

## Ready to rumble at 6th and Lamar Local stores' backers bash plan for Borders nearby

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The choir convened Tuesday for a preaching session on one of Austin's more vexing problems: what to do about the Borders Books & Music store that wants to move in across the street from two small, beloved competitors downtown. Almost all of the 100-plus people who turned out for a community forum said they favor Waterloo Records and Book People, the home-grown institutions at the corner of Sixth Street and Lamar Boulevard. Both stores have fought Borders' plans to move into a development near the same intersection.

"Book People and Waterloo have done so much to make Austin special," said Barry Keenan, a real estate developer. "Any more big-box stuff downtown is highly inappropriate."

Neither Borders nor Schlosser Development Corp., the company planning to build the Sixth+Lamar complex that would house the bookstore, sent representatives to speak at the meeting, held in the packed bar area of La Zona Rosa, a downtown music club.

Numerous speakers said the competition from Borders might prove damaging -- perhaps lethally so -- to Waterloo and Book People. Particularly controversial were the financial incentives that Schlosser might receive for the project.

The city offered Schlosser about \$2.2 million in incentives to build the project, about one-fourth of which has already been used. But Sixth+Lamar has changed significantly since it was first envisioned a decade ago. It now has a headquarters and an 80,000-square-foot store for Whole Foods Market Inc. as the anchor tenant. Borders would occupy a much smaller space in a block east of Whole Foods, which is also a national chain but is Austin-based.

The changes mean Schlosser must reapply for the rest of the package, and the City Council is expected to take up the issue in the next few months.

The vast majority of the speakers said developers should not receive incentives for projects that compete with local businesses.

The problem facing city officials briefly surfaced when Robin Cravey, a lawyer who once worked for Council Member Daryl Slusher, noted that the U.S. Constitution does not give Austin any ability to regulate interstate commerce. Borders, like many other chain stores that operate here, is based out of state.

"I'm not sure we can really say, 'We want to support local business, so we're not going to subsidize anybody from out of town,' " Cravey said.

But Rebecca Melancon, who publishes the Good Life Magazine, immediately responded that a Borders at Sixth and Lamar would be bad for Austin.

"To me, we have the opportunity here to create something really marvelous. Instead, we're talking about a really crackerbox approach," Melancon said. "It's the central city. It's not a strip center out on (U.S.) 183."

The meeting was sponsored by Liveable City, a group of prominent Austinites who have made a mission of tending to the city's social, environmental and economic needs. The group's board members made it clear that their goal is to keep Borders from moving in near the intersection.

Last month, the group released a study -- paid for in part by Book People and Waterloo -- showing that the local businesses have a far better impact on the local economy than a chain would. On Tuesday, chairman Bill Spelman, a University of Texas professor and former City Council member, said the group would send summaries and recordings of the meeting to city officials, the developer and the potential tenants "so they know what they're up against."

"We're going to have to deal with this over and over again," Spelman said of the corporate-versus-local quandary. "This is an opportunity for the city to figure out what it's going to do not just about Sixth and Lamar, but how to protect local businesses in general."

sscheibal@statesman.com; 445-3819