of the new north-south route for bicyclists and pedestrians: from the Pfluger Bridge, across the bridge extension, over Cesar Chavez Street and through the future Gables site to the Bowie Pedestrian Underpass. The Bowie Pedestrian Underpass will pass under the railroad tracks near West Third and Bowie streets to allow pedestrians and bicycles safe passage under the tracks to West Third Street.