Give and Take in Downtown

How private and public entities plan to reinvent the business district

By Edmund Ortiz

Above: The new Westin Hotel being constructed at Navarro and Market streets.

Right: Ben Brewer, president of The Downtown Alliance.

Substance and magic of Downtown San Antonio and adjacent neighborhoods adorn the conference room walls of the quiet Downtown Alliance office. The stillness is ostensibly an underlying active force at work inside the organization. Associates pound the pavement, emphasizing to area business owners the economic and aesthetic improvements they may soon see if they pool their resources wisely.

For this enthusiasm, most of the credit must go to Downtown Alliance President Ben Brewer, a cordial man who remains relatively cool and collected in the face of rapid financial and political changes in our fair city.

However, it was a bit of a shock when City Council easily approved April 24 the creation of a new tax district in Downtown. After all, this vote is to authorize the first multi-block package of "continued expenses" stemming on the high business infrastructure any new taxes are considered.

As Brewer sees it, the creation of a Public Improvement District in the city's central business district was a virtual no-brainer, an idea recommended as part the Downtown Strategic Plan. The DSP is also a brainchild of the Alliance.

"It wasn't hard at all to convince people. Even non-owners, big and small, liked this idea," Brewer says. The Downtown Alliance set forth on a path to downtown improvements early in 1998 through a series of meetings with city departments, property owners and the Downtown Advisory Board.

According to the DA, if San Antonio is to accommodate an inflating residential population, support a vibrant office and retail market, and remain an attractive tourist destination, maintenance services must be kept at high standards. In order for this to happen, instead of using public monies, the impacted businesses would in essence tax themselves, pool the proceeds and use them to upgrade basic area services.

So, the Alliance drew up a petition to create the PID for area property owners, complete with boundaries, listed services and tax rate. The petition contained a summary of how the district would operate and how it would be maintained. Proposed district improvements include landscaping, signs, sidewalks, graffiti, sanitation, public safety and cultural enhancement.

Manny Longoria, the city's acting economic development director, confirmed the method of assessment at 12 cents per $100 of appraised property value. If all goes as planned, the district would generate about $1 million annually for five set years. Ten percent of the proceeds will go to pay administrative costs. The largest expense would be the hiring of several public service representatives, or ambassadors. About eight or nine could be hired.

These are described as "uniformed individuals serving as goodwill ambassadors" who would assist downtown workers, residents, conventioneers and tourists. The PSRs would be strategically stationed in high-pedestrian traffic area, but would move around their designated areas.

Other expenses would go towards supplemental maintenance, such as sidewalk cleaning, graffiti abatement and trash pickup. There would also be streetscape and landscape improvements on street and Riverwalk levels.

The district's boundaries would involve N. Flores St. in the west, N. St. Mary's St. and Brooklyn Avenue in the north, I-37 in the east, and Villita St. in the south. If City Council authorizes the tax this September, the district will be implemented one month later.

The Road to Somewhere

The petition process began last February. Brewer recalls the largest components being among the first businesses to get their John Hancock on the petition. As the saver went, the DA was forced to frequently assess the imaginary district boundaries.

"If I remember right, SBC Communications was the first to sign. As soon as they signed, they wanted the boundaries moved northward to where one of their buildings are near North St. Mary's and Broadway," Brewer says. "We had to find around a lot with the boundaries."

Shortly after SBC's signing of the petition, Frost Bank, Federal Reality (the Houston Street project's private developer) and the major hotels got on the bandwagon.

The DA made it a point to keep impacted business owners apprised of the ongoing process by having four public hearings last November. Of course, statutes also required the city to hold the meetings.

"We invited all the owners to have their say. There were four meetings so owners would have enough opportunities to air their opinions. We definitely wanted a consensus," Brewer says, adding that an average of 15 Alliance property owners attended each meeting.

Although the petition process went smoothly for the most part, there were a few bumps in the road. "Very often, we would run into owners who were preparing to sell their properties. They supported the plan, but couldn't sign because of the business exchanges taking place at that time," Brewer says.

The other major snag came in the form of Rivercenter Mall. The mall's officials disagreed with the district's creation because of the added tax costs.

At an April 29 hearing prior to City Council's vote to approve the district's creation, Rivercenter Mall General Manager Chris Oviatt was the lone voice of dissent. He stated the mall's stores were paying large sums of money for security guards—reportedly up to $1 million per year—and cleanliness.

Oviatt added the fact that his mall and other nearby business are already paying an extra 10 cents per $100 valuation to compensate for the Tri-Party Downtown Improvement Project which finished in 1990. The Tri-Party assessment, which is an 11-cent levy on area property owners, ends next year.

Brewer states emphatically that in spite of this being another concern for some businesses, it was not enough to deter them from signing the petition.

"If we were to implement the PID this October, there would be a one year overlap between that and Tri Party. But a vast majority of owners were willing to swallow the overlap."

When the petition process ended earlier this spring, 150 or 264 affected property owners signed the petition. After some wrangling, the boundaries were officially set. The finished district frontiers are a far cry from what Brewer and the DA has originally envisioned.

"The original boundaries were going to cover a small area, avoiding any municipal property. But the district grew. We obviously wanted to cover the businesses on the River Road," Brewer says.

"We offered St. Paul's Square on the East Side a chance to be inside the district, but the owners said they are already paying for maintenance there. In the end, some owners elsewhere said the boundaries were too large."

After implementation, a non-profit management corporation would administer the district. The corporation's board of directors would be composed of 15 people—large and small business owners, and city representatives.

"We're drafted by laws. It will hold a management agreement with the City of San Antonio to manage the district," Brewer says. "We'll sit down with the city and say who we think should be on the board."

The corporation would then develop and update the annual service and assessment plan required by statutes to be recommended for approval by City Council. However, the PID can be disbanded at any time through a majority vote of the affected property owners.

Taking Pointers

A Public Improvement District in San Antonio would not be unlike any of the thousand others already in place throughout North America. Nonetheless, Brewer hopes the district will help San Antonio refocus on attracting more business and residents to the Downtown area as well as the inner city.

Numerous developments in the last few months signal such efforts are going on. Last month, inner-city coordinator George Pedroza told the Downtown Advisory Board the municipal government should have a long-range inner-city redevelopment plan prepared later this year. The plan would consist of a variety of neighborhood improvements and programs meant to attract over 100,000 residents and some businesses back inside Loop 410 within the next decade. The inner-city plan is just one of many recommendations made by Community Revitalization Action Group, which Pedroza heads. Brewer laments the unavailability of reasonably priced business lots inside Loop 410.

"Today, it's cheaper for developers to get land outside of the Loop. Obviously, we will urge the city to set up incentives for businesses and residents to locate in the inner-city," he says.

These comments echo the concerns Pedroza voiced to the DAB in May. He complained not only are business lots less plentiful and expensive inside Loop 410, but environmental and historical worries further complicate issues in the inner-city.

Major companies have sent queries to the city, asking about downtown housing suitable for middle-income workers who would be situated at area offices. They may be persuaded by a decision made by the City Council May 6 when it endorsed the first Downtown Neighborhood Plan.

The plan contains guidelines and suggestions for adding amenities to attract more residents and businesses to Downtown through new area apartment complexes and advanced rail systems. Of course, light-rail and commuter-rail systems are a much different story.

At the time of this decision, city officials pointed out if Downtown is revitalized and stabilized, it would lead to more economic redevelopment of struggling adjacent neighborhood corridors, such as Southtown and the Fredericksburg Road's Deco District.

On May 19, the Historical and Design Review Commission approved conceptual designs for 60 rental apartments on the third and fourth floors of the former Dodee's store now part of Rivercenter Mall.

Code and historical issues had hindered the project. If construction of the apartments is approved, the living quarters would be built on the Commerce and Alamo street sides, and Dillard's would have to remove its current west and northwest facades to create window openings.

HDRC member Dixon Hicks, who is indirectly tied to the Maverick and Calaroche apartment buildings, would build the Rivercenter apartments.

Similar developments have already taken place in such cities as Seattle and Pittsburgh, where their downtown areas have been turned into successful "second-use" regions of big finance, small business, entertainment, tourist attractions and residential living. Again, Brewer cites these developments as positive.

"It shows that city is moving in a manner to attract businesses and residents into Downtown, to make the area more self-sustaining through office and retail industry," Brewer says.

The Downtown Alliance has had downtown revitalization leaders from those two cities discuss their urban renewal efforts at recent Urban Reinvestment Lecture/Luncheons. On Feb. 1, Downtown Seattle Association President Kate Joncas spoke about Seattle, like San Antonio, has a major arts and cultural district in their downtown area receiving thousands of visitors per year.

But Seattle has been successful in taking initiatives that Alamo City has not, such as aggressive panhandling laws, graffiti-watch programs and a free ride zone for those who commute by bus. For the Alliance's part, it had insisted the city earlier this decade in implementing the Downtown Foot and Bicycle Patrol and the Downtown Security Task Force.

On May 10, Pittsburgh Downtown Partnership Executive Director Harry Farrugia said the PID being formed in San Antonio is similar to the one in Pittsburgh. Farrugia stressed a decent level of foot traffic, and having residents live, work and play downtown as vital to urban renewal.

He added downtown residents are important in keeping the central business/entertainment district alive after the financial centers close around 5 p.m. on weekdays. According to official statistics, around 4,000 people live in and around San Antonio's Downtown region.

Seattle and Pittsburgh are not the only cities from which the Downtown Alliance is taking pointers. Brewer is enthusiastic and hopeful a successful local PID will persuade city officials to install new and improved signage around Downtown Boerne, probably like many historic and resort towns, completion of an extraordinary Downtown sign-posting system.

One example is a San Antonio Museum of Art sign that is easy to access when travel south on McCullough past I-35. The sign points out the museum toward the west. Yet, even one mile down the proper street, there are no more adequate signs that lead a visitor to the museum. This proves difficult for those unfamiliar with the neighborhood. Brewer cites another example being the street traffic flight signs near the Riverwalk.

"If a pedestrian is puzzled at a one-way street in Downtown, say Navarro through Commerce, they have to turn their head upwards to get to the other side of the street just to see exactly what street they're on and what block number," Brewer explains with a sense of urgency. "Most of the signs we have now really don't work."

Brewer then displays an article publicizing an innovative system implemented in Downtown Philadelphia. The system uses attractive, aesthetically pleasing mid-block directional signs. The two-sided markings contain several panels, which point in the direction of several local nearby neighborhoods and street intersections. The panels are paired on both sides of each diagonal pedestrian and drivers will be guided to the right destinations, no matter the direction they are traveling.

"Of course, we would do these signs tastefully, but these signs work perfectly," Brewer says.

The Downtown Alliance leader admits the idea, if it were ever to become a reality in San Antonio, will not see the light of day in the near future. But Brewer is hopeful. After all, the APD once got its wish when the public improvement district was approved, and it was Oliver plans for inner-city renewal are in place. All of these fascinated projects seem to be adding up for a greater good. That's just fine with Brewer.

"As the six years I've been involved in helping with downtown-oriented efforts, I've seen a few victories here and there.

The old Dodee's building at Rivercenter Mall

The district's boundaries would involve N. Flores St. in the west, N. St. Mary's St. and Brooklyn Avenue in the north, I-37 in the east, and Villita St. in the south.