

# DISCOVERING UPDATES TO AT&T'S DISCOVERY DISTRICT

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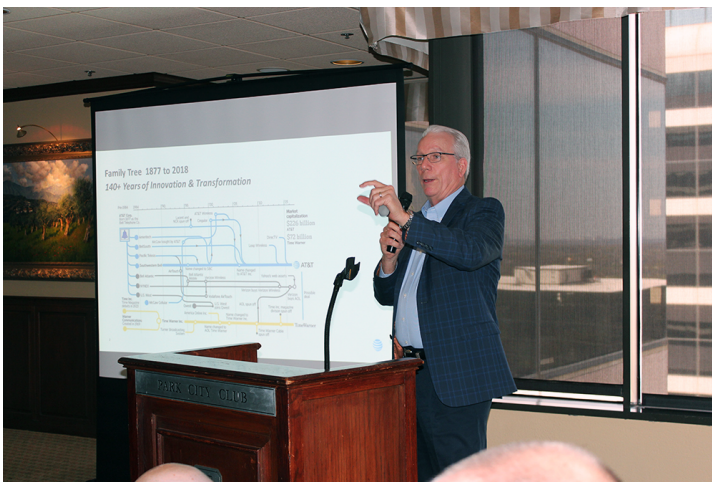


In October 2016, AT&T announced development of the Discovery District, an urban-tech center that would house its downtown Dallas headquarters building, while creating pedestrian-friendly sidewalks, restaurants and a shopping component. AT&T, which relocated to the Dallas CBD building from San Antonio in 2008, opted to remain in place, and to invest \$100 million to renovate the inside and outside of its headquarters.

And, in March 2018, J. Mark Schleyer, AT&T's Senior Vice President of Corporate Real Estate, stopped by the North Texas CCIM Chapter to discuss what was happening with the Discovery District – and what could be expected as it moves toward its 2019 opening date. Specifically, the real estate head presented his remarks, and some cool slides, at the CCIM monthly luncheon, on March 15, 2018, at the Park City Club in Dallas.

But first, Schleyer outlined the company's overall real estate strategy, which has included downsizing its real estate portfolio, as well as reworking what's left in a planning strategy dubbed Workplace 2020. Some of the holdings have been reduced through sale-leaseback agreements. The tech giant is leasing close to 70% of its Dallas headquarters.

Speaking of which, Workforce 2020 also strategized how, and where, AT&T would have its headquarters. "About three years ago, we went out with an RFP to build a new headquarters, and looked at several sites," Schleyer said. "In the end, we decided to stay, to make a downtown campus, a couple million square feet, including separate office and data centers, and split by Akard and Jackson streets."



AT&T, with help from Gensler, is already underway on revamping its indoor areas into open spaces, complete with "huddle rooms" for meetings and private areas. Schleyer explained that a great deal of work is going into technology upgrades.

Meanwhile, construction has launched on the exterior campus, which will focus on an outdoor, interactive plaza. One plaza highlight will be a large, reflective surface, with in-ground video. The goal is to revolve fresh content on the video; much of which would be coming from Time Warner, if AT&T ends up buying that company.

Furthermore, the plaza will offer restaurants. CBRE is working with AT&T to find a likely mix of eateries. "Two are nailed down so far," Schleyer said.

The idea behind the AT&T Discovery District has focused on keeping the company in downtown Dallas and improving the experience for employees. As the project continues to move along, the idea of experiential real estate also grows, with hopes of appealing to employees and attracting visitors to the southern edge of the CBD.

"We are the only Fortune 100 company with a downtown headquarters," Schleyer said. "Most have moved to the suburbs, but we want to be a downtown kind of company, that employees want to come to."