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## COMMERCIAL REAL ESTATE

# City Council approves \$24M incentive package for Lone Star redevelopment

The \$596 million development – expected to create more than \$700 million in value – will take place in three phases over the next decade.



Houston-based Midway and GrayStreet Partners are planning a "lifestyle destination" at the former Lone Star Brewery site.

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### Ron Nirenberg

Person



By Mitchell Parton  
Reporter, San Antonio Business Journal  
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The San Antonio City Council on Thursday approved an incentive package of up to \$24 million for the proposed mixed-use redevelopment of the abandoned Lone Star Brewery in Southtown.

GrayStreet Partners and Houston-based Midway are planning the 32-acre Lone Star District, which will feature uses such as apartments, offices, retail stores and hotel rooms. The city funding over 15 years would come from the Inner City Tax Increment Reinvestment Zone and tax rebates, and will help pay for demolition, site work, utilities and road improvements.

The total cost of development will be about \$596 million and is expected to create an assessed value of about \$709 million, according to the city.

"All of us drive down Broadway now and see what it has become. I often think about the first few times I was able to drive a car down Broadway, what it looked like then, and we talk about how significant of a catalyst – not just for the Broadway corridor, or downtown, or the Central Business District, but for the entire city – the Pearl development has become," Mayor Ron Nirenberg said prior to the approval. "Here we are at a significant vote, a potential to create such a catalytic impact on our community positively, in a way the city is involved on the front end.

"I look at this, and the qualifications we put on the contract, as the TIRZ performing exactly as it should," Nirenberg continued, citing the hundreds of millions more dollars of value the city's \$24 million will spur. "I don't think anything we do today will be perfect, because we're going to learn things as we go along, but as it stands today we are putting the value of redevelopment that we've learned over the years into practice with this Lone Star project."

The first phase is expected to include 301 multifamily units; 1,187 parking spaces; 133,729 square feet of office space; 5,914 square feet of retail; food and beverage space; and 38,312 square feet of other commercial space. The project will take place in three phases over the next decade.

Demolition is expected to begin in the fourth quarter, according to the city, which said the development will

create 3,900 jobs through construction, another 7,734 jobs indirectly during the construction process and 1,550 full-time jobs after completion across the retail, office and hospitality sectors.

WGI Engineers is the civil engineering firm for Lone Star, which has been working on the project since GrayStreet and Midway's acquisition last year.

"Frankly, I think I join the rest of the community in being excited about seeing this come out of the ground over the next 10 years, because we've all driven by it, have fantasized about what it could become and have been disappointed to see opportunities for change go by the wayside," Nirenberg said. "Maybe today is different."

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