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Old Armadillo site could be redeveloped

City weighing options for property on Barton Springs Rd.

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Could the Armadillo live again?

City leaders are looking at redeveloping the former site of the **Armadillo World Headquarters** for music-related uses. The site, a little over an acre at Barton Springs Road and South First Street, is a surface parking lot for city government operations at One Texas Center.

City staff this month completed an early feasibility study for the redevelopment of that site plus another city-owned site, the parking lot of the recently expanded Terazzas Branch Library on East Cesar Chavez Street.

The city may eventually take bids to redevelop the two sites, say city officials. Dallas-based **Forest City Enterprises** originally expressed interest in redeveloping One Texas Center's parking lot, city officials say. Forest City (NYSE: FCEA) is one of five firms that recently submitted bids to redevelop the Green Water Treatment Plant; a developer for the plant will be chosen next month.

Any request for proposals will involve significant public input, says City Council Member Brewster McCracken, who asked for the feasibility study. City staff are working further on the feasibility study and will report back to City Council members in upcoming months, says Greg Guernsey, director of the city's Neighborhood Planning and Zoning Department.

McCracken says redevelopment of the former Armadillo World Headquarters site poses an opportunity to bolster the live music sector. The Armadillo was Austin's flagship live music venue in the 1970s and is credited with kick starting the city's claim to fame as the now-trademarked Live Music Capital of the World.

Founded by musician and Threadgill's owner Eddie Wilson, the Armadillo hosted performances by the likes of Willie Nelson, Ray Charles, ZZ Top and Bruce Springsteen. Frank Zappa, Freddie King and Commander Cody recorded live albums there before it went bankrupt and closed in 1980.

Uses for the site could include a music venue, recording studio, music hall of fame, housing for musicians or some combination thereof, says McCracken. The site is just west of Threadgill's, the watering hole Wilson bought just before the Armadillo closed and transformed into a southern comfort restaurant chain now famous for its live music.

"If we were to focus on the iconic location of the Armadillo World Headquarters [the site could] provide something that reflects a home for the Austin music community and restores the Armadillo back to what it was -- the soul of Austin music," says McCracken.

Wilson says the city has not contacted him about the redevelopment proposal and previously rejected his idea to build musician housing on top of Threadgill's. He says he wants no part of the city's new effort to bolster the music scene.

"We're so much more than the live music capital. We're the center of the musical universe," says Wilson. "The best way to ruin it is to expose musicians to mean city staffers."

Wilson cites the city's current pursuit of a stiffer sound ordinance being at odds with any overtures to revive the Armadillo.

"The sound ordinance will, in effect, shut down all live music in Austin," says Wilson. "Austin's not music friendly. We've got friendly people here but not a friendly government to live music."

The Armadillo site would need to be rezoned to allow residential uses but is ripe for mixed-use potential up to 60 feet in height, says Guernsey. The site, near the cultural arts cluster of the Long Center for the Performing Arts, the **Palmer Events Center** and the Austin Lyric Opera, is on a core transit corridor suitable for retail and pedestrian-friendly uses, says Guernsey.

The smaller Terazzas site, which could also support mixed-use, is less than an acre in size and restricted in height due to its proximity to homes, says Guernsey. While the site is zoned for up to 60 feet in height, compatibility rules limit the property to heights as low as two stories at the outer edge. The Terazzas Library is about 10,000 square feet.

Eric DeJernett, senior vice president at **CB Richard Ellis Inc.**, says it makes sense for the city to look at underutilized, infill sites that could be provided to the development community even under a ground lease, which would increase the tax base and provide income to the city as a long-term asset. While development begins to burgeon along Barton Springs and East Cesar Chavez corridors, the Armadillo and Terazzas Library sites may initially be suitable for commercial flex uses such as live/work units or office condos before they are rolled into straightforward retail uses, he says.

Given height restrictions and the significant demand for parking created by the city facilities and nearby arts centers, the Armadillo site would be suitable for a city-financed underground parking garage, with development teams potentially financing any vertical improvements, says McCracken. Earlier this year the city created a new agency to build, finance and own structured parking garages. Two redevelopments of city-owned properties, the former Seaholm Power Plant and the Green Water Treatment Plant sites, will be among the first sites to debut city-financed subsurface parking garages.

McCracken says music-related uses for the Armadillo site would dovetail with efforts by the city to reinvigorate its live music industry. A city task force formed earlier this year is looking at efforts to give financial breaks to owners and developers of live music venues, including density bonuses to build them.

Courtesy of JB Goodwin