

SUBTERRANEAN TREASURES

BY J. BRIAN PHILLIPS

First-time visitors to Houston are often impressed by the city's modern skyline, the Johnson Space Center, and the Astrodome. But while visitors, and many Houstonians, are busy looking upward, one of the city's best-kept secrets lies right beneath their feet.

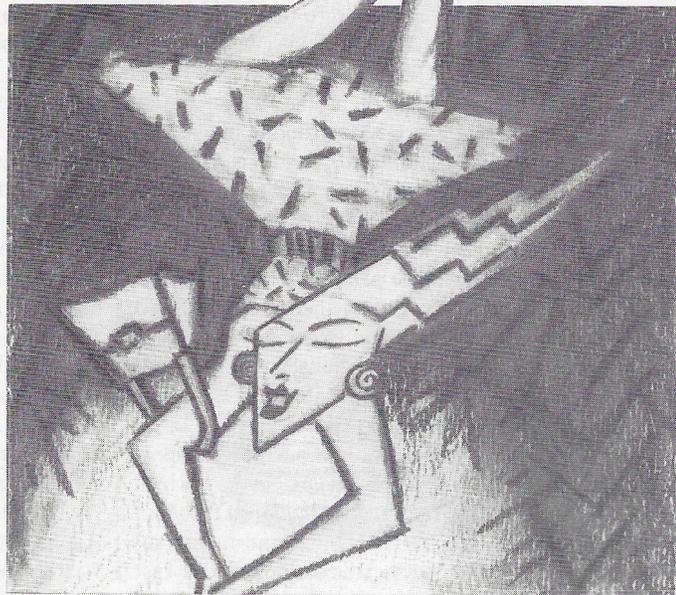
Running throughout the central business district, a series of air-conditioned tunnels and skywalks connects nearly 75 percent of the major buildings, allowing pedestrians to walk from one side of downtown to another without ever setting foot outdoors.

The city's first tunnel, built in 1931 to connect three downtown theaters, was inspired by a similar structure under Rockefeller Center in New York City. A penny arcade was installed in the tunnel, and for a short period it enjoyed success and fame. But the theaters closed and the tunnel eventually filled with debris. It was 1947 before another one was built, this time connecting a department store to its parking garage.

In 1951 the first tunnel linking two office buildings was constructed. During the 1960s and '70s, development accelerated both above and below ground as Houston grew into the nation's fourth-largest city. Until the mid-'70s, most of the tunnels connected adjacent buildings, or office buildings to parking garages. "Our employees and our tenants should be able to get to and from their cars without being soaked, blistered, or frozen," explained one banking official.

By the mid-'70s, two-and-a-half miles of tunnels snaked their way under Houston. Today The Connection, as the system has been dubbed, is over six miles long, and most of the tunnels have been interconnected.

The Connection is an impressive engineering achievement. Perhaps more interesting, though, it is an impressive economic achievement, defying the conven-



tional wisdom about "public goods." For the system has been almost entirely developed and maintained by the private sector.

Houston's ordinances give building owners control of their land to the middle of the road. The city is granted easement rights along the surface for utilities and streets, but what goes on below the surface is up to the property owner, as long as he moves any below-ground utilities when constructing a tunnel. This has proven to be one of the major costs involved, as there are thousands of miles of electric power cables, street light cables, gas lines, water pipes, and storm and sewer pipes running under city streets.

At a construction cost of over \$15,000 per square foot, a typical tunnel can easily reach a price tag of \$1 million. So it's not surprising that from its humble beginnings as a sterile walkway between parking garages and office buildings, The Connection has evolved into a major retail area. Nestled along the corridors are over 100 shops and businesses—florists, banks, travel agents, film developers, office supply stores, cleaners, printers, jewelers, delis, even postal facilities.

Until about five years ago, the possibility of getting lost in the system was

a big drawback. Responding to complaints about this, which was clearly discouraging use of the tunnels, a group of downtown merchants pooled money to develop a name and initiate the posting of signs. "The Connection" was born, and the ad hoc tunnel committee hoped peer pressure would get building owners to put up signs.

Standard notions about public goods suggest that such improvements pose a problem. Everyone benefits even if only a few people pay; the potential for such free riding means that common benefits won't be provided at all if some central authority doesn't impose a tax on everyone to pay for them.

Yet today, kiosks throughout the system, erected by individual businesses, point tunnel travelers in the right direction. And the fact is that those who are paying are also receiving most of the benefits. Nearly all of the buildings in the heart of the system—the most heavily traveled area—have invested in kiosks. Buildings in less frequently traveled areas have not, because the low traffic does not justify them. Some downtown businesses have printed maps as a service to their customers, but because these maps also provide advertising, those who are paying are again receiving the greatest benefits.

Building owners have alleviated another potential free-rider problem—with air conditioning—by installing doors between sections of the tunnel. These prevent some areas from benefiting from the air conditioning in others.

As the tunnel system has expanded, building owners have found that access to it is almost imperative. Louis Sklar, an executive at Gerald D. Hines Interests, the largest tunnel developer, maintains that "any building, to be viable in downtown Houston, has to be on the tunnel system." It is an amenity that prospective tenants find appealing, for it allows employees to avoid Houston's infa-

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mous summer weather, as well as winter's brisk "blue northers," which send frigid Arctic air whistling through the city's concrete canyons. Of the downtown workforce of about 175,000 people, 14,000 use the tunnel on an average week-day. On rainy days, another 4,000 scurry through the corridors.

Patrons also like the system's cleanliness. Because the tunnels are privately owned, building owners have an interest in maintaining a clean and safe environment. An abundance of ashtrays throughout the system, for example, keeps the floor clear of cigarette butts.

Building owners are responsible for security, and guards and security cameras are visible throughout the system. While crime is not unheard of in The Connection, the narrow corridors, limited access, and absence of dark alleys are obvious deterrents. And the lower crime rate has reduced insurance costs for many tunnel businesses.

Panhandlers and other street people seldom enter the tunnels. When they do, "we call the police," said one security guard. And since access at night is very limited, the homeless do not find it a convenient shelter.

Hotel managers like the tunnels' security. Their guests can attend an evening performance at one of the city's performing arts centers and return to their hotel without walking along the vacant streets late at night.

Retailers rave about The Connection's benefits, among them the built-in upscale clientele. "If I had to pick any location in Houston," says camera store owner Jim Strawbridge, "I would probably pick this one." Self-proclaimed "tunnel rat" Paul Couch, an assistant manager at a flower shop, claims that he can make deliveries to 98 percent of the buildings without going outside.

Yet The Connection is not without its critics. The same retailers who laud the tunnels' benefits bemoan their inability to do any street-level advertising. A surprising number of downtown workers are not even aware of the tunnels' existence.

Some tunnel business owners have gone so far as to declare the tunnel a public asset, like sidewalks, and suggest increased city control. Sklar, the executive at Gerald D. Hines, claims that "some sort of public authority" to main-

tain the system "would certainly not be all bad." Public ownership, he says, would ensure access to the system (the recently constructed Heritage Plaza was denied access by a competing development company) and would foster a more uniform motif throughout the system.

Others have urged construction of street-level entrances—there is currently only one. Some believe that the lack of access from the street demonstrates shortsightedness that city control could remedy.

Such critics, however, should ponder the fate of a series of tunnels already operated by the city of Houston. Connecting several theaters and parking lots, it was tied into the commercial system several years ago. While most of the private tunnels have carpeted walls and mirrored ceilings, the city's tunnels are entirely tiled. They're also in need of repair and poorly lit; some people have gone so far as to call the city's tunnels "slums." Sklar admits that "if you look at the way they are built and maintained compared to the private systems, you can have some feel for why a lot of people prefer the private tunnels."

As building owners have slowly become more responsive to retailers' desire to increase traffic through the tunnels, calls for public control are decreasing. More building owners are erecting directories in their lobbies and making a greater effort to advertise the tunnel to pedestrians.

While The Connection is not without flaws, it probably would not exist if not for the private sector, where it has evolved gradually. Building the system all at once would have been an engineering and financial nightmare. "Putting in tunnels yourself could be a lot cheaper than trying to coordinate it through some government agency," observes University of Houston economist Steven Craig.

Even Sklar concedes that "the system probably never would have been started if it had not been privately owned." The problems of financing and regulating would have been difficult to overcome, and public support for such a project impossible to obtain.

Thirty years ago, observes Hines, The Connection's benefits would have seemed like a futuristic fantasy. □

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