

More shops headed to Second Street

AMLI takes over management of district, plans for more growth

By [M.B. Taboada](#), [Shonda Novak](#)
AMERICAN-STATESMAN STAFF
Friday, January 25, 2008

More shops, restaurants and parking are coming to the Second Street district downtown, bringing everything from Chinese food and Spanish tapas to sporting goods.

Many of the new stores will be on the ground floor of AMLI's new 18-story apartment tower at Second and Guadalupe streets, which will include more parking spaces for shoppers and diners in an area where street parking is hard to find during peak times.

The district, bounded by Cesar Chavez and Third streets, and Colorado and San Antonio streets, has mushroomed to 42 stores and restaurants in two years, including St. Bernard Sports, which opened in November, and Wee, a children's furniture store that opened last week.

Combined, the stores and restaurants rang up \$25 million in gross sales in 2007, up from \$16 million in 2006, said Steve Hallsey, chief executive of AMLI Management Co., a subsidiary of the Chicago-based development firm. That includes stores that opened during the year. Counting just stores and restaurants open more than a year, combined sales rose 4 percent.

The company also has taken over management of the district from Urban Partners, the Dallas firm that will continue to be the leasing agent.

As the biggest property owner in the district, AMLI wanted more control and more hands-on dealings with tenants, Hallsey said.

Past problems, including parking and some tenant billing issues, were not addressed "as quickly and timely as they should have been, and that prompted the change," Hallsey said. As part of the change, AMLI has hired an on-site manager and a full-time marketing director.

Frank Seely of Urban Partners, said the management change was a logical move for AMLI, now that its second apartment building has opened.

Some tenants welcomed the change.

AMLI executives "are taking positive steps in fixing the problems that arose in those first few years, and they are wonderful to work with," said Jane Vanisko McCan, owner of Shiki, a women's clothing boutique on Second Street and one of the first retailers to take a chance on the district when it opened in 2005. "They have been accommodating and supportive, always asking, 'What do you need from us?'"

McCan is about to get more company. Málaga Tapas & Bar is moving from West Fourth Street to AMLI's new building, where other future tenants include Z Pizza and Kirk Furniture, a locally owned vintage store.

Taste Select Wines and Beyond Traditions jewelry are scheduled to open early next month in the Computer Sciences Corp. building at Second and Colorado streets. Mama Fu's, an Asian food chain, plans to open its third Austin location this spring.

Seely said leases are signed or are in the works for almost all of the remaining spaces, which include the ground floors of the AMLI buildings, City Hall, and the CSC and Silicon Laboratories Inc. buildings. Overall, the district has 225,000 square feet of space.

The district has been a success, Seely said, despite the closing of a few stores, including Gomi, Octane and Shorelines Gallery.

"You'd expect about a 5 to 10 percent attrition on startup businesses," Seely said. "They have a higher risk of failure."

McCan said Shiki's sales held steady in 2007 compared with 2006, but she said she noticed a slowdown later in the year, a result in part of the national housing slump. However, she is optimistic about 2008.

"I think people are ready to not be so stressed out anymore," she said. "They're ready to ... enjoy things again and have their consumer confidence back."

McCan hopes that the city will do more to encourage shoppers by offering additional parking or allowing longer free parking in the City Hall garage. She said retailers definitely noticed a change in customer traffic when the city began charging for parking beyond two hours last spring.

Steve Shuck, owner of the Mercury Design home furnishings boutique, said he's happy to be part of the district.

"It's a really exciting place to be, and the growth opportunity now and in the immediate future, in the next two or three years, looks pretty exponential as far as Austin is concerned," Schuck said.

Given the shopping destinations new to the Austin area, Schuck said, "There isn't a place I'd rather be positioned than the Second Street district."

Courtesy of JB Goodwin