

THURSDAY, APRIL 21, 2005

GETTING HIP DOWNTOWN

Old Sakowitz site may get new shops



STEVE CAMPBELL / CHRONICLE

MARBLED GARAGE: The old Sakowitz building is now a marble-clad parking garage.



FUTURE VISION: A rendering shows how a retail development on the ground floor will appear.

By DAVID KAPLAN
HOUSTON CHRONICLE

The former downtown home of a local retail icon is getting a new life.

The old Sakowitz building, which has been converted into a parking garage, may soon be getting clothing and other retail shops at street level.

The first tenant to sign a letter of intent is an edgy, youth-oriented clothing chain, American Apparel.

The building's owner, KBS Realty Advisors, has received approval for a \$150,000 grant from the Houston Downtown Management District that will help cover the cost of turning the ground floor into retail space.

The grant, approved a week ago, is contingent on American Apparel signing a lease and KBS completing the conversion of the interior into retail space.

In January, the board of directors for the publicly funded management district approved guidelines for a \$1 million Retail Incentives Grant to encourage soft-goods retailers downtown.

Soft goods applies to items such as clothing, shoes, furnishings and books, as opposed to restaurants, nightclubs and services.

"We want more soft-goods retail to help us reach our goal of a 24/7 downtown, and this is a huge opportunity for us to get there," said Laura Van Ness, the district's director of business development.

"We're excited about having American Apparel come in to downtown and also excited that the owner is planning to convert the space now rather than later, because it's a huge commitment on the owner's part," Van Ness said.

American Apparel sells form-fitting T-shirts, underwear, jersey miniskirts and hooded sweatshirts in 47 locations in the United States, Europe and Asia.

The company describes itself as "sweatshop free." Clothing is manufactured in Los Angeles, and workers make an average of \$13 an hour.

In a recent article on American Apparel, the New York Times noted: "Fast outgrowing its status as an under-the-radar-phenomenon, the chain is seen as a new model for the marketing of hip."

In other cities, American Apparel has had the power to attract other hip retailers to the same block.



MOVING TOWARD HIP: The old Sakowitz building will have as much as 25,000 square feet of retail space on its ground floor, with 4,300 set aside for American Apparel. STEVE CAMPBELL : CHRONICLE

The building, which is across the street from Foley's, will have up to 25,000 square feet of retail space on the ground floor, and American Apparel will take up about 4,300 square feet.

KBS most likely will start construction within the next few months, said Rodney Richerson, senior vice president of KBS.

"We've been trying to bring hip retailers downtown for two or three years," said

Adam Brackman, a Wulfe & Co. urban broker who represented KBS and American Apparel.

Whenever Brackman has called prospective retailers, they have done one of three things, he said: "Hang up on us, laugh, or say, 'OK, who else is there?'"

"Retailers want to be next to American Apparel, and American Apparel isn't afraid of being a pioneer in an area, while other retailers are," said Brackman, who maintained that American Apparel appeals to the young, hip crowd that doesn't want the "canned experience of a mall."

American Apparel should be up and running by the end of the year, he speculated.

The white marble Sakowitz building was designed by Houston architect Alfred Charles Finn. Sakowitz, an upscale department store, opened at that location in 1951 and closed in 1985.

Just south of the Sakowitz building is a three-block project under contract by Entertainment Development Group for proposed entertainment, commercial, residential and retail development.