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DEEP ELLUM'S UNLIKELY CHAMPION

When Scott Rohrman decided to try to bring Dallas' once-swinging Deep Ellum neighborhood back to its glory days, his 21-year-old son begged him not to do it. The message: Dad, you'll ruin the vibe.

The 51-year-old developer, who can be found listening to NPR on the stereo of his gray Chevy Tahoe as he commutes from his University Park home to his Preston Center office, is now the neighborhood's largest commercial property owner and is out to prove you can be square and hip at the same time.

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LAW & REGULATION

Texas employers, like those across the nation, are facing more and more disability-related lawsuits on relaxed qualifications.

SPECIAL REPORT, PAGE 11



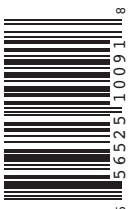
BUSINESS BEAT

Dickie Heathcott, a one-time wannabe rocker, now heads the North Texas office for accounting firm Crowe Horwath.

FACETIME, PAGE 16

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RESTAURANT ROW: A mix of old and new dining establishments have made their home along Commerce Street in the southwest corner of Deep Ellum, including mainstays St. Pete's Dancing Marlin and Angry Dog, and newcomers The Free Man, Cane Rosso and Twisted Root.

JAKE DEAN

DEEP ELLUM'S UNLIKELY CHAMPION

BY CANDACE CARLISLE | STAFF WRITER

Scott Rohrman still remembers the first time he visited Deep Ellum.

Eight years ago, the developer was getting in his car to leave the historic East Dallas neighborhood when he was accosted by six men asking for his wallet. Before the men could act, Rohrman quickly drove off, vowing never to visit Deep Ellum again.

Perhaps Rohrman would've stuck to his guns, steering clear of the neighborhood once steeped in blues music, if it hadn't been for Mike Geisler of Venture Commercial, a longtime Dallas real estate broker bullish on the revival of Deep Ellum.

"I said, 'no' four times, and when he asked 'why?' I told him I didn't want to make an investment in a place I could get killed," said Rohrman, founder and owner of Dallas-based real estate investment and development firm 42 Real Estate LLC.

Geisler didn't take no for an answer. Soon, the conservative,

white-collared Rohrman was meeting with Barry Annino, president of the Deep Ellum Foundation and owner of Barry Annino Real Estate Inc. The conversation centered on the safety achieved in Deep Ellum and its history.

After that conversation in early 2012, Rohrman was hooked. Now, despite warnings from his 21-year-old son that he wasn't the right fit for Deep Ellum and would "ruin" the vibe, Rohrman owns 34 properties, 25 buildings and nine parking lots in the neighborhood and is in the midst of a year-and-a-half long process of rehabbing them.

For 42 Real Estate LLC, previously best known for its part in the acquisition of Valley View Center's former Macy's building, the project is a chance to make its mark in Dallas. For Deep Ellum, Rohrman's work is a catalyst for change, attracting other investors, developers and tenants with ideas for restaurants, music venues, apartments and businesses. And for Mayor Mike Rawlings and the rest of Dallas, a turnaround in Deep Ellum would represent a



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significant victory in the battle for reviving the core of the city.

A look back

The East Dallas neighborhood got its name from early residents — mostly European immigrants and African Americans — who, in the late 1800s, pronounced Deep Elm as “Deep Ellum.”

In the 1920s, Deep Ellum had become a melting pot for early blues and jazz musicians, such as Blind Lemon Jefferson and Bessie Smith.

“There were two major club areas in Dallas, with Deep Ellum on the east and Froggy Bottom on the west,” said Kim Corbet, a Southern Methodist University jazz history professor, who has played jazz himself in Deep Ellum. “At nighttime, all sorts of people would come here, and it was a scene during the prohibition era. It’s not a place you’d want your daughters to go.”

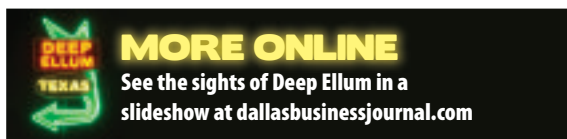
The development of the Central Expressway in 1969 and the removal of the streetcar line in 1956 were devastating to the neighborhood. Few of Deep Ellum’s original businesses survived after the 1970s.

Deep Ellum has battled high vacancy rates for decades. About 40 percent of Rohrman’s buildings have been relatively unused, except for storage, for at least 30 years.

There was a brief resurgence of musicians and artists in the mid-1980s, but aging infrastructure and absentee property owners left the door open for gang violence and crime. By the late 1990s and mid 2000s, Deep Ellum had slipped into further decline.

Deep Ellum had 3,506 residents with a median income of \$36,617 in 2010, according to the latest U.S. Census data. The median monthly rent was \$1,004.

In 2006, developer Scott Beck began acquiring parcels of land in Deep Ellum and working with historical preservation groups. Beck’s redevelopment effort ran into a tanking economy, forcing the developer to abandon his plans.



“There has always been a phenomenal opportunity there,” Beck said. “I think it can be done, and I hope it can be done. I don’t know Scott personally, but he has a great reputation and he’s certainly a competent developer.”

Lessons from Denver

Deep Ellum is a lot like Denver’s LoDo district, or the city’s lower downtown area, prior to the 1990s neighborhood redevelopment, said Ed McMahon, senior resident fellow at the Washington, D.C.-based Urban Land Institute, a nonprofit education and research institute.

Prior to LoDo’s redevelopment, the neighborhood was the city’s skid-row, touting about a 40 percent vacancy rate with absentee property owners, McMahon said.

“The neighborhood had some of the fastest-depreciating real estate in the Rocky Mountains,” he said. “Now, it’s the hippest neighborhood in Denver with craft breweries, thousands of housing units and a new baseball stadium.”

What caused the turnaround? Denver earmarked the district as a locally designated historic district. In turn, that created certainty for developers investing in the neighborhood.

“There’s a declining interest in the traditional office market, especially in creative industries,” McMahon said. “Deep Ellum has the opportunity to be a very successful neighborhood.”

Enter Scott Rohrman

Rohrman wouldn’t disclose the amount of money he’s spent buying properties in Deep Ellum. He says he hopes property values will increase as the neighborhood is revitalized, but only time

will tell. Geisler, founding partner of Dallas-based Venture Commercial, which is leasing Rohrman’s properties, says the lease rates for well-kept properties in Deep Ellum range between \$18 to \$20 per square foot. That’s relatively cheap compared to Uptown rents ranging from \$35 to \$60 per square foot.

With the help of his employees, including some hopeful musicians and others with a personal stake in the neighborhood, Rohrman says he plans to continue buying Deep Ellum properties, rehabbing them and lighting up their storefronts, one at a time.

One of those buildings — 2640 Elm St. — attracted Rohrman’s first new tenants: Danny Balis and Jess Barr, owners of the Twillite Lounge, a Deep Ellum dive bar. There are a number of other restaurant and music venue tenants in lease negotiations, though Rohrman declined to share details.

Rohrman’s not alone in his quest to bring Deep Ellum back. Westdale Real Estate Investment and Management and Madison Partners Properties are working on their own properties. Restaurants and music venues, such as WORK, Glazed Donut Works and Tanoshi Ramen, recently moved to the neighborhood.

Dallas Mayor Mike Rawlings is focused on rebuilding the city’s neighborhoods and says he considers the neighborhood an important part of revitalizing Dallas’ urban core. The City of Dallas is providing help in the form of improvements to Elm and Commerce streets as well as the neighborhood’s infrastructure.

“I’m excited about the big ideas in Deep Ellum,” Rawlings said.

DEEP HISTORY

Late 1800s: Deep Ellum developed into a residential and commercial neighborhood east of downtown Dallas.

1888: Robert Munger built his first cotton gin factory, the Continental Gin Co., in a series of brick warehouses along Elm Street and Truck Avenue.

1914: Henry Ford selects Deep Ellum as the site of one of his earliest automobile plants. The assembly plant at 2700 Canton St. produced vehicles, such as the Ford Model T, until the mid-1930s.

1916: The historic building now known as Union Bankers Trust Building, at 2551 Elm St., was constructed as the Grand Temple of the Knights of Pythias. The building was designed by African-American architect William Sydney Pittman, who was the son-in-law of Booker T. Washington. The temple served as a social and cultural center for the African-American community until the late 1930s.



1920s: Deep Ellum becomes a hotbed for early jazz and blues musicians, such as Blind Lemon Jefferson, Texas Bill Day and Bessie Smith.

1956: The streetcar line is removed from Deep Ellum as more people used automobiles following World War II.

1959: Adam Hats sets up shop in the four-story former Ford assembly plant. The hat manufacturer makes hats until 1986. The Adam Hats building was deemed a landmark in 1997. The company’s rooftop water tower is considered an iconic part of the community.

1969: The new elevation of Central Expressway cuts Deep Ellum off from the central business district. Businesses close as residents move to the suburbs.

mid-1980s: Once again, Deep Ellum becomes a hotspot for musicians, but the aging-neighborhood becomes riddled with crime by the late 1990s to 2000s.

Source: Deep Ellum Foundation

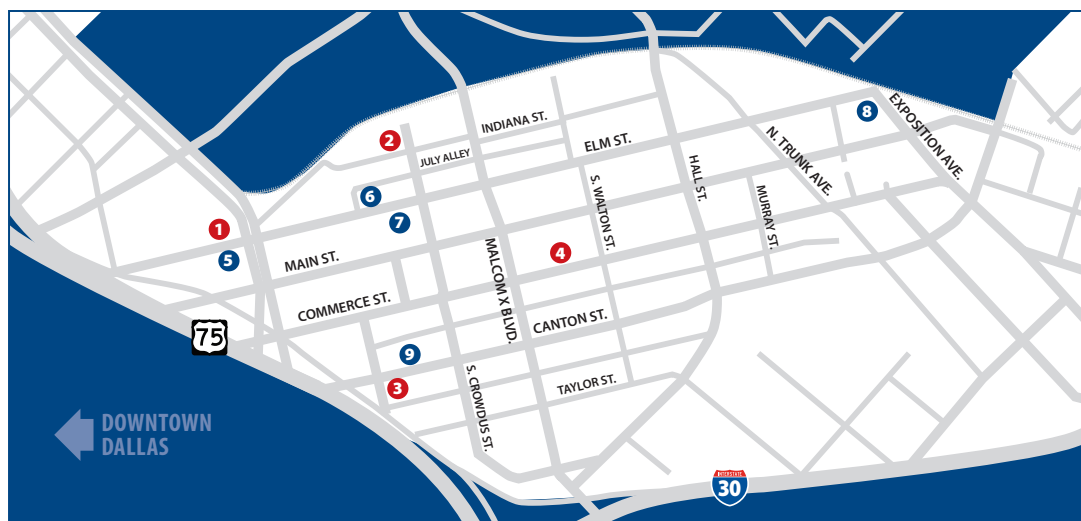
“It’s a wonderful place. I want to figure out how that becomes a real artists community and ties into our Arts District.”

Deep Ellum has the potential to attract more creative companies, such as Reel FX Creative Studios

Corp., which purchased its Dallas 73,200-square-foot headquarters at 301 N. Crowds St. Reel FX received \$1.75 million in financial incentives from the City of Dallas.

CONTINUED ON PAGE 4

IN THE NEIGHBORHOOD



BUSINESSES AND POINTS OF INTEREST

- 1 Union Bankers Trust Building, originally the Grand Temple of the Knights of Pythias
- 2 Reel FX
- 3 Site of Ford assembly plant, and later, Adam Hats
- 4 Common Desk

KEY MUSIC VENUES

- 5 Gypsy Tea Room (closed), originally the Gypsy Tea Room Café
- 6 Trees
- 7 Club Dada
- 8 Sons of Herman Hall
- 9 The Bomb Factory (to be re-opened)



NIGHT LIFE: The live music clubs are fewer and much farther in between these days but on a recent Wednesday night you could hear, spoken-word hip hop, jazz and thrash metal all on a short walk.

CONTINUED FROM PAGE 3

In August, the city council is expected to approve an expansion and renewal of the Deep Ellum Public Improvement District, which impacts about 703 properties in the 170-acre neighborhood. Property owners in the PID pay more in property taxes in exchange for improved maintenance. The total estimated cost of service and improvement in Deep Ellum is \$2.5 million over the next seven year. The PID could give fuel to apartment and townhome developers to start projects in the neighborhood, Annino said.

"I've heard people stirring around wanting to build apartments in the district," Annino said. "They've been looking for the past few years, but they're now getting really serious."

One of the discussions within the Deep Ellum community is centered on the pos-

sibility of building a park by closing part of Crowds Street south of Reel FX.

Rawlings said the park project is just an idea right now. "I'm going to let the visions stay out there," he said. "We're early on in the process."

Another thing Deep Ellum neighbors are talking about: Possibly renaming the Fair Park Link roadway connecting Baylor University Medical Center at Dallas with Interstate 30 to Deep Ellum Boulevard.

Building a community

It's been less than a year since Nick Clark opened Common Desk in Deep Ellum.

"Our tenants have steadily been coming in and business has been good," said Clark, owner of Common Desk. "We plan to expand next door and continue to grow as Deep Ellum grows."

Common Desk plans to add roughly 2,000 square feet of space to its business at 2919 Commerce St. in January, doubling its common work space.

It's businesses with a hipster, edgy vibe — much like Common Desk — that will help revitalize Deep Ellum, said Jack Gosnell, executive vice president and partner of Dallas-based UCR's urban division.

"The prognosis is good," said Gosnell, who applauds Rohrman for replacing aging infrastructure and bringing in quality tenants. "He's come in and kept what's trendy and cool, but he's fixing the things that need to be fixed."

Deep Ellum native Jeff Liles, who is also the artistic director of The Kessler Theater in Oak Cliff, says it will take more than a developer to put a community back together.

"The thing that made Deep Ellum special dates back to the Depression era and its musical heritage," Liles said. "It was the only musical community for so long. The neighborhood won't be revived by a strategic real estate initiative, it will be because of the creative community. You've got to have good musicians making a long-term commitment."

That commitment is seen in the music venues entering the Deep Ellum scene, such as soon-to-be relaunched The Bomb Factory by Trees' Owner Clint Barlow, as well as Scott Beggs, the former manager of La Grange, who has opened up music venue Three Links.

Rohrman says he's not looking to change Deep Ellum's musician-driven scene; after all, Rohrman doesn't want Deep Ellum to change him.

"Every neighborhood tends to develop its own lifestyle predominance, and here there's not one, everyone is here," he said. "When people ask me when I'll get rid of my button-down, collared shirts, I tell them, 'If you can accept people with tattoos, you better accept me too.'"

ccarlisle@bizjournals.com | 214-706-7121

CORRECTIONS

Dean Food's address was inaccurately reported in a list on page 8 of the June 28 issue. The correct address is: 2711 North Haskell Ave., Ste. 3400, Dallas 75204.

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