

BUSINESS

Developer trio check in downtown

Got renovation experience in Prague

By Deborah M. Clubb
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The rescuers of Memphis's elegant Lincoln American Tower and the former Lowenstein Brothers Department Store downtown have a front row view of the work they'll do in the months ahead.

As unmatched chairs and a hand-lettered paper sign on the doorjamb attest, CGI & Partners Court Square Center LLC moved just days ago into the 12th floor of the Jefferson Plaza Building at Jefferson and Second.

The northwest corner office

gives John Basek, William T. Chandler and C. Yorke Lawson a bird's-eye view of their 250,000-square-foot Court Square Center project half a block away: the gleaming 22-story tower, the uniquely decorated Lowenstein and its plainer Court Annex warehouse.

Chandler, a boyish 41, is a Memphian, former yacht captain and professional ap-



C. Yorke Lawson

praiser who has tried for years to save the buildings.

Basek, 55, is a New Yorker and entrepreneur who dove into real estate in his parents' native Czech Republic.

And Lawson, 50, is a business development and marketing consultant from New York and Prague with a sharp eye for real estate potential.

The tale of how this trio met and found their way to Court Square in Memphis starts with Basek's determination to reclaim his family home in the Czech Republic.



William Chandler (left) and John Basek are two-thirds of the trio that have bought Lincoln American Tower and the former Lowenstein Brothers Department Store downtown and plan to renovate the properties.

By Dave Darnell

See TOWER, G3



By Dave Darnell

The Rhodes Jennings building, called so for its most recent tenant, is at Jefferson and Main. The building will be part of a project called Court Square Center.

Tower

The bearded Basek is a Yale graduate with a Columbia University law degree. He speaks five languages and worked on international trade for the U.S. State Department and the Council on Foreign Relations in the 1970s.

In the 1980s, Basek traveled the globe doing overseas investment strategies, international business and project development for private companies. In 1988, he founded the Clintondale Group Inc., an international investment advisory and project management firm.

In 1992, he struck upon a business niche in Russia. He launched Clintondale Aviation Inc., which grew to a 100-employee, \$20 million corporation serving the world's largest oil companies.

Basek's parents had emigrated from Prague, and when he visited shortly after the Velvet Revolution removed Communist rule in 1989, he was smitten. He pushed for three years through the official process of restitution to reclaim the home his father had built in 1937-38.

By 1992, Basek had succeeded, even though the Australian embassy occupied the property.

"So now I was in the (Prague) real estate business," Basek said.

He and three partners, all with experience in New York City real estate, sold the aviation company and shifted their investments to Prague.

They worked with American architect David Chisholm, who in 1995 introduced them to Lawson.

Lawson, with a Wake Forest MBA, had settled in Prague in 1993 and founded Cabarrus Corp. to do various business development projects and Cabarrus Promotion, which consulted in arts and concert promotion.

Basek's group saw in Lawson the ideal person to operate "on the ground" in Prague, identifying potential redevelopment sites.

He found for CGIP a former taxi service garage, 27,000 square feet with two industrial elevators that had lifted vehicles up seven floors. Working with Chisholm on design, CGIP in 1997 developed the first loft-style office building in the region.

Their largest project, called the ARENA, began in 1998 with purchase of a walled, 8¼-acre former brewery facility in downtown Prague. CGIP formed a co-venture with ING Real Estate of Holland to develop office, residential, retail, technology and leisure/culture uses in four historic and seven new buildings.

CGIP was ready to apply its Czech lessons and suppliers in the States.

Lawson was dispatched to find a first project for CGIP like its Prague brewery.

Lawson knew Memphis artist Pinkney Herbert when both were in New York in the 1980s.

Herbert taught Chandler art in eighth grade, and in 2000, Chandler was striving desperately with Memphis Heritage to save Memphis's

towering Tennessee Brewery building from demolition.

Lawson was introduced to Chandler, but the set of adjacent buildings in the core of downtown caught Lawson's eye.

Chandler spent part of July 2001 in Prague to see for himself the caliber and detail in CGIP's projects.

That November, he and Lawson competed in the Center City Commission's request for proposals to redevelop Lowenstein, referred to as Rhodes Jennings, the name of its last tenant, and the annex. They won.

On Thursday, they paid \$1.05 million in cash to officially acquire and add Lincoln American Tower to their portfolio.

Chandler said he became a partner "in order to make this happen in the best way. . . . I've got a real confidence level this team could set a new standard for downtown Memphis."

Chandler worked in construction in Colorado and California and earned a BFA from the Pratt Institute in Brooklyn in 1986.

He captained sailing yachts in the South China Sea, Great Barrier Reef and the Caribbean from 1987 to 1989.

Back in his home port in 1992, he went to work as an appraiser for the family's well-known appraisal company. He also restored a South Main historic commercial building and owned and managed a millwork shop that provided custom pieces for actor Bill Murray's summer house in New Jersey.

Chandler is now owner,

president and CEO of Chandler and Chandler and a recognized expert in real property valuation.

He's founder and managing director of CGI & Partners Court Square Center.

They hope to begin construction in March to create 76 residential units, including lofts in the five-story Lowenstein that take advantage of the building's enormous windows. Basements below will provide 65 parking spaces.

New glass atria up the east side of the buildings will provide emergency stairwells, add light to the buildings' interiors and create special rooftop apartments, Chandler said.

Lawson and Basek envision a fine-dining restaurant in 12,500 square feet on the annex ground floor looking into Court Square Park and a fresh coffee/newsstand concept in the Lincoln American.

The ground floor of the Lowenstein, at the corner of Main and Jefferson, will feature a mezzanine level for a total of 13,800 square feet of commercial space. Construction will begin in March, with completion anticipated by June 2004.

While the tower is in good shape, Chandler said, nearly 25 years of vacancy, weather and rodents have taken a toll on the two other properties.

"We've got some heavy work to do," he said.

Added Basek, "We know what you can do with these things because we've done it before."

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HUD grant to aid renovation

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The \$29 million renovation of three historic buildings beside Court Square Park won a \$2 million federal grant Friday.

Memphis will receive a Brownfields Economic Development Initiative grant from the Department of Housing and Urban Development for Court Square Center.

The 250,000-square-foot project also qualified for \$5 million in Section 108 loan guarantee funds from HUD.

Developers will renovate the

21-story Lincoln American Tower, built in 1926; the former Lowenstein Department Store, built in 1886; and its Court Annex warehouse, built about 1900. They'll create 76 units of rental housing, 51,000 square feet of new commercial space and 140 jobs, according to the HUD application.

Robert Lipscomb, director of city housing and community development departments, said the new federal grant "is fantastic."

"We got \$2.4 million for demolition of public housing two weeks ago. We just got no-

tified of a \$2.6 million lead abatement grant, and now this. I'm just shocked but I will take it," he said. "Almost \$7.5 million in grants in three weeks."

Part of the BEDI and Section 108 loan funds will be used for environmental cleanup of the Court Square Center site and to rehabilitate the buildings. BEDI funds also will pay interest costs on the Section 108 loan.

Developers CGI & Partners Court Square Center LLC are drawing on tax credits, debt and conventional financing to fund the project.