CENTER CITY SUPERMARKET

Request for Information

March 4,2013

Prepared by:

HR&A Advisors, inc.

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INTRODUCTION

The City of San Antonio is issuing this Request for Information (RFI) to advance the development of a new supermarket in Center City. As part of Mayor Castro's SA 2020 Plan, which established clear targets to increase downtown economic activity, the City hopes to attract a quality supermarket to serve current and future residents, office workers, and visitors. This initiative is part of a broader renaissance of downtown that includes both public and private investments in transportation, public space, and new, high-quality residential development.

Prior to issuing this RFI, the City of San Antonio retained HR&A Advisors, a national economic development and market advisor, to conduct a study assessing the market potential of a downtown supermarket. The study showed that there is an estimated untapped market of $10.1 million in capturable annual grocery spending. Coupled with targeted development of 7,500 residential units in downtown over this current decade (2010-2020), as adopted in the Center City Framework Plan, it is envisioned that there will be significant additional support for an urban-format supermarket.

Through this RFI, the City of San Antonio, led by its Center City Development Office (CCDO), is seeking information from qualified real estate developers and/or supermarket operators who are interested in opening a supermarket in Center City as a standalone new development, part of a new, mixed-use or multi-tenant retail development, or within an existing building. Teams should include a developer and/or land owner and a qualified supermarket or specialty food store operator (or collection of operators). A development site should be identified in each submittal.

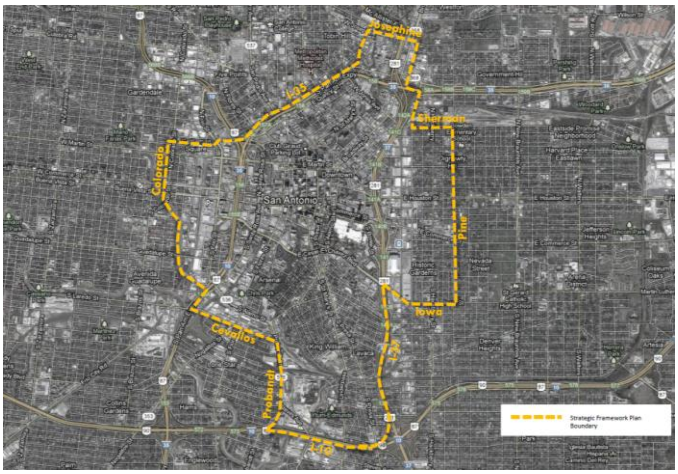
The City understands that financial incentives may be necessary to ensure a successful project by offsetting costs associated with Center City real estate. The City is prepared to provide fee waivers, expedited services, and up to $1 million in grant funding to the selected development team. Additional requests may be considered if included and justified in detail in the response to this RFI.

Responses to this RFI must be received by June 4, 2013, before 3:00 p.m. (CST). CCDO and its review committee will evaluate submissions and identify none, one, or several finalists based on the criteria provided in this RFI. CCDO may pursue interviews, further evaluation, and/or negotiations with finalists or issue a Request for Proposals (RFP), depending on the quality and number of responses received.

PROJECT CONTEXT

For the purposes of this RFI, the downtown boundaries are aligned with those of the Center City Strategic Framework Plan (Appendix A). As shown in Figure 1 this area is roughly bounded by Josephine Street on the north, Colorado Street on the west, Interstate 10 and Highway 90 on the south, and Monumental Street on the east.

Figure 1 | Downtown Geography



This vibrant, mixed-use district currently represents a significant market, which includes a growing residential population of 7,000 households, 69,000 office workers, and a thriving tourism industry of 6 million annual hotel guests.[1] The market shows potential to capture a share of the unmet demand generated by the total 26 million annual visitors to the City, as well as new residents and workers anticipated to locate downtown. Several City-led initiatives have catalyzed residential and retail development in downtown San Antonio and are expected to increase support for an area grocery store.

Over the past five years, in spite of the nationwide slowdown in residential development, there have been several major developments in Center City. These investments are the product of significant private investment and committed, on-going support from the public sector, and reflect the strong and growing demand for residential and retail uses downtown. Since 2010, the City has supported development of 2,006 housing units in the Center City area, as defined by the Strategic Framework Plan, some of which are now operational, with a substantial number of additional units in the pipeline for future development.

The projects described in Figure 2 represent recent increases to the current stock of housing units as well as those in the development pipeline. Current and continued residential development in the Center City area is expected to boost future resident demand for a quality supermarket.

[1] US Census 2010 via ESRI Business Analyst; STR Hotel data

Figure 2 | Recent and Pipeline Downtown Residential Developments

Project Name	Location	# of Residential Units
1221 Broadway	1221 Broadway	307
1800 Broadway	1800 Broadway	230
Blue Star Phase II	500 block Blue Star	320
Can Plant	503 Avenue A	293
Casa Blanca Lofts	1542 North Alamo	17
Cevallos Lofts	301 East Cevallos	252
Mosaic	1915 Broadway	120
Peanut Factory Lofts	905 South Frio	98
River North Multi-Family	Avenue E & 13th Street	256
Steel House Lofts	1401 South Flores	69
The 1010	1002 South Flores	44
Total		**2,006**

A supermarket in Center City plays an essential role in providing goods and services to attract and retain residents, workers, and visitors in downtown San Antonio. A quality market will also support recent retail trends that provide retail shops and services which serve a broader market, in addition to visitor-focused retail. This sort of retail growth represents an exciting opportunity to take part in the ongoing revitalization of downtown San Antonio.

THE OPPORTUNITY

Displaying a commitment to future development and economic growth, the City of San Antonio adopted a comprehensive vision and plan for achieving new growth in Center City in 2012. The Center City Strategic Framework Plan targets 7,500 new housing units by 2020, in addition to the existing stock of 7,000 units in Center City, bringing round-the-clock vitality to the area. This target is supported by a dedicated package of incentives for multi-family residential development and by a commitment to improving the public realm with investments in streetscaping, complete streets, public programming, and open spaces.

The Strategic Framework Plan also recognizes that retail amenities are a key element to supporting residential growth and launching a renewed cycle of Center City development. In particular, a new supermarket will create value and support economic growth by:

- Meeting market demand to provide critical goods and services to residents, workers, and visitors
- Anchoring further synergistic retail growth
- Unlocking the residential growth potential of Center City

Additionally, Mayor Castro's broader San Antonio 2020 plan, which is closely aligned with the Center City Strategic Framework Plan, identifies five key objectives for the area over the current decade:

- Increase the number of housing units
- Increase the number of employees
- Increase transportation options and increase public transit ridership
- Decrease and deter crime
- Increase participation in activities downtown

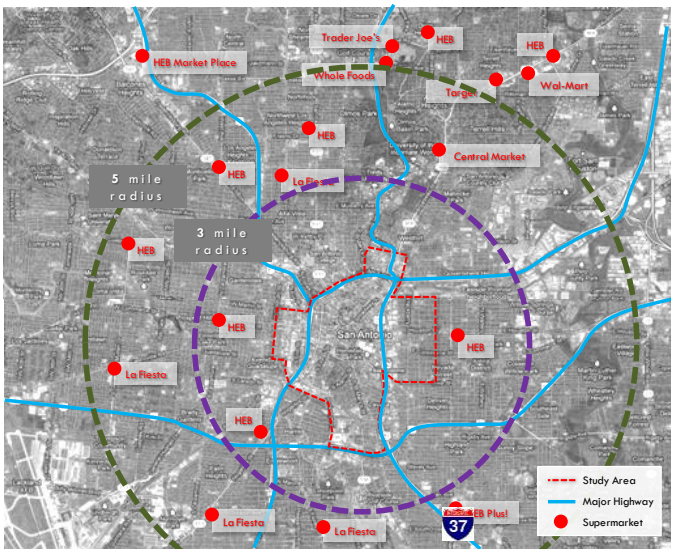
The Supermarket Study recently completed by HR&A Advisors (see Executive Summary attached to this RFI as Appendix B) supports the commitment to having a supermarket in downtown. HR&A identified $42.1 million in annual market demand for groceries in Center City San Antonio, comprised of:

- $12.9 million in residential demand
- $9.8 million in office worker demand
- $19.5 million in hotel visitor demand

Planned residential development would generate an additional $8.3 million in downtown supermarket demand.

While existing convenience stores and delis have met some of this demand, the HR&A study indicated that there is sufficient unmet grocery demand each year to support 19,800 SF, therefore a 15,000 – 20,000 sf supermarket is recommended.

Figure 3 | Downtown and Regional Supermarket Supply



RFI GOALS

The City is seeking a team for a new supermarket or specialty food store that reflects existing and projected market demand and supports broader downtown development. The team must include a developer, operator and/or grocer(s). A team member could represent one or more of the above. Additionally, the proposal must identify a property for the supermarket in which they own or have some other contractual relationship with the landowner. Interested teams must submit the following.

- **Location:** Responses must specify a development site within the Center City boundaries that is suitable for a supermarket/specialty food store(s) typology.
- **Store Size:** A supermarket or specialty food store(s) of approximately15,000 square feet. This store size will enable an operator to provide the desired range of merchandise at competitive price-points to the community. Moreover, this size reflects demonstrated market support.
- **Product Mix:** A targeted product mix appropriate to an urban market that meets the needs of varied customer profiles and that may include prepared foods, a deli, fresh produce, and other urban offerings, such as a coffee bar, wine store, or in-store dining.
- **Configuration:** The supermarket or specialty food store(s) should be integrated into the urban context, including welcoming street frontage and pedestrian and transit access.
- **Other Considerations:** The ideal supermarket or specialty food store(s) will catalyze additional retail and residential development. As such, ideal proposals will include increased density on site, with integration into a mixed-use or multi-tenant retail development or integration into an existing structure, rather than a new single-story or standalone store.

There are a range of successful precedents for these types of urban-format supermarkets across the country, in cities including Houston, St. Louis, and Philadelphia. These markets typically range from 15,000 to 40,000 SF, are integrated components of dense, mixed-use developments, have carefully-curated product offerings and urban amenities, and offer adequate parking and transit access.

In order to support the development of a supermarket or specialty food store(s) of this type, the City of San Antonio has prepared a significant incentive package that may include:

- Fee waivers;
- Expedited services and/or approvals;
- Up to $1 million in City grant funding; and
- For mixed-used developments that include residential development, Center City Housing Incentive Policy incentives.[2]

Any and all incentives provided shall be part of a contractual agreement and are subject to the approval of the City Council.

[2] For more information, refer to http://www.sanantonio.gov/ccdo/cchip.aspx

SUBMISSION PROCESS

Restriction on Communications

Once this RFI, has been released, the following Restrictions on Communications shall apply:

1. Respondents are prohibited from communicating with elected City officials and their staff regarding the RFI or submittal from the time the RFI has been released until written notification by City staff that the RFI process has been concluded.
2. Respondents are prohibited from communicating with City employees from the time the RFI has been released until written notification by City staff that the RFI process has been concluded. These restrictions extend to "thank you" letters, phone calls, emails and any contact that results in the direct or indirect discussion of the RFI and/or submittal submitted by Respondents.
3. Violation of this provision by Respondent and/or its agent may lead to disqualification of Respondent's submittal from consideration.
4. Respondents may provide responses to questions asked of them by the Staff Contact Person after responses are received and opened. During interviews, if any, verbal questions and explanations will be permitted. If interviews are conducted, Respondents shall not bring lobbyists. The City reserves the right to exclude any persons from such review committee meetings as it deems in its best interests.

Questions

Respondents may submit written questions concerning this RFI to the Staff Contact Person listed below until 4:00 PM (CST) on May 17, 2013. Questions received after the stated deadline will not be answered. All questions should be sent by electronic mail and include/denote "Center City Supermarket" in the subject line. Questions should be addressed to:

Colleen Swain, Redevelopment Officer
City of San Antonio, Center City Development Office
Email: colleen.swain@sanantonio.gov

Amendments to RFI

Changes, amendments or written responses to questions received in compliance with the section labeled "Restrictions on Communication" and "Questions" may be posted on City's website at: **http://epay.sanantonio.gov/RFQListings/**.

It is Respondent's responsibility to review this site and ascertain whether any amendments have been made prior to submission of a proposal. A Respondent who does not have access to the Internet, shall notify City in accordance with the above Restrictions on Communication, that Respondent wishes to receive copies of changes, amendments or written responses to questions by mail or facsimile.

No oral statement of any person shall modify or otherwise change or affect the terms, conditions or specifications stated in the RFI, and changes to the RFI – if any – shall be made in writing only.

Required Information

Each response should include the following components **in the order specified** below.

Tab 1. Team Information

Firm and/or project team profiles, including:

- A description of each firm involved in the project and their intended role on the project team
- The number of years each team member has been in operation
- A description of the financial status of the responding entity and its relationship to any large business entity or parent company
- Resumes/background and contact information for principal staff involved in the project
- If a response is submitted by a multi-party team, please include a letter of initial agreement between the parties stating their joint interests in pursuing a Center City Supermarket development project

Tab 2. Qualifications

Respondents must clearly demonstrate their ability to develop and/or operate high quality urban grocery stores, and, if applicable, their experience developing successful urban, mixed-use projects. Relevant projects should exemplify the Respondent's accomplishments in similar, downtown-focused grocery and/or mixed-use development. A minimum of three (3) and maximum of five (5) relevant project descriptions are required, including the following information for each:

- *Grocery projects:*
  - Location of store
  - Total square footage
  - Description of merchandise
  - Photos of the store location and operations

- *Real estate development projects:*
  - Location
  - Land area and built SF
  - Uses
  - Total project cost
  - Project architect
  - Year built
  - Photographs or renderings of development

Tab 3. Project Approach

Responses should include a detailed description of the proposed store's physical characteristics and strategies that will be utilized to attract and serve its desired consumer group(s). This includes:

- Store location, including a designated site and street address
- Proposed supermarket size (SF)
- Background information regarding the proposed grocery operator
- Description of the target customer(s)
- Target price point

- A description of product offerings including any urban offerings such as a coffee bar, wine store or in-store dining
- Anticipated hours of operation
- Size and configuration of additional uses if part of a mixed-use or multi-tenant retail development
- Estimated number of customer parking spaces, as well as a proposed accessibility plan for non-vehicular customers and for delivery and servicing
- Timeline from award of City's economic development incentives to store opening and any contingencies or requirements for that timeline
- Financial projections, including, at a minimum anticipated annual sales and estimated cost of construction per SF, including hard and soft costs. Any additional information on costs of infrastructure and site preparation is helpful but not required

Tab 4. Financial Information

Respondents should include the development entity's most recent audited financial statements indicating the organization or principals' net worth to display Respondent's financial capacity.

Tab 5. Additional Incentives

If the Respondent anticipates requiring incentives beyond those specified in this RFP, provide a brief description of the type and amount of incentive required.

Tab 6. Additional Information

The City welcomes any additional pertinent information that should be considered, including topics that the City has not included in this RFI that strengthen the Respondent's response and demonstrate their commitment to Center City and ability to develop a successful grocery store or grocery store accompanied by mixed-use development. Additional information should follow all required information as an appendix to the submission.

Submittal Format

All submittals must be received in the Office of the City Clerk **NO LATER THAN 3:00 PM TUESDAY, June 4, 2013** at the address indicated below. Any submittal received after this time shall not be considered.

Respondent shall submit a total of **seven (7)** printed copies of the submittal, as well as one (**1**) copy of the entire submittal in an Adobe PDF format on a compact disk (**CD**) in a sealed package, clearly marked on the front of the package "**Center City Supermarket."**

Mailing Address:
City of San Antonio, Office of the City Clerk
P.O. Box 839966
San Antonio, Texas 78283-3966
ATTN: RFI – Center City Supermarket,
Colleen Swain, Center City Development Office

Physical Address:
City of San Antonio, Office of the City Clerk
City Hall
100 Military Plaza, 2nd Floor
San Antonio, Texas 78205
ATTN: RFI–Center City Supermarket,
Colleen Swain, Center City Development Office

Submittals sent by facsimile or email will not be accepted.

When submitting a Statement of Qualifications or Proposals in person, visitors to City Hall must allow time for security measures. Visitors to City Hall will be required to enter through the east side of the building. The public will pass through a metal detector and x-ray machine located in the lobby. All packages, purses and carried items will be scanned during regular business hours of 7:45 a.m. to 4:30 p.m. After the public proceeds through the metal detector, they will sign in and receive a visitor's badge. For those that might require the use of a ramp, entry is available on the south side of the building (Dolorosa side). Security will meet the visitor in the basement with a hand scanner.

Responses should be complete and well organized. The use of recycled paper is encouraged. With regards to other types of binding, plastic (not metal) spiral or "comb" binding is highly recommended. All pages shall be numbered. Margins shall be no less than 1" around the perimeter of each page. Electronic files, websites or URLs shall not be included as part of the proposal, other than the CD specified above. Each submittal shall include the sections and attachments in the sequence listed in the "Required Information" section of this RFI. Each section shall be divided by tabs and indexed as indicated in this RFI. Failure to meet the above conditions may result in disqualification of the submittal.

Respondents who submit responses to this RFI shall correctly reveal, disclose and state the true and correct name of the individual, proprietorship, corporation and /or partnership (clearly identifying the responsible general partner and all other partners who would be associated with the contract, if any). No nick-names, abbreviations (unless part of the legal title), shortened or short-hand, or local "handles" will be accepted in lieu of the full, true and correct legal name of the entity. These names shall comport exactly with the corporate and franchise records of the Texas Secretary of State and Texas Comptroller of Public Accounts.

Review Criteria

The City will evaluate RFI responses based on their overall completeness and responsiveness to the RFI, with a focus on the City's vision for a revitalized, vibrant Center City as expressed in the Project Approach. In addition, the City will consider the following key criteria:

1. **Store Concept**
   The store concept, as detailed in the project approach, should be market-feasible and physically-feasible, as well as supportive of the City's economic development goals for Center City, including:
   - Store location in Center City and synergy with other public and private investments based on the site location
   - Store size of approximately15,000 SF, with preference for larger stores
   - A cohesive and targeted product mix and brand identity that respond to market needs

- The ability to catalyze additional development, potentially through increased density and/or additional users on site if part of a new development
- Adequate parking and service/delivery access
- An expeditious project timeline

2. **Development Potential**
   Development should also be proven to be feasible and supportive of the City's commitment to revitalization in Center City. Considerations include:
   - Overall development size, inclusive of the grocery store and any additional uses
   - Control of proposed development site, or demonstration of ability to acquire the site
   - Integration into the urban context, with a strong street presence, and accessibility to pedestrians, transit riders, and/or major streets
   - The project's ability to catalyze development on surrounding parcels and support a growing community in Center City

3. **Team Composition**
   The project team should demonstrate capacity to develop and operate a supermarket/specialty food store(s) successfully in the Center City market. Considerations include:
   - Financial strength, displaying the organization's ability to complete a successful development
   - Other relevant experience that would prepare the Respondent team to execute this vision successfully

RFI Schedule

Upon issuing this RFI, the City welcomes questions from Respondent teams through May 17th, 2013, and all responses will be due on **June 4, 2013 by 3 pm (CST)**. The evaluation period and any interviews that may be conducted are expected to occur approximately two weeks after the submission deadline, followed by the City's review. The City anticipates that any future action will be pursued in fall 2013. Please see the schedule below for further details on the RFI schedule.

Issue Request for Information (RFI)	03/01/13 – 06/04/13
Deadline for Questions	05/17/13
Responses Due by 3 pm	06/04/13
Review Team/Respondent Interviews, if applicable	06/17/13 – 06/19/13
Review Committee Recommendation	Summer 2013
City Council Action, if applicable	September 2013

Disclaimers

This is ONLY a REQUEST FOR INFORMATION (RFI) and should not be construed as intent, commitment or promise to enter an agreement with the City.

The City of San Antonio will not be obligated to any Respondent as a result of this RFI. The City is not obligated for any cost incurred by vendors in the preparation of the Request for Information. The City will not pay for any information herein requested nor is liable for any costs incurred by the vendor. For economy of presentation, special bindings, colored displays, promotional materials and the like are not required but if they are presented, the City will not be responsible for this cost.

This RFI is being issued for the purpose of gaining knowledge of the interest and services available on the market that address the purpose of the RFI.

The City will review all information and recommendations received to assess the City's needs and further define requirements for establishing a Center City grocery store location.

Confidential or Proprietary Information

All Request for Information responses become the property of the City upon receipt and will not be returned. Any information deemed to be confidential by Respondent should be clearly noted; however, City cannot guarantee that it will not be compelled to disclose all or part of any public record under the Texas Public Information Act, since information deemed to be confidential by Respondent may not be considered confidential under Texas law, or pursuant to a Court order.

The City of San Antonio, through City Ordinance No. 2010-06-17-0531 and as amended, has adopted and implemented a Small Business Economic Development Advocacy ("SBEDA") Program. Information regarding the SBEDA Ordinance may be found on the City's Economic Development Department (EDD) website and is also available in hard copy form upon request to the City. In accordance with the SBEDA Program, any contract entered into as a result of this solicitation shall be subject to the SBEDA Affirmative Procurement Initiative and goal as determined by the applicable SBEDA Goal Setting Committee. Upon selecting a Respondent to negotiate the terms and conditions of a binding agreement, the selected Respondent's proposal shall be submitted to the Goal Setting Committee for determination regarding the applicability of an Affirmative Procurement Initiative, relative goal and required date for return of a Subcontractor/Supplier Utilization Plan. Should the selected Respondent be unable or unwilling to contractually commit to meet the goals set by the Goal Setting Committee, the City shall decline the Respondent's proposal and may negotiate with the next favorable Respondent.

The City welcomes vendors to submit any pertinent information that the City should consider, including topics that the City has not included in our RFI.

At a later time, the City may, based in whole or in part to the responses received for this RFI, issue a solicitation or pursue a contract to develop, establish and operate a grocery store within the Center City.

RESPONDENT INFORMATION

Provide the following information regarding the Respondent.

Respondent Name: _____
(NOTE: Give exact legal name.)
Principal Address:_____
City:_____State:_____Zip Code:_____
Telephone No._____ Fax No: _____
Website address:_____

CONTACT INFORMATION

List the one person who the City may contact concerning your proposal or setting dates for meetings.

Name:_____ Title:_____
Address: _____
City:_____State:_____Zip Code:_____
Telephone No._____ Fax No: _____
Email: _____

APPENDICES

Appendix A: Center City Framework Plan, Executive Summary
Appendix B: Center City San Antonio Supermarket Study, Executive Summary
Appendix C: SA 2020 Plan, Downtown Development

APPENDIX A

Strategic Framework Plan for the Center City

San Antonio, Texas

December 2011

Alamo architects

HR&A Analyze. Advise. Act.

Ximenes & Associates, Inc.
Facilitating Communication and Consensus Since 1984

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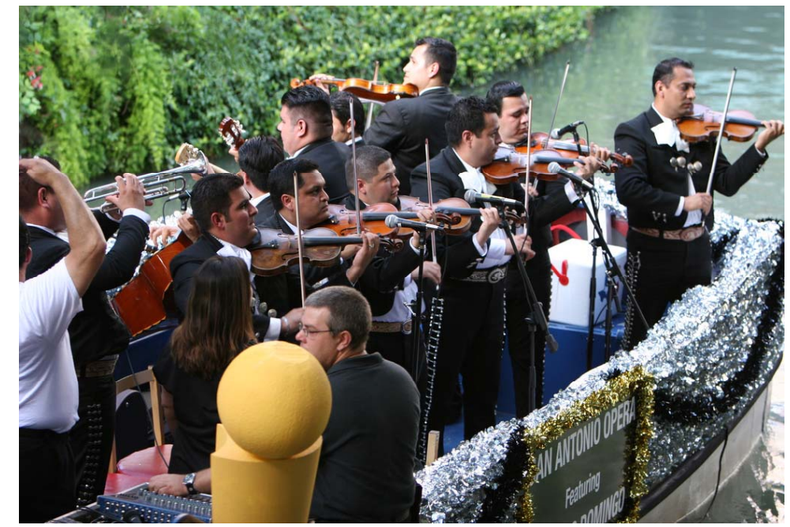

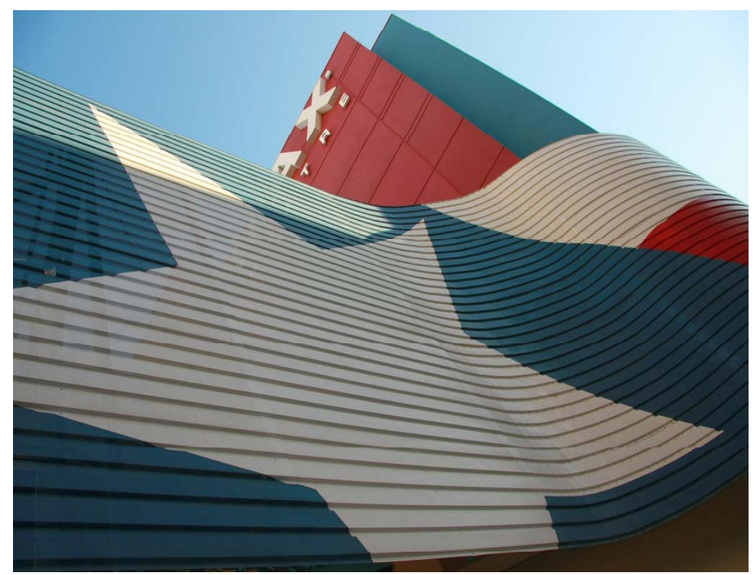

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City of San Antonio
- **Julian Castro**, Mayor
- **Sheryl Sculley**, City Manager
- **Diego Bernal**, Councilman, City Council District One
- **Pat DiGiovanni**, Deputy City Manager
- **Mark Brodeur,** Director, CCDO
- **Lori Houston**, Assistant Director, CCDO

Centro Partnership San Antonio
- **Ben Brewer**, President, Downtown Alliance

Consulting Team:

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- **Jamie Torres Springer**, Partner
- **Carrie-Ann Broder**, Director
- **Ryan M. LeVasseur**, Senior Analyst
- **Max Zarin**, Analyst

Alamo Architects (Urban Design Element)
- **Irby Hightower**, Principal

Ximenez & Associates, Inc. (Community Outreach)
- **Linda Ximenes**, President
- **Sonia Jimenez**
- **Linda Alvarado-Vela**

Centro Partnership San Antonio

Dr. Dennis Ahlburg, Trinity University
JoAnn E. Boone, Rio San Antonio Cruises
Mayor Julian Castro, City of San Antonio
Councilman Diego Bernal, City of San Antonio
Ruben Cortez, MTC, Inc.
Arthur Coulombe, JW Marriott San Antonio
Dr. Robert Durón, San Antonio Independent School District
Steve E. Edlund, International Bank of Commerce
Jill Giles, Giles Design
Lamont Jefferson, Haynes & Boone
Don Frost, Frost National Bank
William R. (Bill) Klesse, Valero Energy Corporation
James G. Lifshutz, The Lifshutz Companies
Paula Owen, Southwest School of Art
Keith T. Parker, VIA Metropolitan Transit
Wayne Peacock, USAA
Richard Perez, Greater San Antonio Chamber of Commerce
Lourdes Castro Ramirez, San Antonio Housing Authority
Fernando Reyes, Reyes Automotive Group
Dr. Ricardo Romo, University of Texas at San Antonio
City Manager Sheryl Sculley, City of San Antonio
Jack J. Spector, Hixon Properties
Tom Stephenson, Express News Corporation
John Strieby, Nix Healthcare
Charles Martin (Marty) Wender, Wender Company
Graham Weston, Rackspace
Judge Nelson W. Wolff, Bexar County
Lisa Wong, Acenar
David S. Zachry, Zachry Corporation

Centro Board Executive Committee

Don Frost, Frost National Bank (Chairman)
David S. Zachry, Zachry Corporation (Vice-Chairman)
Paula Owen, Southwest School of Art (Treasurer)
Ruben Cortez, MTC, Inc. (Secretary)
Dr. Dennis Ahlburg, Trinity University
JoAnn E. Boone, Rio San Antonio Cruises
Lourdes Castro Ramirez, San Antonio Housing Authority
Keith T. Parker, VIA Metropolitan Transit
Richard Perez, Greater San Antonio Chamber of Commerce
City Manager Sheryl Sculley, City of San Antonio
Jack J. Spector, Hixon Properties

Strategic Framework Plan Steering Committee

Ben Brewer, President, Downtown Alliance
John Strieby, Nix Healthcare (Chairman)
Pat DiGiovanni, Deputy City Manager
Don Frost, Frost National Bank (Chairman)
Lori Houston, Center City Development Office
Lamont Jefferson, Haynes & Boone
James G. Lifshutz, The Lifshutz Companies
Keith T. Parker, VIA Metropolitan Transit
Marty Wender, Westover Hills
Graham Weston, Rackspace

Executive Summary

Center City San Antonio Strategic Framework Plan

Executive Summary

- ☑ Dream It
- ☐ Map It
- ☐ Do It

San Antonio has affirmed its commitment to the future of its urban core, known as the Center City:

- ***Mayor Julian Castro declared The Decade of Downtown.*** He launched a robust public consultation process in SA2020. Its goals for downtown were to add 5,000 housing units (a 130% increase) and more than 13,000 jobs (a 25% increase).
- ***Centro Partnership San Antonio was created by civic and business leadership*** in 2011 "...to envision and foster a vibrant and prosperous downtown that benefits the entire San Antonio community."
- ***As its first major effort, Centro developed this Strategic Framework Plan for the Center City.*** It establishes goals, targets and strategies to achieve the SA2020 vision. The first such plan in more than a decade, the Strategic Framework Plan provides a road map for future activity by the City, Centro and private investors.
- ***The plan asserts the primary importance of Center City as a premier neighborhood embraced, lived in, and regularly used by San Antonians.*** Like all great urban spaces, Center City should be characterized by attractive housing alternatives, welcoming parks, walkable streets, mass transit, enticing retail, enhanced cultural institutions and accessible parking.

Centro and the City commissioned HR&A Advisors (HR&A) to produce the Strategic Framework Plan. The team conducted planning through research and analysis, community meetings, stakeholder consultations, and close collaboration with Centro's board and City officials. This report summarizes HR&A's recommendations to support the growth of the Center City, in order to meet the goals set forth by the community in SA2020.

Executive Summary

Rationale: A vibrant Downtown is essential to San Antonio's economic future.

Downtown is a primary source of jobs and tax revenue. Downtown San Antonio hosts a greater number of businesses and jobs than any other similarly sized geographic area in the region. Strategic investment is necessary to protect and expand that base. This investment maximizes the public's return on investment.

Downtown anchors the $11 billion annual tourism industry. A more vital downtown can increase the value of tourism to the City by producing more places to see and visit and a more vibrant quality to neighborhoods, which can attract new tourist markets and extend the stay of those who visit already. Tourists increasingly seek authentic, multi-dimensional urban environments, which can be strengthened in Center City.

A mixed-use urban core is necessary to enhance industry downtown. Creative industries rely on an innovative culture that thrives on urban life – San Antonio's historic building stock and cultural vibrancy can be leveraged to increase downtown industry through enhancement of this character.

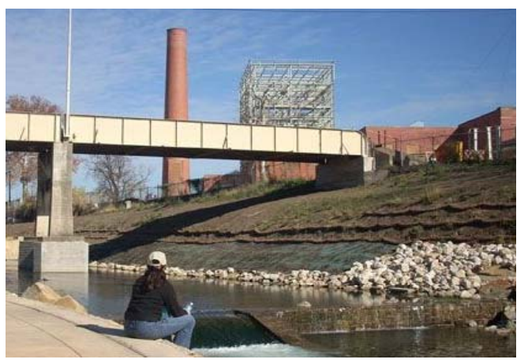
Downtown development makes efficient use of the City's largest investment in infrastructure, which can support continued growth at lower marginal costs to the public sector. Downtown is the nexus of many of the area's Interstate highways, has several train lines and has comprehensive networks of utilities already in place. Development on greenfield sites can require costly expansion of water, sewer, roads and utilities. The costs of growth in new areas are borne by San Antonio and Bexar County taxpayers while the profits from development benefit those who invest in the fringe area development. A focus on development in the core where infrastructure is already in place will benefit both the taxpayer and the investor.

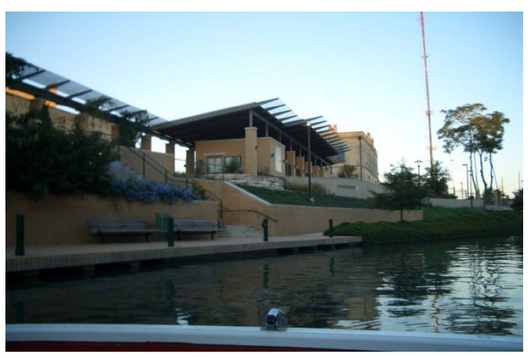
San Antonio's commitment to the arts happens in the Center City. From the Tobin Center, the San Antonio Museum of Art, and the Southwest School of Art, to the popular galleries and commercial arts community in Southtown, this essential element of civic life is most vital and has the most potential in the Center City and should be further embraced.

Vibrant urban neighborhoods with abundant housing alternatives are essential to maintain the City's long term competitive position. The future of the downtown depends upon the future of downtown housing. Urban housing density makes downtown retail viable and enriches the character of Downtown for tourists and office works who drive economic growth. The Center City's position as a center of commerce, tourism, and the arts will be solidified with the addition of a vibrant critical mass of residential development.

Sustainable development is most effectively accomplished by growth in the urban core. Growth of the City through intensification of Center City accomplishes or supports many of the goals of San Antonio's Mission Verde plan, ranging from new sustainable real estate development to the density that supports a multi-modal transportation system to buildings that may be adapted to meet a green, high-performance building code. Growth of the Center City can powerfully achieve San Antonio's aspirations to green the city.

Executive Summary





Center City Opportunities and Challenges

Center City needs substantially increased housing density. Center City's historic sites and buildings, its River Walk, and cultural institutions are substantial assets. However, they have not been supported by residential density seen in downtown areas of other southern and western cities. The Center City has roughly 18,000 residents (living in approximately 7,000 residential units), a number which has remained stagnate in the last two decades, lagging substantially behind competitor cities. Center City's population density is roughly the same as population density in the City overall – approximately 3,500 residents per square mile. The area's density is lower than similar Core areas of its competitor cities – such as Denver, with a City Center density of 7,500 residents per square mile, and San Diego's Center City, with a population density of more than 15,000 residents per square mile. In order for San Antonio's Center City to compete, it must continue to grow and diversify in the same fashion as many of its competitor cities, by using residential energy to animate its downtown neighborhoods. In order to achieve this energy, a gradual increase in density to the level of other downtowns is needed.

For example, Denver has invested more than $1.3 billion in public realm, transportation, culture, and other improvements in its downtown and surrounding neighborhoods since 1990, catalyzing substantial residential growth. Denver's Central Business District population grew by more than 60% since 2000, and has a current population of approximately 12,500 residents. Its nine square mile City Center grew by more than 25% in the same period, to approximately 65,000 residents.

San Antonio's Center City has rich assets that create the potential to achieve similar results from the targeted actions recommended in this Strategic Plan.

Opportunities

The Center City can benefit from a wealth of cultural and historic assets. The Center City's rich cultural fabric – including the Tobin Center, the Southwest School of Art, the San Antonio Art Museum, the Children's Museum, the Magik Theater, La Villita, and a collection of galleries and commercial arts locations – provides amenities for Center City residents and all San Antonians alike. The historic heritage and building stock creates an attractive urban design foundation for future growth, particularly in the Downtown Core.

The City has a track record that demonstrates willingness to support projects in the Center City. Through its Inner City Reinvestment/Infill Policy (ICRIP), the City has been active in its support for redevelopment in the Center City, providing development incentives and assistance that make development projects feasible.

Real estate conditions reflect growth opportunities, particularly in key neighborhoods along the Broadway/Alamo/South Alamo corridor. The Center City's existing and evolving residential neighborhoods, which provide a draw for new residents seeking an urban lifestyle; recent market momentum to supply housing options to meet the pent-up demand to live in proximity to these neighborhoods; and developable land and building stock ripe for adaptive re-use all form a foundation for growth under the right conditions.

Executive Summary

Center City Opportunities and Challenges

Challenges

Attention to quality urban design, inviting open spaces, pedestrian streets, plus new downtown residents can create vibrant places that anchor urban life. Center City suffers from a public realm at street level that lacks coherence, gracious open spaces, and attractive retail. Additional capital investment, more residences, and a commitment to urban design is needed to enhance quality of life for residents and workers. There is a disconnect between the River and street levels, with the River level catering primarily to tourists. As a result, there is limited activation at the street level, and the public realm is uninviting, limiting potential for residents and workers to experience urban life.

Center City's housing development is stymied by land pricing set by the tourism industry and hotel market. Center City's greatest strength also poses a barrier to developing residential product as a result of speculative land pricing, which is driven by potential for future hotel development, primarily in the Downtown Core. While beneficial for the tourist economy, limited service hotels in fringe locations relative to the River Walk produce less economic opportunity than housing development on these sites.

Likewise, retail is targeted primarily to tourists, with souvenir shops and chain bars and restaurants dominating the market in the Downtown Core. Center City lacks retail amenities to support residents, such as a dry cleaner, grocery store, and a pharmacy with night and weekend hours.

Housing economics have forced new housing growth to stagnate, which has in turn limited commercial growth in the Center City as companies seek to locate close to population centers north of the Center City. The implications of the land pricing imbalance and physical challenges described above have been limited residential and employment growth in the Center City. For residential development, a significant financial gap between rents and the cost of producing a unit of housing, a portion of which is attributable to land costs, has resulted in limited Center City population growth in the last decade, in sharp contrast to robust growth in the rest of the City. Similarly, although the City has been successful in attracting businesses to create jobs in the City, virtually none of these jobs have been located in the Center City over the past 10 years, and several employers have left the Center City. Businesses cite the cost and availability of parking, and the driving force to locate near their employees as key factors influencing their location decisions.

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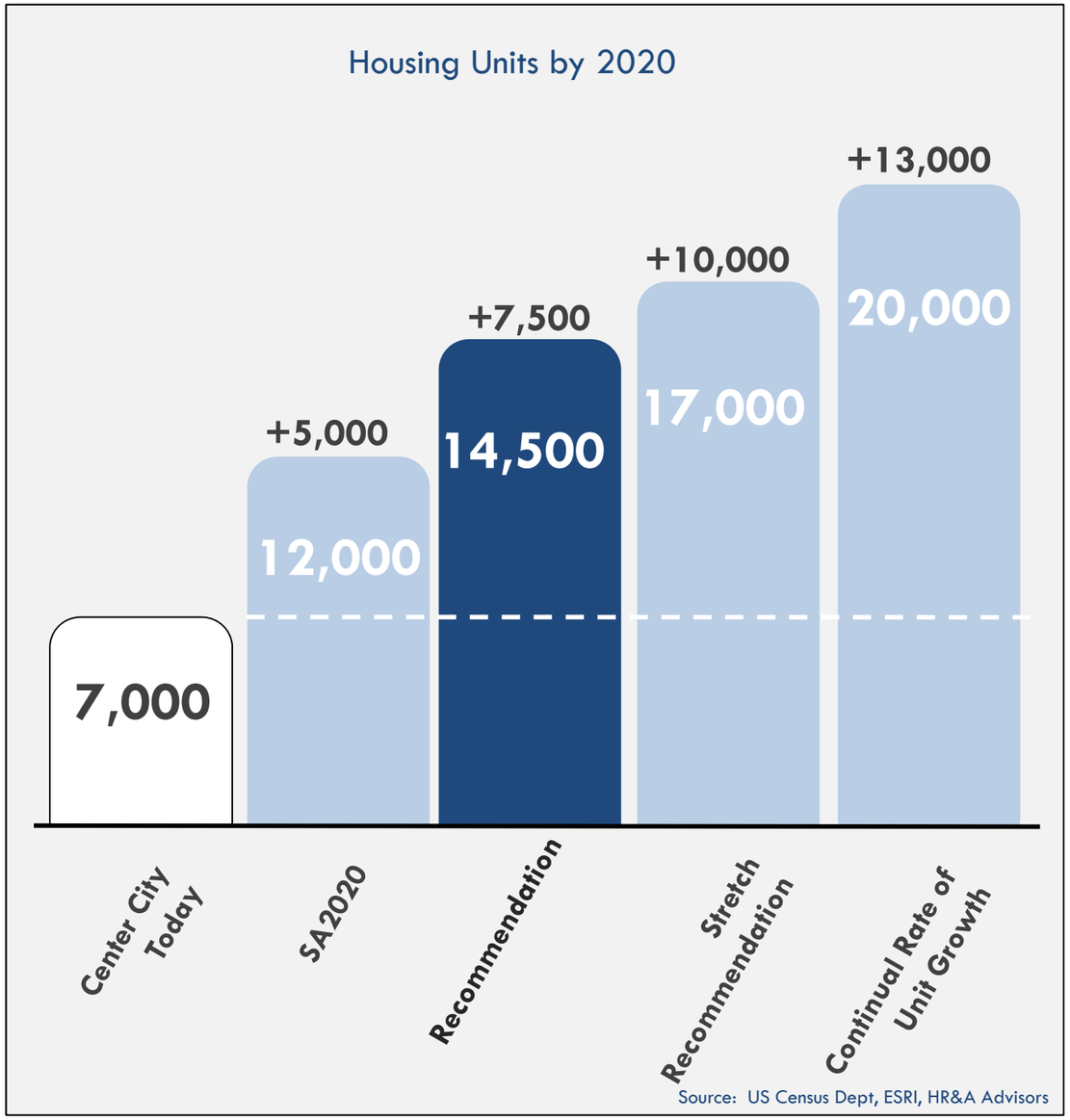
Recommendations: Mission

Invest in Housing Downtown. All great downtowns are anchored by residential life that provides authenticity and animation. San Antonio has wonderful neighborhoods abutting its central core. Additional residential life will enhance the visitor-serving industry and lay the foundation for increased employment. The City should commit to strengthening those neighborhoods and bringing their energy into the heart of the City, making Downtown everyone's neighborhood. Diversity in housing price points should be supported, including housing for San Antonio's students.

Recommendations: Targets

Set a target to create 7,500 new housing units through 2020. HR&A's analysis suggests a target of 7,500 housing units to be supported through economic development efforts through 2020. A "stretch," but achievable, goal based on economic recovery and significant investment by the City of San Antonio in Center City could be 10,000 housing units. This residential growth is the key to unlocking the positive benefits sought for the City, including downtown amenities, redevelopment of existing building stock, and the presence of more vibrant neighborhood life on the streets and in the public realm of the City.



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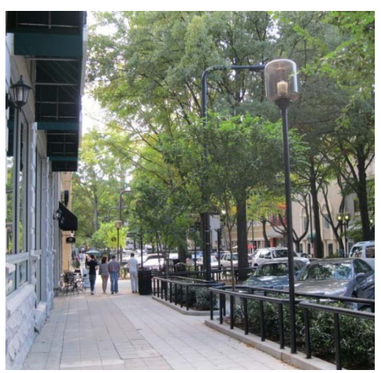

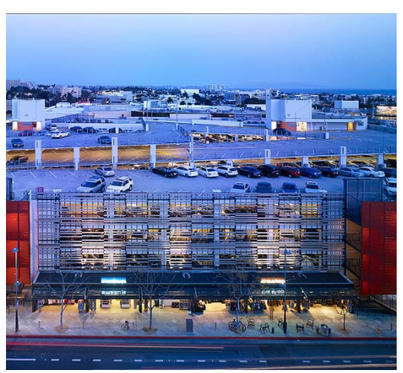

Recommendations: How to Grow

Target investment in key areas primed for growth. Investment should be concentrated in areas with the greatest potential for growth. Focusing on key areas will leverage scarce resources to generate transformative growth for the Center City. This holds the greatest potential for a gradual elimination of subsidies replaced by growth supported by market dynamics. Failing to concentrate resources limits the impact of investment and the potential to create the critical mass that is so vital to transformative urban change. Focusing resources in a limited set of geographic areas is the most effective way to improve the quality of neighborhoods and reduce the amount of subsidy needed to support development over time.

The Strategic Framework Plan establishes an ambitious agenda for the City of San Antonio and its economic development partners to pursue, one for which an intense focus of resources – both human and capital – will be required to support implementation. At the same time, a range of cities across the United States have responded to the challenge of focusing economic development in their downtowns by adopting a concentrated, place-based strategy that coordinates resources around achieving development in key targeted areas.

HR&A identified a gap between the revenue available from Downtown housing and the cost of producing that housing, which has been the economic barrier to achieving higher residential velocity in the Center City like other downtowns. Key to generating housing Downtown will be to provide the assets, amenities and services in the Center City that will increase demand for housing. Increased demand should lead to increased rents, addressing the gap from the revenue side of the equation. Simply, better environments command higher rents. Secondly, the City must continue to provide gap financing that will reduce the development market's required capital outlay, addressing the gap from the cost side.

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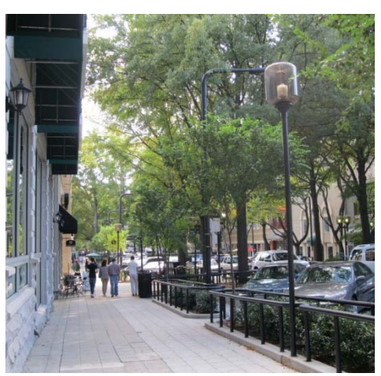

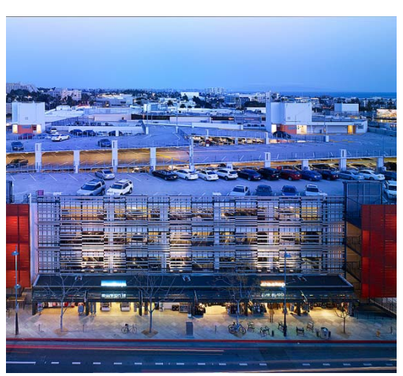

Recommendations: How to Grow

The Strategic Framework Plan recommends investments in the following categories of improvements by the City and its partners in economic development:

Create a welcoming and comfortable public realm, including:

- **Sidewalks** that feel safe and clean and are well-designed;
- Complete **streets** that accommodate pedestrians, vehicles, bicycles, and mass transit;
- A clear **street hierarchy** that is both attractive and accessible for automobiles as well as for pedestrians, and supports development;
- Programmed, activated **open spaces**; and
- **A strong standard of maintenance for all of the Center City assets.**

Ensure a rigorous level of design quality for public and private projects alike, including:

- **Building ground floors** that address the public realm;
- **Open spaces** that provide well-designed, inviting locations to visit;
- High-quality and contextual building **construction and materials**;
- **Sidewalks and public realm** that provide a comfortable urban experience for pedestrians; and
- **Streets** that create an attractive driving, parking, and walking experience.

Ensure a high quality for new housing that attracts new residents to the Center City, including:

- Accessible **parking** options;
- A range of **housing options and diversity in price points** to accommodate multiple resident markets.

Provide amenities and services for residents, including:

- **Retail and entertainment** amenities that appeal to locals;
- **Programming that lends vibrancy to public spaces and to the street network**; and
- **Great open space** that provides recreational and leisure opportunities, leveraging the strength of recent improvements to the River.

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Recommendations: Where to Grow

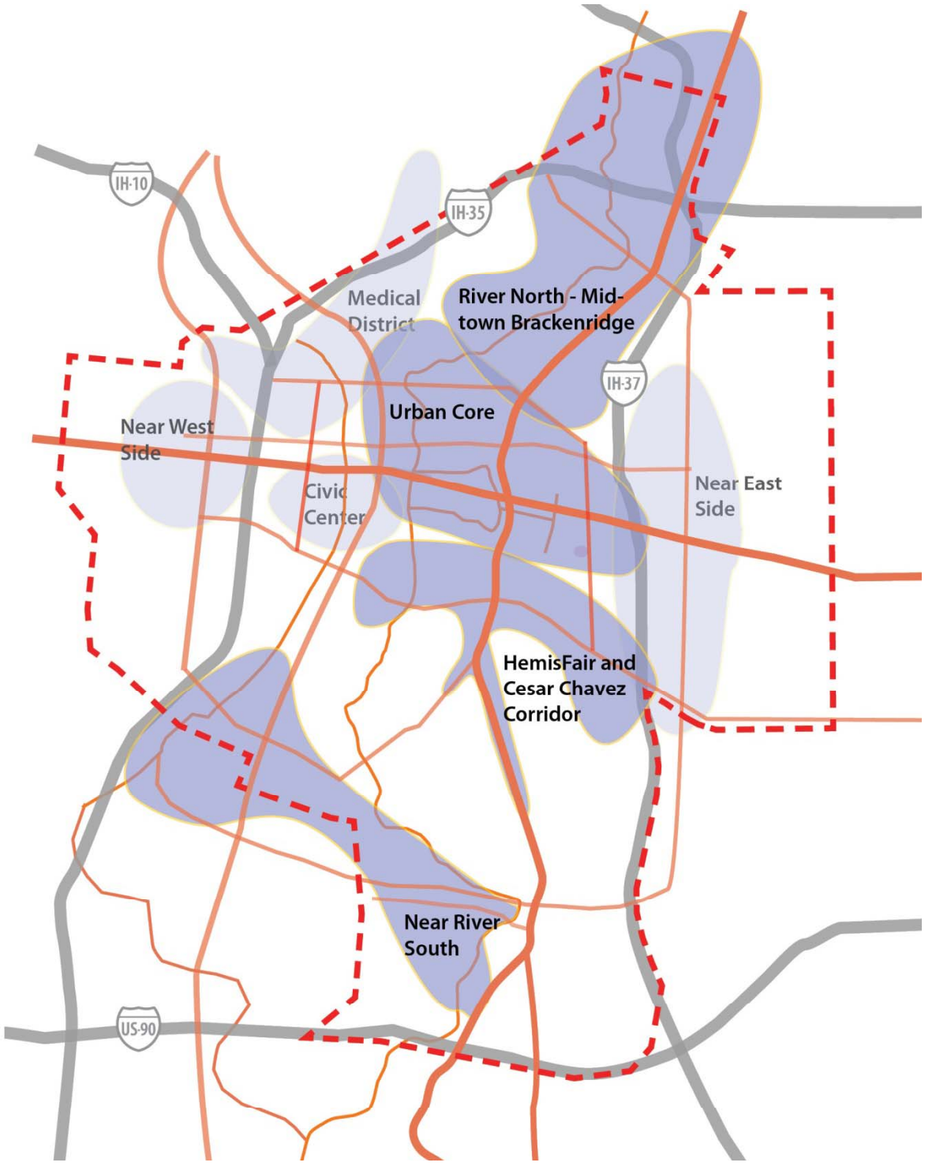
Prioritize the following targeted areas: River North – Midtown Brackenridge, Downtown Core, Cesar Chavez and HemisFair Corridor, Near River South. These areas are ripe for residential growth to support the targets established by SA2020 and this strategy based on an assessment of market momentum, physical capacity for growth, and proximity to areas with established neighborhood character:

- *River North – Midtown Brackenridge*, which can become a highly amenitized residential environment with regional food & beverage and cultural attractions;
- *Downtown Core*, which can become an active destination for locals and visitors with a layered urban fabric;
- *Cesar Chavez and HemisFair Corridor,* which has development potential to become a vibrant residential and recreation district from HemisFair along Chavez Blvd. and into Southtown; and
- *Near River South*, which is envisioned as adaptive re-use of the City's industrial heritage for arts, entertainment, and creative living space.

Additional growth areas serve or have potential to serve as employment hubs and/or future areas of residential growth. These include:

- The *Downtown Medical District*, including the four medical institutions and their support services;
- The *Civic Core*, which is subject to public development efforts at multiple levels of government which can leverage private investment;
- The *Near West Side* area, which can support additional mixed use growth as these institutional and transit uses are developed; and
- The *Near East Side*, which has potential for development around Sunset Station and the Alamodome as well as amenitization potential for the Dignowity Hill neighborhood.

Invest in critical north-south and east-west corridors to support future growth of the overall Center City area. The organizing framework for the Center City focuses on priority north-south and east-west street and amenity corridors that connect the targeted growth areas. Key north-south corridors include Broadway/Alamo/South Alamo/South St. Mary's, the River, and Flores Street. Longer term north-south corridors should also include San Pedro Creek, a rails-to-trails greenway on the East Side and Frio Street on the West Side. Key east-west corridors include Jones Street, Martin/Houston Streets, Commerce Street as a retail/cultural corridor, Cesar Chavez Blvd., and Lone Star Blvd. A future rails-to-trails greenway in Near River South could connect to the future greenway on the East Side.



Executive Summary

Action Plan

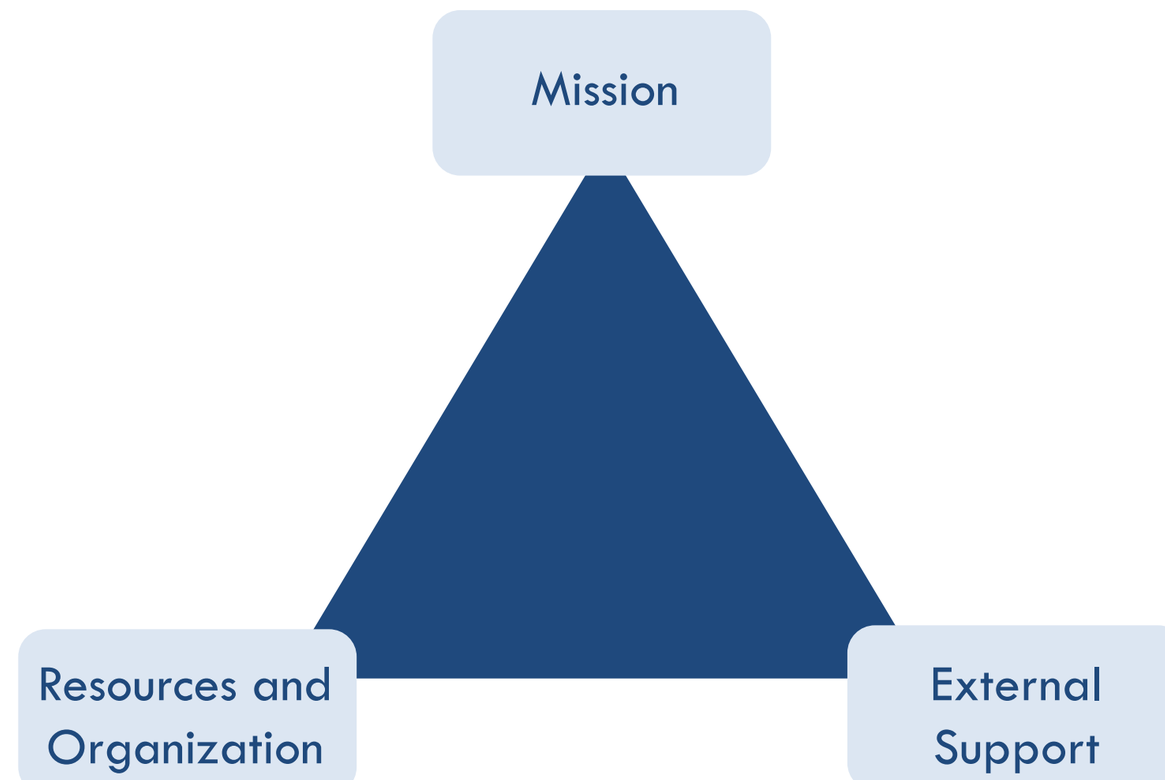
The Key to Successful Implementation

Centro and the its public partners should work together to imagine, plan, and invest in creating great urban places within the Center City that attract private investment, capture the interest of residents, workers, and tourists alike, and become the anchors of vibrant urban neighborhoods. To achieve this vision, Centro and its public partners must bring to bear all of the economic development tools – planning, capital, infrastructure, urban design, and incentives – in order to transform the Center City.

The Strategic Framework demands coordinated actions in four key areas:

- **Public Investment.** Centro and its public partners should support Infrastructure spending that is linked to objectives for urban development, including the selection of projects and their design specifications. Linked investment will be critical for both the projects funded by San Antonio's 2012 bond issuance and for future public investments in the downtown.
- **Support for Housing.** Centro, the City, the County and other public agencies as necessary should partner to provide a predictable and consistent housing incentive system that facilitates development at the pace required to reach the recommended target for the Center City's growth. Over time the incentive system and other actions will support the reduction or modification of incentives, as a critical mass of dense urban development increases market demand and makes development projects feasible without subsidy. Incentive programs should be reviewed and recalibrated based on market momentum every few years.
- **Planning and Regulation of Development.** Clear and predictable land use, density and urban design standards for private development, along with a scheme for infrastructure investment in support of that development and a means for enforcing design standards for private development and for projects receiving City incentives, is critical to achieving Center City growth. Centro should support and assist the City, County and other municipal agencies in achieving this regulatory framework and implementation mechanism.
- **Centro's Role.** Centro, in coordination with the City, County and other public partners should build its capacity to shepherd and ensure vibrant urban growth, from continuing to provide supplemental clean and safe services in the downtown and marketing Center City to retail and office businesses through Downtown Alliance, to the Centro Partnership advocating for and project-managing major capital projects and facilitating private development projects.

San Antonio has undertaken a coordinated strategy for more than 40 years in developing the tourism and convention industry by providing coordinated public and private sector investment in the River Walk, Convention Center and other tourist infrastructure; support for hotels downtown; a set of public and private organizations to oversee and promote tourism; and regulation of development on the River Walk through the RIO districts. A similar coordinated effort can be catalytic in transforming the Center City into a set of amenitized neighborhoods to support residential and increased presence by San Antonians.



Executive Summary

Action Plan

Investment and Funding

Prioritize near-term capital investment needs to catalyze Center City growth in the primary growth areas. Capital improvements should be implemented in a manner that ensures that the highest quality of urban design is maintained in these priority investments in order to most effectively impact the urban environment, and should be coordinated with a housing development strategy such that the investments impact residential feasibility in targeted areas. The physical framework and recommended primary growth areas suggest a set of required investments to be prioritized in the near term, including:

- *Improvements to key street corridors*, including north-south and east-west priority corridors established in the physical framework for growth;
- *Improvements to intersections and wayfinding at key locations*, including those where priority corridors transition through neighborhoods and at key gateways to primary growth areas;
- *River to Street "gateway" connections in the Downtown Core* to connect activity on the River Walk to activate the street level;
- *Targeted investments in Center City's cultural institutions*;
- *Improvement and activation of key open spaces*; and
- *Creation of rail quiet zones* to resolve a significant irritant in Southtown and to reduce development costs related to noise mitigation.

Support proposed fixed rail and streetcar alignments to connect targeted growth areas. Based on the strategy for economic growth, HR&A recommends prioritization of fixed rail and streetcar investments that will connect north Center City neighborhoods, the Downtown Core, HemisFair, and the Near River South area, consistent with the City staff's current recommended approach including a longer-term extension along South Alamo to Blue Star and south to the former Lone Star Brewery District. Streetcar funding is proposed to be used to support improvements to the Broadway corridor as well.

In the longer-term, invest in expanding the areas of influence of the targeted growth areas throughout the Center City. Recommended investments include:

- Establishing rail quiet zones in residential neighborhoods;
- Improving River to Street connections in River North – Midtown Brackenridge and Near River South;
- Renovating key open spaces throughout Center City that may not be subject to near-term investment;
- Transforming San Pedro Creek into an amenity for near West Side neighborhoods; and
- Creating Rail to Trail corridors in Near River South and Near East Side.

Ongoing funding will provide continued, substantial public investment to meet the Strategic Framework's objectives in the Center City. The long-term projects identified as priorities above are likely accompanied by hundreds of millions of dollars in required capital investments, which will require a sustained public investment program for Downtown along with significant private investment support. While the City's commitment to provide unprecedented level of capital funding to the Center City through the 2012 Bond Program, there are more than $100 million in capital priorities for which there is no anticipated funding source. In order to achieve the Plan's target of 7,500 new housing units in the Center City by 2020, these capital investments must be made in the near-term to effectively catalyze that development, making the 2017 Bond Program too far out to be impactful to fund the remainder of the capital priorities in the Plan. The City should identify significant new dedicated funding sources for the Center City. Centro should be active in helping to source these funds, especially from the private sector, as public funds are scarce and need to be distributed to a larger geographic area. Potential funding sources that Centro can be helpful in sourcing include capitalized PID proceeds and public-private partnerships.

Executive Summary

Action Plan

Predictable Housing Incentive and Financing Systems

Residential development in the Center City is challenged by a financial gap between the cost of developing a housing unit and the rent that is market-supportable for that unit. Moreover, residential development in the Downtown Core is further challenged by speculative land pricing spurred by the value of hotel development. While the Strategic Plan's goal is to increase the market-supportable rents that can be achieved in the Center City to close that financial gap, development incentives are needed in the near- to medium-term to catalyze development. HR&A's preliminary analysis suggests that there is an order-of-magnitude gap of approximately $15,000 per unit in the Center City neighborhoods, and $28,000 per unit in the Downtown Core. The size and distribution of incentives should be reviewed and recalibrated every few years to ensure that the greatest impact is made with a limited level of resources to guarantee the development of product types that are attractive to a range of market segments.

A predictable and consistent housing incentive system that facilitates development at the pace required to reach the recommended target for the Center City's growth should be put into place. Over time, the incentive system and other actions will support reduction or modification of incentives, as a critical mass of dense urban development increases market demand and makes development projects feasible without subsidy. A predictable incentive system will reduce developer risk and transaction costs, contribute to normalizing land pricing, and enhance transparency of the incentives process.

Identify a mechanism to balance land pricing Downtown. While the preceding recommendations can help to incentivize residential development in a way that begins to normalize land values for housing, there remains an imbalance in land values in the Downtown Core that is driven by hotel property values and promotes speculative land purchasing and pricing, which in turn inhibits residential development or conversions. HR&A recommends the creation of a commission or task force to identify mechanisms to improve the balance in land pricing in the Downtown Core, while still supporting a hotel industry that promotes and enhances the critical tourism and convention industry.

Create a Centro Housing Fund. Centro, with the support of its public partners, should lead the creation of a housing fund that can further support and incentivize residential development by reducing development financing costs, thereby reducing the financial gap for Center City projects. The Fund should provide revolving mezzanine and construction loans at below-market interest rates (2-4% vs. 12-15%) for projects that otherwise would not move forward. Centro should create a subsidiary or adapt its Community Development Corporation entity to manage the Fund and should actively engage the public sector and private corporations, organizations, and banks with Community Reinvestment Act obligations to invest in the Fund.

Regulation of Development

The quality of urban design and building design is inconsistently regulated, resulting in inconsistent quality of building design, urban form, and public realm. No standard design guidelines are in place in the Center City to provide guidance to developers on a range of urban and building design issues, from the definition of a building envelope to the character and quality of materials to the placement of building utilities. The implications of this lack of guidance have been made clear in an inconsistent quality of design for recent projects, as has been evidenced by stakeholder consultations and urban design analyses conducted during the Strategic Framework planning process.

Centro should support the City and other public agencies in implementing a new framework that regulates form, use, and density for public and private projects and enables a robust urban design review of development projects. The City should move over time to a form-based ordinance that formally regulates these matters with a site plan review for major projects.

Executive Summary

Action Plan: Centro's Role

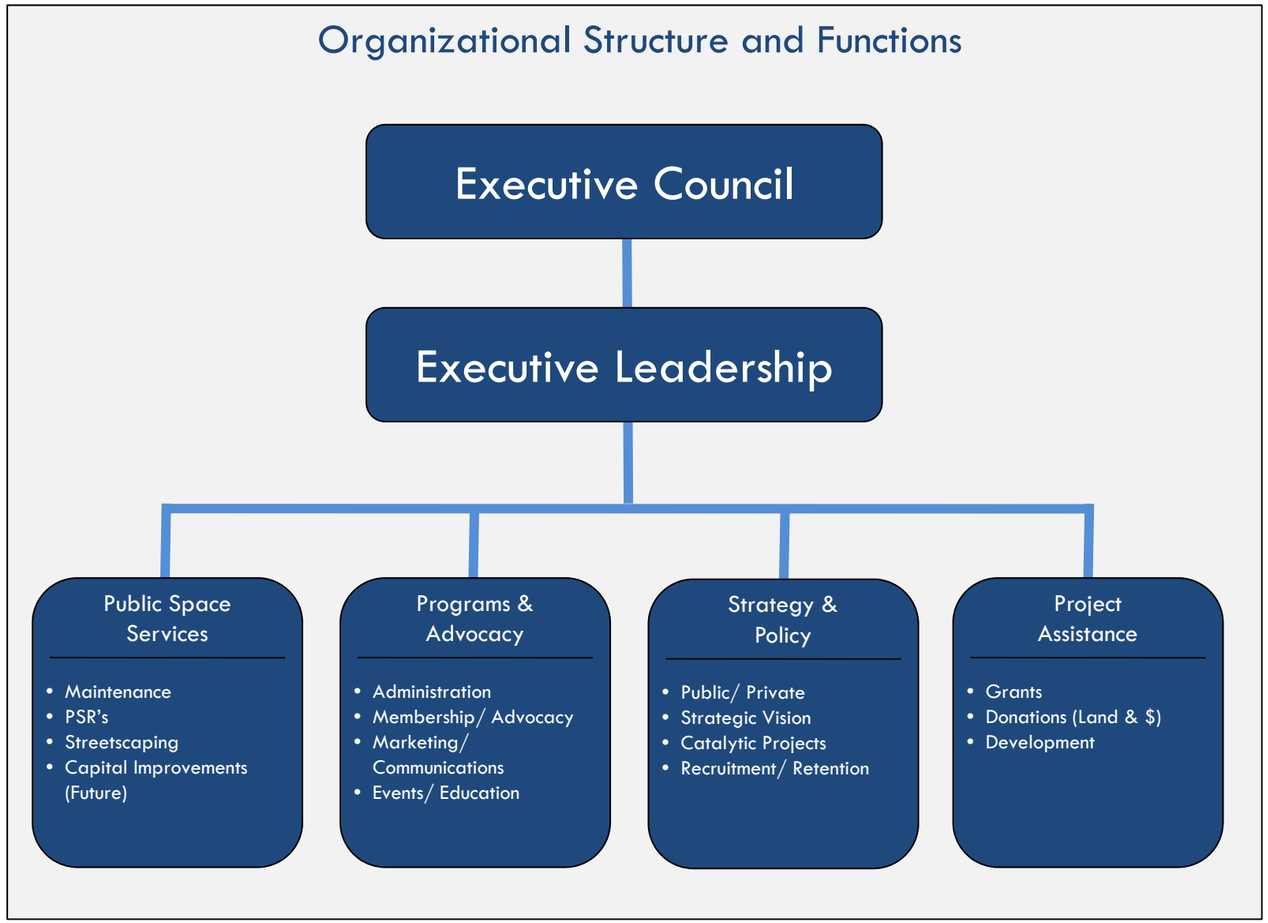
Organize Centro to effectively define and advocate for a vision for the Center City, consistent with the Strategic Plan, and to carry out that vision. HR&A recommends establishing a mission for a unified focus on creating a vibrant urban place in Center City, and organizing public and private sector resources to achieve that focus. Clear roles and responsibilities for Centro can support the Center City vision. As has been suggested, Centro should be organized as an umbrella organization with four subsidiary organizations that execute Centro's primary roles. The following describes HR&A's recommendations for the purposes and activities of each of the constituent entities based on Strategic Framework implementation needs.

Centro Partnership, the 501(c)(6) Strategy and Policy core of Centro, should take on the role of a strategic advocate for the Center City and its growth. In practice this will mean a variety of activities, including but not limited to:

Setting a core strategic vision and building specific policy positions and planning concepts that fulfill that vision. Centro Partnership should adopt the Strategic Framework Plan, serve as Centro's liaison to the City on future master plans for targeted growth areas, and build a strong research and policy advocacy capacity to develop and support key positions.

Supporting coordinated action for catalytic projects. Centro Partnership should identify and develop private and civic support for catalytic infrastructure and development projects, ensuring that the diverse tools of economic development - planning, capital, infrastructure, urban design, and incentives – are brought to bear in support of these projects.

Providing a forum for strategic thinking and planning. Centro Partnership, through its regular board meetings and frequent events, should bring together San Antonio's key private, public and non-profit leaders to maintain an intense focus on the strategic actions needed to build the downtown.



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Action Plan: Centro's Role

Centro San Antonio Management Corporation (Centro SA), the 501(c)(4) Public Improvement District, should retain the current public space services functions of the organization – providing maintenance, streetscaping, and security services to the downtown. The organization should define a service area focused primarily on the current downtown service area, with potential expansions to be explored for the PID's renewal.

Enhanced Clean & Safe Services: Expand upon the level of services currently provided by Centro SA and potentially expand the service area to include a larger portion of Downtown;

Downtown Alliance, the 501(c)(6) organization, should retain and enhance its functions in programs and advocacy. Downtown Alliance's area of influence can encompass the entire Center City, as its functions are less resource intensive than Centro SA's services.

Programming and Events Coordination: Assume a coordination role for marketing efforts Downtown by Downtown Operations and other groups; program events throughout the Center City, including in open spaces, that are frequent and attract regular visitors both from within Center City and from the rest of the City;

Tenant Recruitment and Retention: Provide integrated retail recruitment services, including maintaining a database of available retail spaces in Center City, creating relationships with local, regional, and national retail tenants, and providing location assistance services to potential retail tenants;

Branding and Marketing: Undertake a branding and marketing campaign that targets amenities and advantages for residential growth in Center City.

Downtown Community Development Corporation (CDC) has been created as a 501(c)(3) subsidiary of Centro. The organization should raise funds from a range of public, private, and philanthropic sources to support a Centro Housing Fund and other Center City investments. The CDC should also act as a first stop for developers, facilitating approvals and other development processes.

Development Facilitation: Serve as the first stop for developers who want to build in the Center City. Facilitate development by serving as the liaison with the Center City Development Office (CCDO) and other City departments for approvals, incentives, and other needs, as well as by working with the Centro Housing Fund to provide gap financing.

"Mezzanine" Financing for catalytic projects: Utilize existing financing sources and cultivate new funding sources to provide additional financing sources for priority Center City projects. The CDC should serve as the vehicle for Centro's Housing Fund, which would strategically gap finance catalytic projects in the Center City. The fund would be capitalized through a combination of private and public funds, including funds from financial institutions seeking to meet CRA obligations.

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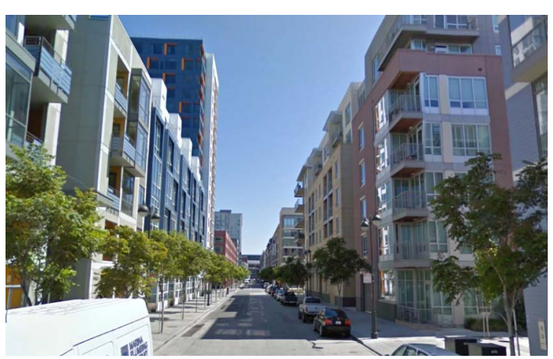


Action Plan: Centro's Role: Immediate Next Steps

Establish boundaries for Centro's area of influence. While the primary and secondary growth areas in the Plan set a framework for Centro's actions, the organization's level of influence in each area may change to reflect different implementation strategies. Moreover, Centro may play a different set of roles in different areas of the Center City. For example, serving in advocacy, marketing, and development facilitation roles for the entire Center City and investing in capital projects that impact the entire Center City – such as streetcar or other transportation investments – but delivering Centro San Antonio clean and safe services to a smaller target area in the Downtown Core and supporting master plans for targeted growth areas.

Develop human and financial resources to support the organization's operations, as well as Center City projects.

Build staff capacity. Add permanent full-time staff immediately and in the near- to medium-term to serve Centro's various functions. Capacities needed include additional maintenance and security staff, programming, marketing, real estate, development project management, public-private coordination, strategic planning, development/fundraising, and project finance.

Augment funds from the Downtown PID assessment to support additional maintenance, capital, and administrative services. The current PID should be analyzed for expansion both geographically within the Center City and in terms of its rate, to support additional investment in capital projects Downtown as well as enhanced Clean and Safe services, and to increase the Centro staff to support economic development and retail recruitment operations.

Begin advocating for and supporting key projects in priority areas. Centro should work with the City, the County, and other public agencies to implement key capital projects including ensuring that project plans are consistent with goals for the Center City, providing project management, and identifying financing sources. This should include coordinating with the City and other municipal partners to ensure that projects in the 2012 General Obligation Bond Program and future Bond Programs are consistent with the goal and priorities of the Strategic Framework.

Participate in the creation of design guidelines and master planning for the Downtown Core, Chavez Corridor, Near River South, and the Medical District. Centro should participate actively in the development of urban design guidelines by the City and in master planning for key Center City districts identified in the Strategic Framework, to create preferences for development locations, patterns, typologies and design characteristics and to align infrastructure investment plans, regulations and design guidelines with these preferences.

Plan Overview: "Great Cities Have Great Downtowns"

Goal

A Downtown that is central to the economic vitality of San Antonio's long-term economic strength

Target

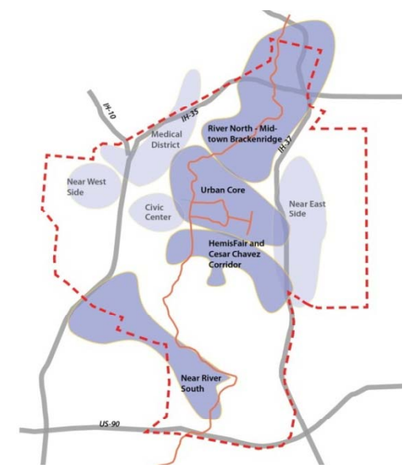
7,500 new housing units by 2020

Required Assets

- High Quality Housing with a range of affordability
- Quality Design of Development
- Amenities and Services
- Welcoming Public Realm

Where to Grow

Primary Focus Areas:
Downtown Core
River North – Midtown
Chavez & HemisFair Corridor
Near River South



Long-Term Growth Areas:
Near East Side
Near West Side
Civic Core
Medical District

Actions

- Support for Quality Housing
- Organization and Management
- Regulation of Development
- Public Investment
  - Immediate & Sustained, Long-Term

Growth Results

Improved City Brand
Increased Employment
Authentic Public Spaces
More Retail Activity

APPENDIX B

Center City San Antonio Supermarket Study

December 27, 2012

HR&A Analyze. Advise. Act.

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Executive Summary

In 2011, HR&A completed a Strategic Framework Plan for Center City and introduced a comprehensive vision and plan for achieving new growth in Center City. The Strategic Framework Plan identified four neighborhoods as priority areas for growth:

1) River North– Midtown – Brackenridge
2) Urban Core
3) HemisFair and the Cesar Chavez Corridor
4) Near River South

As part of the plan, 7,500 new housing units would be added to Center City.

In order to achieve this goal, it is critical that there are amenities that support residential and office growth. Beyond the unique shopping and dining that brings character and vibrancy to a downtown, it is equally important that there be an ample supply of convenience retail, the neighborhood stores and services that people rely on for their daily needs. Of these, none is more critical than the supermarket. A supermarket creates value and supports economic growth for a downtown:

- A supermarket provides critical goods and services to residents, workers, and visitors.
- A supermarket anchors further retail growth.
- A supermarket will unlock the residential growth potential of downtown.
- A supermarket brings legitimacy to an untested market.

HR&A conducted an analysis of the feasibility of attracting a grocery operator and developing a grocery store in Center City. This analysis included an assessment of potential retail spending demand for groceries in Center City, competitive supply, store format options, potential operators, potential locations within Center City, and the financial feasibility of grocery store development in Center City. The report also provides additional guidance regarding specific challenges of developing a grocery store in the urban context in San Antonio and best practices and lessons learned from urban grocery stores in other comparable cities.

Demand Analysis

HR&A estimated that current residents, workers, and visitors in Center City[1] have unmet spending potential for grocery items of $10.1 million annually, which could support nearly 15-20,000 square feet of grocery store space, based on standard industry spending ratios. When Center City reaches its goal of adding 7,500 new households by 2020, capturable grocery store spending potential could reach more than $18.4 million, which may support an additional 16,000 square feet of grocery retail and raise the total supportable grocery square footage to approximately 30-36,000 square feet.

Competitive Supply

Within a three- to five-mile radius of the center point of Center City, residents have a wide variety of choices for grocery needs, including several HEB stores and HEB's Central Market, Whole Foods, and several La Fiesta markets. River North and Midtown neighborhoods are the most well-served of the Center City neighborhoods, particularly with HEB's Central Market at 4821 Broadway. A large portion of middle and upper income Center City residents do their primary grocery shopping at this store. Additionally, a portion of Center City workers who live in the Alamo Heights area or further north of Center City do their primary shopping at this store on their way home from work. Because it is an easy three-mile drive along Broadway from the multi-family residential development cluster around River North, we believe it will be difficult for any operator to gain a viable market share on the northern side of Center City.

Also to the North of Center City within the 410 Loop are five HEB's, one La Fiesta at Flores and Young, a Whole Foods at the Quarry, and a Walmart Supercenter and Target with a large grocery component on Austin Highway. In the fall of 2012, Trader Joe's opened its first regional store in the former West Elm site at the Quarry Village[2].

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[1] The geography for analysis in this study follows the boundaries of Center City as defined in the Strategic Framework Plan. The Study Area is roughly bounded by Josephine Street on the north, Colorado Street on the west, Interstate 10 and Highway 90 on the south and Monumental Street on the east. Note that this differs from the retail study recently conducted by HR&A Advisors, for which the demand analysis was conducted using the West Commerce District geography.

[2] http://www.mysanantonio.com/default/article/Grocer-takes-prime-spot-for-1st-S-A-store-3421662.php

Grocery options within Center City are limited. There are several small grocers and delis that provide prepared foods and small convenience needs, such as Main Plaza Market, Delivery Market, and Hippo's Grocery and Deli.

Store Format Options

While the average supermarket in the US is now around 46,000 square feet and the average store size in the San Antonio region is even larger at 65,000 square feet, a smaller store could still provide the grocery needs of local residents, workers and visitors.[3] However, at a smaller size, an operator will need to offset the rules of economies of scale with superior service, targeted merchandising, and special offerings. Additionally, the store's operator will need to carefully cultivate its product mix and offerings to attract all three customer segments, including high-quality prepared food options for workers, residents, and visitors, products that serve the Latino feed market, and deli and bakery offerings.

Despite its urban location, Center City maintains a largely automobile-oriented character, and current density levels suggest that customers who walk or take public transportation to grocery shop will be limited, although a larger share of tourists may walk to a well-sited store. As a result, grocery operators are likely to require higher levels of parking compared to more dense urban locations in other markets. For a 15-20,000 square foot store, this translates into a need for between 60 and 100 parking spaces. This would result in an additional 20,000-35,000 square feet of parking lot or garage space, in addition to roughly 20,000 square feet for truck turning and unloading. In total, a Center City store operator would likely require between one and two acres, or more, of surface area for parking and loading.

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[3] HR&A Advisors and CoStar research of supermarket stores located within a 20-mile radius of downtown San Antonio.

APPENDIX C

COMMERCE
DO NOT ENTER

DOWNTOWN DEVELOPMENT

The rich history of downtown San Antonio is a mosaic of singular events and iconic structures. The city's civic, cultural and religious roots began here, with the establishment of the San Antonio de Valero Mission, better known as the Alamo. Today, it remains home to many of the institutions that define San Antonio – city and county government, San Fernando Cathedral, Main Plaza and the San Antonio River.

But the face of modern downtown was fundamentally impacted by one event: HemisFair '68. The world's fair was a coming out party for a new San Antonio. Hotels and pavilions were constructed in record time. A new sense of civic pride was instilled in the community. And more than 40 years later, its imprint is still visible on the downtown skyline, which would be unrecognizable without the Tower of the Americas.

As we enter the second decade of the 21st century, downtown is not a boarded up ghost town—or "donut hole"—like downtowns in other American cities. But better downtown business and job opportunities will be created only if the city's urban core becomes a primary gathering point for its residents, in addition to being a haven for tourists.

With a population of 1.3 million people, San Antonio has sprawled outward, making transportation and commute times more challenging than ever before. In the process, many San Antonians venture downtown only occasionally to bring visiting friends and relatives to attend a particular event.

With a renewed purpose, downtown can truly become everyone's neighborhood. Projects big and small are changing the face of the area. The San Antonio River has been expanded and improved to the north and south. Bike share programs and more walkable streets are changing the look and feel of downtown.

And during 2011, hundreds of residents have attended public meetings to offer input on the coming makeover of HemisFair Park.

The history of downtown San Antonio is rich and unique. But much of that history is yet to be written.

VISION:

IN 2020, DOWNTOWN IS THE HEART OF SAN ANTONIO AND IS EVERYONE'S NEIGHBORHOOD.

It is a showcase for visitors, a center of vibrant activity for citizens to live, work and play, and an economically inviting locale for businesses to flourish. Downtown's historic buildings and character are preserved, its parks and green spaces are inviting, and the river continues to be treasured as its defining asset.*

**For the purpose of SA 2020, "downtown" is described as the area bordered by Interstate 35 to the north, Monumental Street to the east, South Alamo/Lone Star Streets to the south, and Colorado Street to the west. However, by 2020, the area we describe as downtown will likely have expanded.*

DOWNTOWN DEVELOPMENT

SAN ANTONIO **TODAY.** SAN ANTONIO **TOMORROW.**

BASELINE DATA AND TARGETS FOR THE YEAR 2020.

KEY INDICATORS OR MEASURES OF WHERE WE ARE TODAY.

- **HOUSING UNITS DOWNTOWN:** There are 3,383 housing units in downtown (Downtown Alliance).
  TARGET: INCREASE DOWNTOWN HOUSING UNITS BY 5,000 INCLUDING MIXED INCOME AND STUDENT HOUSING.

- **PEOPLE WORKING DOWNTOWN (PUBLIC, PRIVATE NON-RETAIL, AND RETAIL):** In 2000, 9.5% of all San Antonio employees (55,100 workers) worked downtown (U.S. Census).
  TARGET: INCREASE THE NUMBER OF DOWNTOWN EMPLOYEES BY 25% (13,775 ADDITIONAL EMPLOYEES).

SUPPORTING INDICATORS OR MEASURES OF WHERE WE ARE TODAY.

- **SURVEY: QUALITATIVE EXPERIENCE OF LIVING DOWNTOWN:** The survey would measure satisfaction with the downtown experience, including perceptions of cleanliness, pedestrian-friendliness, safety, vibrancy and authenticity.
  TARGET: To be developed, after baseline data determined.

- **TRANSPORTATION MODE OPTIONS MEASURED BY VEHICLE MILES TRAVELED:** As residents and commuters exercise a wider range of transportation options, and as more people live closer to where they work and shop, vehicle miles traveled should decrease. In 2007, total daily vehicle miles traveled in San Antonio were 30.4 million, or 21 vehicle miles per person per day.
  TARGET: Reduce vehicle miles travelled per person by 10%.

- **KEEPING IT SAFE: CRIME RATES DOWNTOWN (IN CONTEXT WITH PEER CITIES):** The goal is to contrast people's perceptions of safety downtown (see earlier indicator) with the actual crime rates. Currently, the SAPD does not break out crime rates for the downtown area.
  TARGET: To be developed, after baseline data determined.

- **DOWNTOWN ACTIVITY BY SECTOR:** This indicator will capture cultural activity, retail activity, leisure/convention tourism activity, attendance at historic sites, restaurant activity, and other components of downtown. Additional planning with downtown organizations will help further refine this measure.
  TARGET: To be developed, after baseline data determined.

WHO ARE POTENTIAL PARTNERS TO IMPLEMENT THIS VISION?

Achieving these goals will require the support and active participation of a broad range of groups. The following list is not a comprehensive list of potential partners. Rather, it is a list of some key potential partners that were identified during the visioning process. They include:

- Centro Partnership San Antonio, Centro San Antonio and the Downtown Alliance.
- City of San Antonio Departments and Programs: Center City Development Office, Development Services, Police Department, Downtown Operations, Office of Cultural Affairs, International and Economic Development, Planning and Community, Development, Office of Urban Renewal, Office of Historic Preservation and Tax Increment Reinvestment Zones.
- Chambers of Commerce.
- Tourism Council and Convention and Visitors Bureau.
- Bexar County, San Antonio Housing Authority, San Antonio Independent School District, San Antonio River Authority and VIA.
- HemisFair Park Area Redevelopment Corporation, West Side Development Corporation, San Antonio Growth for the East Side, La Villita, El Mercado Merchants Association and St. Paul Square.
- Public Art San Antonio and other arts organizations.
- Downtown Residents Association.
- Greater San Antonio Builders Association and Realtors Alliance.
- Museums and cultural institutions.
- Paseo del Rio.
- San Antonio Conservation Society.
- Downtown and near-downtown area neighborhood associations.
- University of Texas San Antonio and General Services Administration.
- Banking and financial institutions.

HOW YOU CAN GET INVOLVED:

SA 2020 invites you to become part of the effort to accomplish this Vision. Here are some examples of potential action steps identified during the visioning process. For a full list, please visit SA2020.org:

- Explore living downtown.
- Frequent downtown businesses, cultural institutions and events.
- Use public transportation to get downtown.
- Insist on and promote preservation of historic buildings.
- Open your own business downtown.
- Learn about the history of downtown and the processes that influenced development.
- Vote for council members who want downtown to grow.
- Work to complete the Downtown Civic Center Master Plan Final Phase, which links Market Square to the San Antonio River.
- Participate in the downtown strategic plan update.
- Visit the San Antonio River for dining, shopping, and recreational opportunities.
- Host my next business meeting in a downtown venue.

Art by Harlandale I.S.D. student

PERSONAL COMMITMENTS:

Participants in the SA 2020 process made personal commitments to turn this Vision into action. The following list is not a comprehensive list of personal commitments. Rather, it is a list of some of the commitments made during the visioning process. To view the entire list of personal commitments made during the visioning process, please visit the SA 2020 website at SA2020.org:

- I plan to continue to live downtown.
- I will participate in town hall meetings and community service plans.
- I will promote downtown activities and commit to spending more time downtown.
- I will commit to helping bring a local neighborhood grocery store to downtown.
- I will help make activities like Fiesta and Luminaria even better, because they help make downtown feel like the heart of the city.
- Encourage my family to go downtown to shop, eat, and recreate instead of going to "the mall."
- I plan to go back and visit the Alamo when my friends are in town.

But better downtown business and job opportunities will be created only if the city's urban core becomes a primary gathering point for its residents, in addition to being a haven for tourists.

HOW DOES DOWNTOWN DEVELOPMENT CONNECT TO THE OTHER VISION AREAS?

Great cities have great downtowns. And the linkages between a vibrant, energetic and growing **downtown** and an inviting and efficient **transportation** system are undeniable. Great downtowns offer culture, convenience and a variety of transportation options for getting in and out of center cities.

We are not where we want to be yet. But with the help of groups like the Centro Partnership and the HemisFair Park Area Redevelopment Corporation (HPARC), it's now possible to envision a time when San Antonio will possess a downtown that is as attractive to residents as it is to tourists with a modern **multi-modal transportation** system linking it to **neighborhoods** across the city. Perhaps Don Frost, the Centro Partnership co-chair, put it best when he said, "My hope is that downtown will be everyone's neighborhood."