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Old comptroller building may be sold soon

Site will likely be cleared to make room for huge tower

Austin Business Journal - by [A.J. Mistretta](#) ABJ Staff

A major downtown tower could soon replace the vacant 1950s building at the corner of Sixth and Colorado streets.

The Texas General Land Office confirms it's working with **CB Richard Ellis Inc.** to put the 76,000-square-foot Starr Building and adjacent garage up for sale. A deal has not been signed, but the GLO hopes to contract with CBRE to put the property on the market in the next month.

The GLO acquired the four-story building in 2005 on behalf of the state's Permanent School Fund for just over \$4 million. That same year the building's last tenant, the Texas Comptroller's Office, moved out and the property has been unoccupied since.

The GLO staff has determined the best use for the property would be to demolish the building and build a new structure on the site, Press Secretary Jim Suydam says. The GLO will evaluate the purchase proposals it receives and likely choose the one that nets the most money for the school fund. The Permanent School Fund's board would have to approve the sales agreement.

With a footprint of just under one acre, existing zoning would allow up to 350,000 square feet of development on the nearly half-block site. But the property is unencumbered by height restrictions and, given its proximity to the bustling intersection of Congress Avenue and Sixth Street, a developer would likely seek to increase the allowable square footage.

It's unclear just how tall a tower could rise on the site, but real estate professionals say a building of more than 40 floors and over 500,000 square feet is highly possible.

The 33-story Frost Bank Tower, the last major downtown office building to be completed, is 525,000 square feet. Another planned office building, the 33-story Museum Tower at Fourth and Guadalupe streets, will be about 425,000 square feet.

If the GLO proceeds with a sale, there are many possibilities for the property, not the least of which is an office tower, says Troy Holme, senior vice president of office brokerage services for



Nick Simonite

The abandoned Starr Building sits in a bustling area between the Market District and the intersection of Sixth Street and Congress Avenue.

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CBRE. Some mixed use is likely, with ground floor retail and an office or perhaps a hotel or multifamily tower on top of that, says Holme, who is not involved in marketing the property.

Despite the sluggishness of late in the office market, he says, there are plenty of tenant companies expressing interest in downtown. While occupancy in the Central Business District has seen better days, he points out that it would likely be two or three years before an office tower of significant magnitude would be completed, opening at a different point in the real estate cycle.

“This is really one of the last pieces of development opportunity” in downtown’s core, Holme says. “I guarantee the interest in this will be high. You’ll have everyone and their brother out to get it.”

City planner Michael Knox agrees there is plenty of opportunity in the Starr Building site. He also points out that the property holds a significant place along the evolving West Sixth corridor between Congress and Lamar avenues.

“There’s a lot of development already at Sixth and Lamar, and you’re seeing a number of projects, condos and apartments planned that are going to be filling in that area to make it one continuous” pedestrian-oriented street, Knox says.

But before the building is bulldozed, some want to see one interior element, a large mural by American midcentury modern artist Seymour Fogel, saved. Local lawyer Robert Summers has organized an effort to preserve the mural and hopes whoever buys the building will help pay to relocate the piece. The **U.S. General Services Administration** has agreed to accept the mural for the new federal courthouse being built blocks away next to Republic Square Park, but Summers says funds are short.

“I think it’s a real opportunity for a developer to save a gem that’s inside the building,” he says.

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