

The larger battle beyond Sixth and Lamar

BYLINE: Rich Oppel, EDITOR, AUSTIN AMERICAN-STATESMAN

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Political groups come and go in Austin, but one that emerged last week illustrated the Law of Unintended Consequences. Liveable City announced that it would address the city's "long-term social, environmental and economic needs." It called a town hall meeting Jan. 20 to defend Waterloo Records and Book People from what it believes is a city-subsidized assault on the two Austin businesses by a chain store.

Brad Schlosser and his partners are developing several blocks of shops around Sixth Street and Lamar Boulevard. Whole Foods plans to move across Sixth to the Schlosser development, which will include a Borders Books and Music Store, operated by an Ann Arbor, Mich.-based chain that already has two stores in Austin.

Schlosser has applied for an additional \$1.7 million in city fee waivers and utility reimbursements, available to downtown developers under the 1997 Smart Growth plan.

And therein lies the hitch for the Liveable City folks.

The group includes former City Council members Bill Spelman, a University of Texas professor, and consultant Brigid Shea. Also in the group are Catherine Echols and Steve Tomlinson, who teach at the University of Texas; educator Hector Ortiz; Niyanta Spelman, a former legislative worker; health-care activist Marianne Dwight; high-tech executive Eugene Sepulveda; former city planner Lydia Ortiz; and activists Robin Rather and Mark Yznaga.

Many were active in environmental and neighborhood efforts to create Austin's "Smart Growth" plan, aimed at drawing business downtown, preventing suburban sprawl and avoiding development over the Edwards Aquifer.

Says Rather in an interview, "Incentives are an important tool, but you have to look people in the eye and be able to explain those incentives. It doesn't seem fair, when the Borders store would be so extremely close" to Waterloo and Book People. She believes city incentives would unfairly subsidize a competitor to local businesses and send Austin dollars out of town.

This is a conflict of culture and competition. There is a long-term solution that serves both interests.

The incentives are granted if certain factors exist -- neighborhood support, open spaces and design quality. No advantage is given for local ownership, although the rules could be changed to do that.

City Council is stuck with a real problem. Should it stand behind incentives that have the unintended consequences of indirectly helping Borders? After all, Schlosser applied for the relief in good faith. Dear Council, have fun.

I buy books at Book People. It's on the way home, I like the store's shaggy feel and I like to engage the tattooed clerks who debate at length the virtues of any book I consider. Jeffrey Eugenides' wonderful new novel "Middlesex" sells for \$16.20 at Borders at the Arboretum, and for \$27 at Book People. Although prices are closer on most books, \$10 is a high weirdness premium.

The good news here is that the formation of Liveable City suggests that activists are becoming sensitized to economic and business interests.

But the Borders vs. Book People issue is nothing more than a symbolic skirmish. There's no pain in saying you don't like an out-of-state chain. If Liveable City truly is concerned with the fate of small, locally owned businesses, it should probe a lot deeper.

Small businesses are discouraged from expansion and modernization by the slow-drip torture of the City of Austin. Examine the city's outmoded land development code and high fees. Consider the obfuscation by Watershed Protection and Development Review Department employees. Look at the general bias against business on City Council, which is easing some with the election of Betty Dunkerley and Will Wynn.

Faced with competition, Book People and Waterloo may have to change the way they do business -- modernizing or expanding facilities and

parking.

The city should not subsidize chains to compete with local businesses. But neither should the city shield locally owned businesses from chain competition.

The city does have a large role in creating an environment that allows responsible businesses to prosper.

The real predator is not Borders, but the city. The creation of Liveable City is promising, but it must move beyond the corner of Sixth and Lamar.