

**CITY OF SAN ANTONIO  
NEIGHBORHOOD ACTION DEPARTMENT  
INTERDEPARTMENTAL CORRESPONDENCE SHEET**

**TO:** Mayor and City Council

**FROM:** David D. Garza, Director, Neighborhood Action Department

**THROUGH:** Terry M. Brechtel, City Manager

**COPIES TO:** Jelynn Burley; Andrew Cameron; File

**SUBJECT:** Neighborhood Commercial Revitalization (NCR) Contract Extension with Mainstreet Alliance of San Antonio/Southtown

**DATE:** September 23, 2004

**SUMMARY AND RECOMMENDATION**

This ordinance authorizes a two-year extension of the existing CDBG funded contract between the City of San Antonio Neighborhood Commercial Revitalization Program and Mainstreet Alliance of San Antonio/Southtown for an amount of \$50,000 per year. This contract was approved September 24, 1998 and amended on September 13, 2001. The current contract is set to expire on December 31, 2004. This ordinance extends Southtown's participation as a Revitalization Project through December 31, 2006.

Staff recommends approval.

**BACKGROUND**

The NCR Program was created in 1998 to promote the revitalization of neighborhood commercial districts by attracting consumers, private sector investment and employment opportunities in targeted commercial districts. In May 2001, NCR Program staff initiated the required program review which included a compilation of performance measures to date and focus group discussions with the board and staff members of existing NCR participants. The review resulted in extending Revitalization Project contract terms from three (3) to six (6) years at \$60,000/year; eliminating the match requirement; and providing one-time funding of \$10,000 for capital acquisitions.

As requested by City Council in 2003, the NCR Program staff initiated a second program review, which was conducted by Eichenfield and Associates. The objectives of the 2003 Program Review were to 1) optimize program services to current projects, 2) refine the NCR Program for future projects, 3) review overall NCR Program and 4) review issues within each Project area. The review process included background and data collection, on-site visits to conduct interviews/survey stakeholders, review of best practices of similar programs nationwide and the identification of possible resources and partnerships for the implementation of suggested improvements.

A key recommendation indicated in the report was to maintain local funding by stating that *"the assessment team does not find it realistic...that local district projects will be able to substantially replace the funding that the City provides them. Thus, assuming continued quality performance of the local district project and sufficient NCR Program resources, we recommend that the NCR continue to fund Revitalization Project after the initial six-year period."*

Based on consultant's recommendations, staff recommends amending the existing contract to allow for a two-year extension at \$50,000/year contingent on a demonstrated \$15,000/annual leverage and performance.

Southtown became a designated Urban Main Street Program through the state's Texas Historical Commission in 1990 and a NCR Revitalization Project in 1999. The Main Street Alliance of San Antonio (Southtown) was created in 1990 by local business owners, King William Association residents, and various members of the community to revitalize the commercial corridors of South Alamo, South St. Mary's and South Presa Streets and the surrounding King William, Lavaca and Blue Star neighborhoods.

The Southtown office is located in the corridor and professionally staffed with an Executive Director and part-time office assistant. A 15 member Board of Directors comprised of community and business leaders governs the organization, which has a long history of successful revitalization.

Performance measures are reported on a quarterly basis and are used to evaluate the project's success. The following outlines annual goals and the actual results as of the third quarter, FY 2004:

<b>Performance Measure</b>	<b>Annual Goal</b>	<b>Contract Term</b>	<b>Actual</b>
Jobs Created	6	36	161
Net New Businesses	3	18	46
Value of Private Investment	\$275,000	\$1,650,000	\$3,443,150

The Southtown activities include: attracting consumers, private sector investment and employment opportunities; expanding and growing existing businesses; promoting "Operation Facelift," a matching grant program designed to encourage façade improvements; securing additional funding to implement revitalization strategies, and facilitating a Revolving Loan Fund to assist district businesses. The Revolving Loan Fund was established in 1994 with a grant from the Department of Housing and Urban Development in the form of \$30,000 for forgivable loans and \$80,000 for small business assistance loans. To date, eight (8) loans totaling \$56,000 have been made. To date, seven businesses have utilized "Operation Facelift" funds for a total of \$65,231.50, with two applications currently pending.

This year marked the 13<sup>th</sup> annual Art in the Hood event that highlights local artists, restaurants and merchants. The inaugural "RACSO" event was hosted this year to further promote the area. The efforts to date are evident in the vitality and revitalization of South Alamo. The property values within the NCR district have increased 38% from 2001 to 2004. However, Southtown promotional and marketing efforts will be essential to sustaining the prosperity of South Alamo during the upcoming 2006 capital improvement project on South Presa from Carolina to Lowell

which includes sidewalks, landscaping, lighting, and pedestrian enhancements. Additional concentrated revitalization efforts must still be made on South Presa and S. St. Mary's streets while continuing district-wide tourism promotion on a local and regional level.

### **POLICY ANALYSIS**

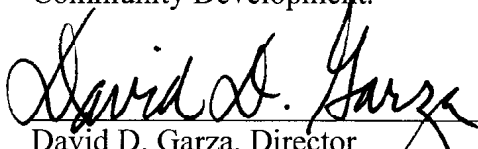
Staff recommends extending the contract based on Southtown's performance of the contract deliverables including the demonstrated leverage. Since its designation as an NCR Revitalization Project, Southtown has facilitated \$3,348,150 in private reinvestment, attracted 46 net new businesses and created 161 net new jobs. To date, the NCR program has committed \$415,000 in CDBG funds toward the revitalization efforts, resulting in \$208,567 in private, non-city funds leveraged. Southtown currently has approximately \$59,000.00 of non-City funds leveraged from other sources.


### **FINANCIAL IMPACT**


This proposed contract extension has been approved through the annual Community Development Block Grant (CDBG) funds awarded to the Neighborhood Commercial Revitalization Program for the Revitalization Target Area. To date, a total of \$415,000 in CDBG funds have been committed to Southtown. The CDBG funds in the amount of \$50,000 for FY 2004-2005 is available for the proposed extension of this contract.

### **COORDINATION**

This item has been coordinated with the City Attorney's Office and Department of Housing and Community Development.

  
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