

Downtown's vibe lures startup

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Sarah Scott, business development director at Burt-Watts Industries Inc., said creative types coming to Austin from other states are more accustomed to the downtown lifestyle.

Austin-based 3Seventy will take about 4,000 square feet at 707 Rio Grande St. in downtown Austin next month — adding to a growing number of companies eyeing downtown as the place to cultivate youthful and creative workplaces.

Having received a \$2 million investment and with plans to hire about 40 people, 3Seventy, a business software company, considered being in Austin's core "absolutely critical," CEO **Carrie Chitsey** said.

The company wants to create "a fun, young marketing space," and a downtown location enables 3Seventy to foster the creative atmosphere that she wants her company to represent and that will help attract the right talent.

"Folks can walk to restaurants, happy hour, the street life," Chitsey said. "The general vibe we hope to create in our office with bean bags and wild colors is something we felt would be better suited in a downtown location."

That's a sentiment shared by the Downtown Austin Alliance.

"As downtown Austin becomes more dense and provides more choices for entertainment, leisure and creative experiences, more companies will choose to be here because of the desire for a

younger workforce to work and live in downtown,” said **Molly Alexander**, associate director of the Downtown Austin Alliance.

3Seventy follows creative tech companies like Razorfish, Facebook and Frog Design that have set up shop in the city’s core.

There are a myriad of reasons why a young company might want to be downtown, said **Susan Davenport**, senior vice president of global strategies at the Austin Chamber of Commerce. In June, the Austin Chamber unveiled plans for a 10,000-square-foot collaborative and entrepreneurial work space called Austin Live, a model the chamber said worked in New York and San Francisco.

“The area is our creative hub. It’s where film and music co-mingle with entrepreneurs and there’s the greater possibility for growth encouragement,” said Davenport, who noted the area’s proximity to the University of Texas and its pool of entrepreneurial talent.

But finding space downtown can be challenging.

Equitable Commercial Realty, which represented 3Seventy in its search for downtown space, has been able to arrange creative office leases downtown, but finding such opportunities has become increasingly difficult, said **Jason Steinberg**, an agent at Equitable.

“Many companies are expanding their footprint” downtown, increasing demand for space there, he said.

Some firms have taken older buildings and turned them into class A office space to lure other creative firms. In 2009, Burt-Watts Industries Inc. converted a 1960s-era, 55,000-square-foot class C building at 1300 Guadalupe St. into class A office space, which soon became a creative hub.

“We definitely saw an opportunity to create a unique sustainable space,” Burt-Watts President **Tommy Burt** said. “Our customization, building sustainability and proximity to downtown is very attractive to young creative companies in Austin. Our vision was correct, and we attracted some of the most innovative companies in Central Texas.”

Creative companies moving downtown from out of state are more accustomed to the lifestyle downtown offers, said **Sarah Scott**, business development director at Burt-Watts.

“Downtown, you’re able to walk out of your building and walk to a meeting, or get your colleagues together and say, ‘Hey, let’s walk to the corner for happy hour,’” she said.

Creative people like the employees at Projeckt 202 LP, a software company and tenant at 1300 Guadalupe St., enjoy the activity that downtown offers, CEO **Peter Eckert** said, adding that he’s heard of large tech companies in the suburbs having trouble attracting talent.

“I have a lot of people coming from out of state, applying for jobs here, and they like the feel of downtown,” Eckert said.

Eckert leased an entire floor at 1300 Guadalupe St. with plans to grow from 40 employees in Austin to about 75, he said.

“We’re also about to open offices in several other cities, and we plan to replicate the same kind of success we’ve had here, and we will specifically look at vibrant downtown areas for our new offices,” he said.