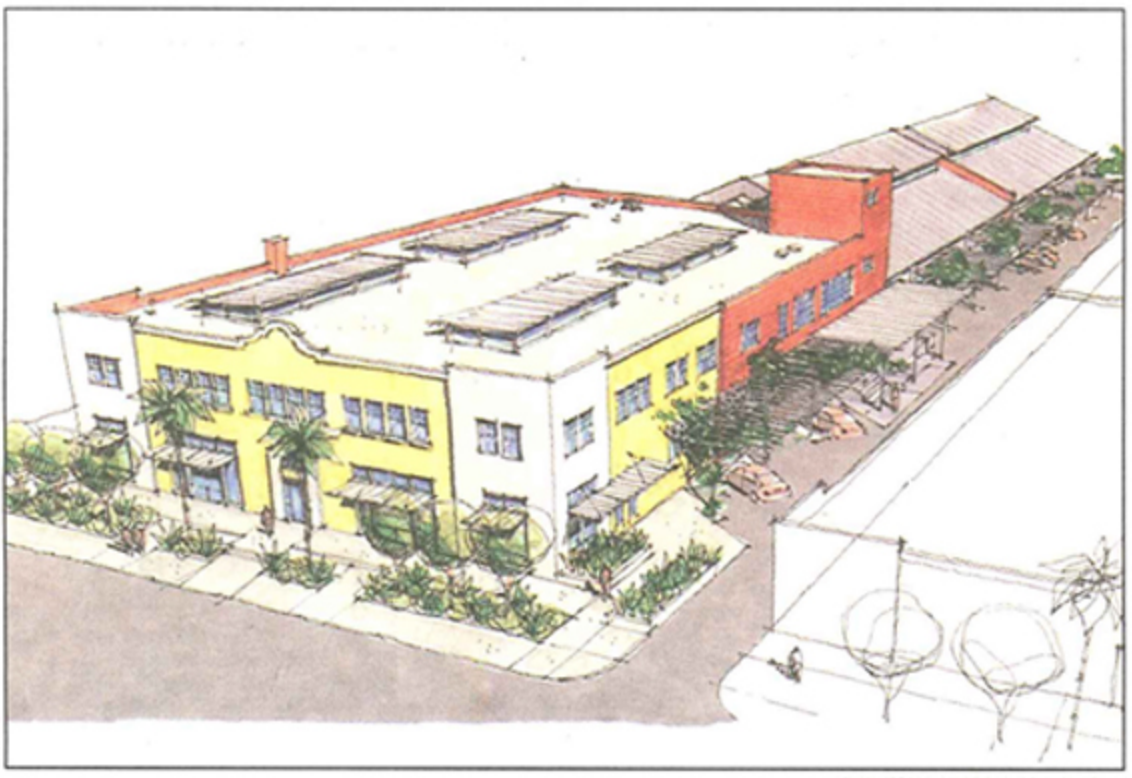
SAN ANTONIO
BUSINESS JOURNAL

VOLUME 22, NUMBER 10 www.sanantoniobusinessjournal.com WEEK OF APRIL 11-17, 2008 $2.95



COURTESY OF ALAMO ARCHITECTS

Plans for the 1344 South Flores Street include bringing more light through clerestories.

SoFlo building owners leading rehab project down green path

BY SANDRA LOWE SANCHEZ

Editor's note: *This story is the second in an occasional series about two engineers redeveloping a downtown building into office and residential space.*

Wade Cleary and Danny Zimmermann purchased the property at 1344 South Flores for the offices of their firm, Cleary Zimmermann Engineers. The 48,000-square-foot building had much more space than the 18-employee firm needed, so they decided to get into the real estate development business. The partners formed Brown Field Ventures LLC to develop the building, and are currently occupying part of the first floor while the renovation continues. The first story appeared in the Dec. 14 special report on Commercial Real Estate.

The Business Journal is checking in with the developers over the upcoming months in their efforts to transform a former warehouse space into office space and other uses.

About 75 years ago, South Flores Street was San Antonio's "industrial zone." Businesses in the area were there to serve a much more agricultural community. As such, there were a number of companies along South Flores that sold farm equipment. One was International Harvester.

The bottom floor of their building at 1344 South Flores featured a display area for their equipment, with office space upstairs, along with an assembly area. What did their office space look like? Think 1930s movies: Poles throughout the building; names of office managers on glass windows and doors. Wood floors and ceilings.

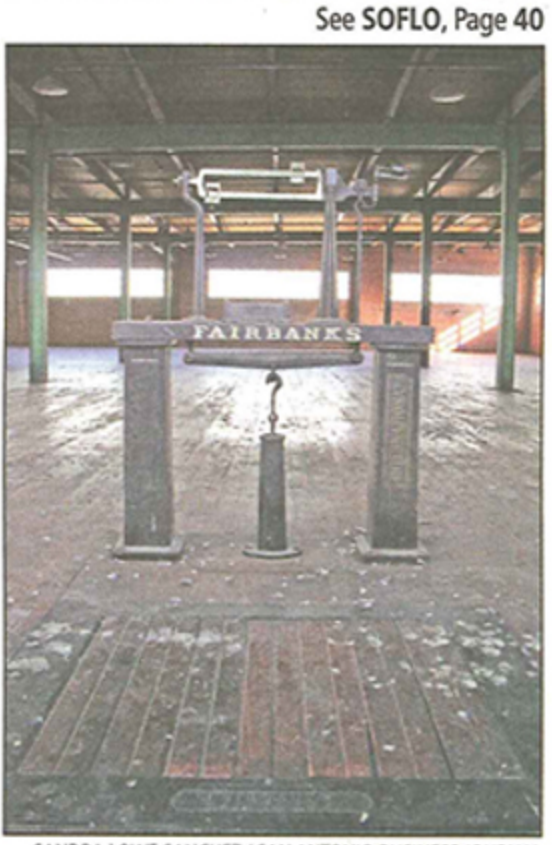
Fast forward to today. South Flores is no longer an industrial district. The manufacturers disappeared decades ago, leaving behind empty buildings. A slow but persistent group of artists, architects and the building rehabbers have come in to try to create an eclectic lifestyle where condominium owners can live down the street from their workplace. Styles are changing — and yet they retain pieces of the street's history. "Industrial chic" is popular.

That's the backdrop Wade Cleary and Danny Zimmermann faced when they purchased the building that sits along an abandoned road called Peden Street. And it's with the intent to retain some history that Cleary and Zimmermann are aiming to bring their building into the 21st century.

"This was the industrial area of its day," says Mike McGlone, the project architect hired with Alamo Architects to formulate the design for the group. "We want to recognize and respect the kind of vocabulary that these buildings were made of."

McGlone — whose firm obtained Silver Leed Certification from the U.S. Green Building Council for the rehabilitation of another warehouse building just a few steps away from its offices — expects that 1344 South Flores could provide attractive office space for unique users other than Cleary Zimmermann — space for other architects and Web designers, for example.

See **SOFLO**, Page 40



SANDRA LOWE SANCHEZ / SAN ANTONIO BUSINESS JOURNAL

1344 South Flores features wood floors and ceilings, as well as an old scale left behind by a prior user.

SOFLO: Building owners engineer way to turn historic property into green workspace

FROM PAGE 37

To LEED or not to LEED

That Alamo Architects won LEED certification is also a sign of the times — building owners today want to be green.

But for Cleary Zimmermann, seeking LEED certification at first seemed cost prohibitive. For example, it seemed that a water catchment system would be difficult to justify since there would be little landscaping.

"I don't know that we'd get a sufficient number of points (to get certified)," Zimmermann said in March.

But after spending several hours analyzing the costs one day in early April, Zimmermann says his team decided it would be worth the benefits.

"We're already doing some things, salvaging components of the building," he says. "We'll go to some additional expense to make sure we document it."

Wood can be removed and remilled locally at Allen & Allen to fit the new design. Other building components, such as steel, will be incorporated in the design. Aluminum windows installed by a previous owner will be replaced with energy-efficient ones that are more compatible with the building's original design. And the MEP (mechanical, electrical and plumbing) engineers are planning a high efficiency air conditioning system with environmentally sensitive refrigerant. Showers installed in bathrooms to encourage biking to the office also are in the plans.

Clerestories to bring more natural light into the building were already planned, and the water catchment system may actually work after all.

"We are looking into building a cistern as a feature with our new staircase that is being located in the old elevator shaft," Zimmermann explains.

Negotiating contractors

Still today, most building owners select contractors based on a hard bid. Change orders tend to rack up the price, so the contractors will frequently base their bid on the most economical — not necessarily the most environmentally sensitive — method of getting a job done.

"Then they try to skinny it up with change orders," Zimmermann explains.

But when you're selecting contractors for a historical or green building there are better ways to select contractors that are gaining ground. One of those ways is the negotiated contract.

With the negotiated contract, Zimmermann explains, the contractor establishes a fee, typically a percentage based on the cost of the project. The contractor will price the job based on their subcontractor prices for the preliminary work. The owner gets to see the subcontractors' prices, so the cost and profit to the contractor are known to the owner. But if the owners want something different, there is room to negotiate the work to the owners' liking. In fact, any savings on the project are shared between the owner and the contractor.

Zimmermann

Zimmermann says he and Cleary decided on Leonard Contracting, a firm they have worked with before on a number of projects in San Antonio.

"They're price is not the lowest," Zimmermann says, "but they're very detailed-oriented. They're going to make sure it's the right decision before acting and if there's a question they'll ask before assuming it."

That was important to the pair particularly in rehabilitating an older building.

Moving on

When Cleary Zimmermann is able to move its offices from the 3,900 square feet it currently occupies on the first floor, it will make room for a retail operation such as a restaurant. Finishout of and additional space in the rear of the building will come later, as will plans for residential condominiums on the one-acre site.

But it's a process that Zimmermann admits may take more time than originally expected. The financial markets have changed in the last year.

"It's going to be tighter than had I done this a year ago," he admits.

Still, he's expecting his firm will be ready to move upstairs by Sept. 1, offering a space for a restaurant to be open by Christmas. Such an operation would serve the growing number of condominium residents along South Flores Street.

McGlone believes there are many possibilities.

"The building stock is here for an interesting mix of different places. I think you'll find people to come here," he says. "They'll want to work here and they'll want to live here. Retail will follow."

'THE BUILDING STOCK IS HERE FOR AN INTERESTING MIX OF DIFFERENT PLACES.'

Mike McGlone
Alamo Architects Inc.

COURTESY OF ALAMO ARCHITECTS