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LONE STAR RISING?

DEVELOPERS HAVE 10-YEAR PLAN TO REMAKE LONE STAR BREWERY. IT MIGHT WORK.

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ROUGH RIDE

FOR OIL AND GAS WORKERS, SHIFT TO CLEAN ENERGY CAN MEAN SMALLER PAYCHECKS

2021 TOP WORKPLACES



Marvin Pfeiffer / Staff file photo

Employees in 2018 assist customers who call into the service center at Broadway Bank, a previous Top Workplace winner.

Your employer among area's best? We want to know why

By **Brandon Lingle**

STAFF WRITER

The countdown is on to April 16, the deadline to nominate your company for our 2021 Top Workplaces competition.

COVID-19 has forced many employers to rethink the workplace – from having employees work remotely to introducing new safety measures in the office. This is your chance to tell us how you feel about your company and how your bosses have handled the pandemic.

What's your employer doing to make your workplace the kind of organization you want to be part of? How's the pay and benefits? Any sweet perks or amenities? What would make those working elsewhere envious? How are your bosses

keeping you safe?

Any organization with 35 or more employees in the San Antonio area can participate. This includes public, private, nonprofit and government employers.

Employees simply need to complete a 24-question survey before the April 16 deadline.

To participate, go to <http://mysanantonio.com/nominate> or call 210-348-3758.

We'll publish the results in the fall and stage an awards ceremony.

The 2020 Top Workplaces were Broadway Bank (large employer category), Bexar Appraisal District (midsize employer) and Chesmar Homes (small employer).

Energage, the Express-News' research partner for the project, conducts Top Workplaces surveys

in 56 media markets and has surveyed more than 2 million employees at more than 7,000 organizations in the past year.

Last year's program, by the numbers:

1,026: organizations invited.

104: organizations surveyed.

85: winners recognized.

28,876: the number of workers employed by the surveyed organizations.

28,393: employees invited to take the survey.

18,792: employee survey responses.

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DEVELOPMENT

Finally, timing looking right for Lone Star site

By **Madison Iszler**
STAFF WRITER

The cluster of buildings comprising the Lone Star Brewery have sat empty since 1996, gathering graffiti and falling into disrepair as nearby neighborhoods have flourished and sections of the River Walk have been re-made.

It's not for lack of interest. Developers have attempted several times to revitalize the 32-acre site across the San Antonio River from Roosevelt Park, but their efforts failed because of costs, bankruptcies and environmental problems.

A new group – a partnership between Houston-based developer Midway and local firm GrayStreet Partners – is confident they can make it work.

With a different ownership structure, experience developing large projects, a new plan for the site, bond funding for improvements on Lone Star Boulevard and Roosevelt Avenue, and a swell of construction in the center city, it might actually happen.

Midway has built large developments in Houston, including the 2 million-square-foot City-Centre. Its portfolio encompasses about \$2 billion of upscale mixed-use sites. The firm is turning a sprawling swath along Buffalo Bayou into housing, offices and retail.

“We really think about, when we create these districts, what’s compelling for someone to come at all times of the day and/or be with us all day?” said Jonathan Brinsden, Midway’s CEO.

“Whether you’re a resident, a community shopper, a potential office tenant or even someone utilizing the trail system, what is it we can offer you to come and stay for a while and hang out?”

The companies plan to turn the Lone Star complex into a pedestrian-friendly mix of apartments, offices, restaurants, shops, entertainment venues, art, and green space for events and spending time outdoors.

The project, dubbed the Lone Star District, will be built in phases over the course of a decade. The makeover will include renovating historic structures, adding new buildings and roads, and improving access to the river.

Executives said it’s too soon to say how much the entire build-out will cost. The scale of the redevelopment could be big – an estimated 1.8 million square feet of space with 900 to 1,000 multi-family units, several hundred thousand square feet of retail and several hundred thousand square feet of offices.

They also are eyeing adjacent parcels and considering eventually expanding the development’s footprint.

The first phase will include about 250 apartments, 100,000 square feet of office space, 50,000 square feet of retail and open-air plazas on 12 acres directly south of Lone Star Boulevard. Construction is expected to start this year and wrap up in 2025.

That stage will probably cost about \$100 million, said Don Quigley, vice president of investment and development at Midway. The firms have not de-



Renderings courtesy of Lake Flato Architects

This rendering shows the mixed-use development that Houston-based Midway and local GrayStreet Partners envision for the former Lone Star Brewery site.



A site plan shows the location of the first phase of the Lone Star District and where expansion could occur.

ecided whether the housing will be lower-priced or market-rate.

As for building out the rest of the site, Brinsden said he usually approaches projects as though Midway is going to be the primary developer. “But we don’t have to execute every component,” he added.

Councilwoman Shirley Gonzales, whose district includes Lone Star, said she’s hopeful it’ll work out this time. This is the fourth effort to rehabilitate the site since she’s been in office.

“I think this is the most realistic plan I’ve seen because it’s rather small in scope, at least preliminarily, and I think that’s sort of what we need – to just get something going and then hopefully move on (to future phases),” Gonzales said.

“When you start small, you give people a taste of what the future holds, and there’s a better chance of getting it right and then making adjustments. You also build community trust that way as well.”

Residents are also optimistic, and the mix of uses, outdoor space and riverfront enhancement is appealing, said Jeff Hunt, president of the Roosevelt Park Neighborhood Association.

At the same time, affordability is a concern. They want those who work at businesses in the Lone Star District to be able to live there, and the developers were open to the idea of providing lower-priced housing, Hunt said.

“People support the idea and the development, but they don’t want the success of that development (to) push them out of their homes,” Hunt said. “It’s a concern, but development at Lone Star is still better than a vacant 32 acres.”

GrayStreet, which paid \$14.5 million for the site, and Midway hope to draw a mix of local, regional and national retailers. Quigley said there’s already been “significant interest.” Restaurants, bars and entertainment venues will be the focus initially.

“The food and beverage and entertainment opportunities are a little bit more entrepreneurial and are willing to be a first mover,” he said. “Sometimes soft goods retailers take a little bit more time to get comfortable with the project – once you can establish that it’s a destination.”

The developers are in discussions with the city’s Office of Historic Preservation and the

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Historic and Design Review Commission about which buildings are historically significant and which can be demolished.

The smokestack with “Lone Star” in red letters and silos on the site will be preserved. The swimming pool will not be restored, though the developers said the Lone Star District will pay homage to it.

Some windowless buildings that were used as storage facilities are not as well-suited to repurposing, Quigley said.

Midway and GrayStreet are also considering ways to highlight the brewery’s history, such as recording people’s stories, photographing memorabilia and creating art displays at the site, said Peter French, GrayStreet’s director of development.

“It’s exciting to think about the different ways we can honor the past and the experiences that so many different people had at the brewery,” he said.

For the project’s first phase, the firms applied for a 10-year tax increment reimbursement grant

through the city’s Center City Housing Incentive Policy program. The grant is worth an estimated \$2.4 million after the 25 percent, or about \$819,000, the developers must contribute to the city’s affordable housing fund.

They are considering seeking reimbursement for infrastructure upgrades through a tax increment reinvestment zone, French said, and may apply for other assistance in the future.

There are environmental “hurdles to overcome” at Lone Star, Quigley said.

In the 1990s, the site was plagued with contaminated soil, asbestos in buildings and hazardous materials encroaching on the property from an adjacent plant, according to San Antonio Express-News reports. The property underwent a cleanup between 1999 and 2004 under the Texas Commission on Environmental Quality’s industrial and hazardous waste program.

“We’ve done quite a bit of investigating since we’ve been on-site and we can’t disclose

anything that’s come up in it, but I think we’ve been very pleasantly surprised by the situation we’re finding,” he said. “We’re confident that it’s not going to significantly impede our ability to develop the site.”

There will be similarities between the Lone Star District and the Pearl, another former brewery, which billionaire Christopher “Kit” Goldsbury and his firm, Silver Ventures, turned into a mixed-use complex.

But Lone Star’s developers said their project will focus more on the site’s river frontage and connection to the waterway. The markets are different, they said, and the complex will be more eclectic and less of a luxury experience.

Midway and GrayStreet also teamed up on plans for Broadway East, a mixed-use development across Broadway from the Pearl spanning 1.6 million square feet. But after an investment deal with a pension fund fell through, GrayStreet put most of the land on the market in December.

Will Lone Star meet the same fate? French said the timing makes a difference, since the firms are outlining plans for Lone Star during the coronavirus pandemic instead of just as it was taking off.

Sabins Brewing Co. built the complex in 1933. It became the Lone Star Brewery after Kansas City, Mo.-based Muehlenbach Brewing Co. bought it in 1940.

The brewery continued making Lone Star beer until 1996, when Stroh Brewing Co. of Detroit bought the brand and moved production. The San Antonio Water System considered purchasing it for a new headquarters but decided against it because of concerns about the industrial area and potential environmental problems.

GrayStreet and Midway have been following attempts to revitalize the complex, which have included a \$300 million proposal for entertainment venues, retail, multifamily housing and a hotel that fell through in 2017.

The size and history of the site,

the river frontage and access to major thoroughfares were appealing to Midway and GrayStreet. Also, Midway wants to expand to other big cities in Texas.

“It didn’t make sense under the prior ownership structure,” Brinsden said. “When the opportunity presented itself, it wasn’t something new to either of us. We were eagerly awaiting.”

GrayStreet bought the Lone Star site last spring after its previous owner filed for bankruptcy. Along with Midway’s mixed-use development experience, owning the complex outright with no debt is an advantage, French said.

The timing is another plus, with the Mission and Museum Reach sections of the River Walk finished, a thriving art scene and more urban development in the downtown area.

“Southtown, the river, the market, San Antonio – all of that has changed dramatically in our favor over the years,” French said.

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