



PHOTO BY MICHAEL STRAVATO

Vince Foster (left) and C. Byron Snyder of Main Street Equity Ventures: A time for integration, not acquisition.

er is the founder City. they oversee and "a boutique pri-fund" based in ia area, Foster ng off after oth- tly punted the on strategy, the spawn new con- n Houston. STREET, page 26A

Houston Business Journal  
10/6/00

# High-rise plans for historic structure

*Gulf Publishing site nears sale*

By Nancy Sarnoff  
Houston Business Journal

Simmons Vedder & Co., an Austin-based developer with a penchant for suburban office projects, is under contract to purchase the 84-year-old Gulf Publishing Co. building on Allen Parkway with plans for a 34-story residential tower on the site.

This would be the first multifamily development for Simmons Vedder, which recently created a residential division to launch the new project, says vice president John McKinnerney.

"We own several apartment deals in different partnerships, but this is our first residential development," he says.

The firm has hired a former Gables Residential executive to head the new division. Rick Craig, a one-time development partner at Atlanta-based Gables,

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PHOTO BY MICHAEL STRAVATO

and Internet marketer Jim O'Donnell, with Bill Holth businesses appeal to adrenaline junkies.'

# Tex-Mex sells out

e whole enchilada founder Rosemary one of Houston's 11-known women owners.

launched what is our-store Tex-Mex h her husband 30 o. Now she has sell the Los Tios s and this week offi- l to Adair the con- ook over when her

husband died in 1976.

Debuting as a single location at Bissonnet and Fondren, the neighborhood-oriented chain has served up standard Tex-Mex fare at low prices to a generation of local diners.

See LOS TIOS, page 28A



Garbett

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Dot-com cuts staff, awaits fresh funding

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# Highrise

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joined Simmons Vedder in April.

McKinnerney did not reveal specific details on the project, other than saying it could be built up to a soaring 34 stories. The only other inner-loop residential building that climbs as high is The Huntingdon, a posh condominium development built in 1983 located near the intersection of Kirby Drive and San Felipe.

McKinnerney says the firm has not yet decided whether the project will offer rental or for-sale units.

McKinnerney would not disclose the exact amount Simmons Vedder is spending on the site, which is a little more than two acres, but he concedes it is in the range of \$45 per square foot. The sale, which could be in excess of \$4 million, is expected to close this month.

Richard Zigler, director of research for real estate consulting firm O'Connor & Associates, says it can be difficult financially to do a for-rent project on a high-profile piece of land.

"Not that it can't be done, but the rents necessary for doing a highrise, where land costs are not cheap, need to be \$2 a foot, and that's higher than most everything we have in Houston. It seems to make more sense to do condos than for rent," says Zigler. "But it probably could work either way if you had the right property."

## COVERING NEW GROUND

Simmons Vedder has hired local architecture firm Steinberg Collaborative to do the design work. Steinberg projects include The Left Bank, a European-style, 293-unit apartment complex on Memorial Drive near Shepherd, as well as Trammell Crow Residential's The Reserve at Old Braeswood apartments on Greenbriar Drive near the Medical Center.

If the proposed project reaches 34 stories, it will tower over the existing multifamily developments along the Allen Parkway corridor, as no developer has yet attempted to build a high-rise residential tower on the parkway, just a stone's throw from downtown.

The stretch of Allen Parkway from Kirby Drive to downtown has seen some recent residential developments, but few have been more than a few stories tall.

Just south of the parkway at the corner of Shepherd and West Dallas, Randall Davis just topped off his 8-story Renoir condominium development. And other developments along Allen Parkway, including several apartment complexes and small clusters of townhomes, only reach about four stories high.

The only building that would eclipse the Simmons Vedder project, is the 43-story office building that is the headquarters of American General at 2929 Allen Parkway and Waugh Drive, just down the street from the Gulf site.

## UNIQUE DESIGN

The prime tract of land, located between River Oaks and the Central

Business District, has attracted other big-shot developers since the building was put on the block earlier this year.

Local apartment builder Marvy Finger attempted to buy the building this summer, but his offer was not accepted.

Zigler says the site's location is attractive to potential developers and Houstonians looking for in-town living options.

"You have the advantage of being close to downtown, Memorial Park and River Oaks," says Zigler. "You have most of the benefits of downtown living like the nightlife, the theater and being close to the Central Business District, but without all the problems some people associate with downtown living like parking and one-way streets - it sounds like it could be a huge winner."

Gulf Publishing put its historic building on the market just about a year ago after the decades-old energy publisher was acquired by venture capital

firms SCF Partners of Houston and Wellesley, Mass.-based Battery Ventures in a \$20 million deal.

Prior to the buy-out, Gulf Publishing had been one of the city's oldest family-owned businesses, and the company has officed out of the building since its inception in 1916.

At almost 50,000 square feet, the building's unique design has made it something of a landmark in the city with its peach-colored stucco exterior and clay tile roofing.

## RISE OF THE HIGHRISE

High-rise condominiums were a popular form of housing in the Bayou City until the economic crash of the 1980s. But since Giorgio Borlenghi of Interfin Corp. began building his Villa d'Este condo tower in the Galleria area, the trend seems to be reversing.

Randall Davis' company is now scouting out more land for its next residential project, following the successes of The Renoir, The Gotham, The Metropolis and, of course, The Rice Hotel.

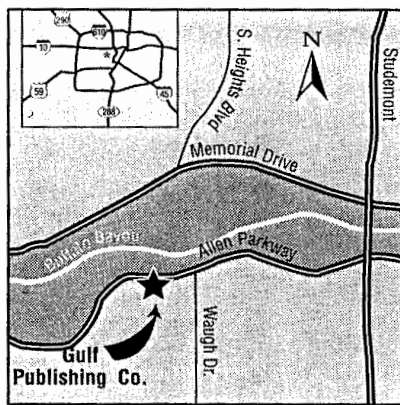
Dallas-based Genesis Real Estate is building a 30-story residential highrise on Sage Road between Richmond and Highway 59.

And in the way of upscale renovation projects, downtown's 12- and 24-story Commerce Towers is seeing strong sales, helping to prove that there is, in fact, a growing need for near-town residential.

Prior to contracting the Gulf Publishing building, Simmons Vedder has been developing office buildings since it was created in 1992.

The firm recently completed a nine-story, 470,000-square-foot building for ABB Lummus Global in Westchase. And last year, the company built a 157,000-square-foot, one-story office building on Greens Crossing Boulevard, which was leased by Ikon Office Solutions. And this summer, the firm announced a second phase to the project that will include another 157,000-square-foot building.

Simmons Vedder also develops office projects in Atlanta, Orlando, Fla., Reston, Va. and Austin. ■



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