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Commercial Real Estate

Long anticipated Lone Star Brewery redevelopment advancing

Developer is now focused on environmental and demolition work ahead of initial vertical construction, according to city officials.



After multiple groups tried without success to redevelop the long-shuttered Lone Star Brewery site, its latest owner is making some headway.

SABJ



By [W. Scott Bailey](#) – Senior Reporter, San Antonio Business Journal
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Nearly three years after GrayStreet Acquisitions closed on a deal to acquire land south of downtown San Antonio once home to Lone Star Brewery, preliminary work is underway to prepare the 32-acre site for an ambitious redevelopment.

Last spring, there was every reason to suspect this latest revitalization plan could suffer the fate of those before it, as the real estate was back on the market, potentially jeopardizing as much as \$24 million in municipal incentive money earmarked for the landmark project.

GrayStreet and project partner Midway have said little publicly about the planned redevelopment in some time. But city officials confirm that work is underway after GrayStreet cleared some hurdles, including securing San Antonio's Historic and Design Review Commission approval.

"They were able to go through those steps and now they're focused on environmental remediation, some of the demolition of buildings that need to be removed for the project," said Ian Benavidez, deputy director for the city of San Antonio's Neighborhood & Housing Services Department.

GrayStreet is using some of the \$24 million in public incentives funding to carry out that work. Actual construction on the planned mixed-use development could begin before the end of the year, according to Benavidez, who said the developer still has some additional hurdles to clear.

"They should hopefully be going vertical once they get clearance on the environmental side," Benavidez said, noting such approval could come as soon as this summer.

I reported in March 2022 that the [Lone Star site was back on the market](#), putting plans for a major destination development south of downtown San Antonio in doubt.

"Together with our partners, we are exploring the opportunity to sell all or part of the Lone Star District," Midway confirmed in a statement at the time.

The \$24 million incentive package approved by the city in 2021 was tied to an approximately \$600 million Lone Star redevelopment. Assistant City Manager Lori Houston said the incentives agreement would not convey in a sale of the site.

“The contract is with GrayStreet,” she said.

At one point, Benavidez said city officials reached out to GrayStreet about its intent for the land.

“They said they were exploring what was out there,” he said.

In July, then Bexar County Judge Nelson Wolff said the Lone Star acreage was among multiple sites under consideration for a potential new baseball stadium.

Ultimately, GrayStreet informed the city that it intended to hold on to the Lone Star land. And if it can pull off what multiple groups before it could not, the economic impact could spread further southward.

GrayStreet Partners managing partner Kevin Covey, whose subsidiary GrayStreet Acquisitions locked in the Lone Star site in May 2020, nearly two months into the pandemic, warned then that [redeveloping the area would require a heavy lift](#).

“There are a lot of challenges to that site,” he said. “But there is nothing here that is insurmountable if we all collectively put our heads together.”

Benavidez said “the potential was always there” for what GrayStreet envisioned to become a “transformative project.”