

CONSENT AGENDA  
ITEM NO. 34

**CITY OF SAN ANTONIO  
NEIGHBORHOOD ACTION DEPARTMENT  
CITY COUNCIL AGENDA MEMORANDUM**

**TO:** Mayor and City Council

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

**SUBJECT:** EastTown @ Commerce Neighborhood Commercial Revitalization Contract Extension with the Community Economic Revitalization Agency, Inc.

**DATE:** September 29, 2005

**SUMMARY AND RECOMMENDATIONS**

This ordinance will authorize the City Manager or his designee to execute a two-year extension of a CDBG funded contract between the City of San Antonio and the Community Economic Revitalization Agency, Inc. (CERA) for \$50,000 per year for the EastTown @ Commerce's participation as a Revitalization Project in the Neighborhood Commercial Revitalization Program administered through the Neighborhood Action Department. The contract will be extended through September 30, 2007. The Ordinance would take immediate effect.

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. 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 the 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 and survey of 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 in the Program Review is to maintain local funding: *"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 Projects after the initial six-year period.*" Based on the 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.

The EastTown @ Commerce Street project became a revitalization target area in July 1999. The contract was entered into between the City and Neighborhoods Acting Together (NAT), which was subsequently transferred to the Community Economic Revitalization Agency, Inc. in February 2002. The contract was further amended on April 1, 2002 to change the boundaries which are now E. Commerce Street from the railroad tracks (east of IH 37) to Monumental. The district also includes two blocks north of Commerce Street along Hackberry Street, including the area that captures the Carver Community Cultural Center.

The CERA board also acts as the governing board for the EastTown @ Commerce NCR Project. The Board consists of eight (8) members comprised of community and business leaders. An informal community advisory group also serves the agency by providing feedback on projects. The Main Street four-point model leads the revitalization plan and includes organization, design, business development and marketing.

For each contract relating to the various NCR Revitalization Target Areas, 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 through the second quarter of FY 04-05:

<b>Performance Measure</b>	<b>Annual Goal</b>	<b>Contract Term</b>	<b>Actual</b>
Jobs Created	6	36	90
Net New Businesses	3	18	19
Value of Private Investment	\$275,000	\$1,650,000	\$8,486,200

Last year, the Urban Land Institute (ULI) completed a Redevelopment Plan for the St. Paul Gateway District, which includes the East Town @ Commerce NCR District. This study reiterates the importance of ongoing revitalization efforts in the NCR area. As the study covers a much larger area than the current boundaries of the district, there is an opportunity for the organization to expand its service delivery area to include adjacent commercial nodes.

As the lead economic development agency on the city's eastside, CERA has been actively working towards the mitigation of many of the concerns identified in the study and plans to expand its efforts during the extension contract period. Over the next two years, EastTown @ Commerce project staff plans to:

- Work closely with business and property owners during the Commerce Street capital improvement project scheduled to begin late 2005, as well as secure funding for additional streetscape enhancements that are not included in the capital improvements budget;
- Coordinate efforts of the Planning Department and outside consultants, as well as assist with the organization of community meetings to facilitate a comprehensive master plan that includes adjacent neighborhoods (i.e. Dignowity Hills, Denver Heights);

- Continue to provide owners with design assistance and secure funding for façade and landscape improvements in and around the target area;
- Assist Inner City TIRZ funded projects with obtaining additional financing and the successful development of the following projects:
  - Oscar Eason, Sr. Multiuse Center
  - Friedrich Building
  - Merchants Ice Cold Storage
  - Friedrich/Carver Parking Garage
- Provide assistance with project coordination, securing financing, and obtaining community support for the following projects:
  - St. Paul Area Development Corporation: Senior Housing Project
  - Bethel A.M.E. Church: Development of a vacant lot, located at Center and Swiss, into a multi-family, market-rate housing project
  - Renovation of 1201, 1424, 1432, and 1434 E. Commerce.
- Assist the Greater San Antonio Community Development Corporation in identification and acquisition of vacant lots for potential housing projects in the area;
- Assist area businesses and entrepreneurs with the development of business plans;
- Continue marketing efforts to attract new entrepreneurs and consumers to the area, including
  - Development of organizational website
  - Partner with the Carver Community Cultural Center on securing funding for and advertising the annual Kwanzaa Festival
  - Partner with Carver Community Cultural Center on the “Living Graves” performances in November 2005, funded through the Neighborhood Heritage Initiative Grant awarded by the Office of Cultural Affairs. EastTown will develop informative brochures and advertise the program to citizens around San Antonio.
- Implement a funding strategy to make EastTown @ Commerce and CERA less reliant on public funds:
  - Seek grants from the Ford Foundation, Meadows Foundation, Bank of America, and the Public Welfare Foundation for EastTown’s operating costs
  - Partner with the San Antonio Spurs and SBC Center to hold a fundraising festival in the Summer of 2006
  - CERA will complete the renovation of the Bellinger Square Project located in the 800 block of S. Hackberry. The project will provide a gross income of \$13,741.00 a month at a commercial rental rate of \$1.00 a square foot.

## **POLICY ANALYSIS**

Staff recommends authorizing extension of the contract based on CERA’s / EastTown @ Commerce’s performance of the contract deliverables including the demonstrated leverage requirement of \$15,000. Since its designation as a NCR Revitalization Project in 1999, EastTown @ Commerce has facilitated \$8,486,200 in private reinvestment, attracted 19 net new businesses and created 90 net new jobs.

Staff also recommends extending the boundaries of EastTown @ Commerce to encompass the boundaries of the existing St. Paul Square Partnership Project. The boundaries also are consistent with the St. Paul Gateway ULI report recently approved by the City Council. The boundaries of EastTown @ Commerce would be changed to IH-37 on the west, Montana Street on the south, and Monumental on the eastern edge. The northern boundary would include Nolan Street, Brown Alley, Dawson Alley, and Florence Street. This represents an area of 227 acres.

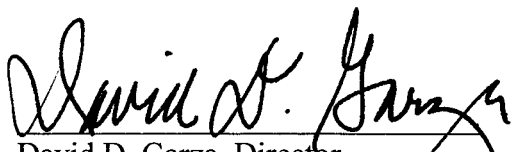
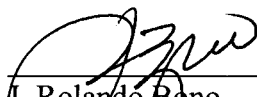
Finally, staff recommends adding a seat to the CERA Board that is reserved for a representative from the St. Paul Square Association. This organization was formerly responsible for overseeing the St. Paul Square Partnership Project and staff believes they would provide an additional resource to the CERA Board and the EastTown @ Commerce Revitalization Project.

### **FINANCIAL IMPACT**

Funds in the amount of \$50,000 for the proposed contract extension for FY 2006 have been approved through the annual Community Development Block Grant (CDBG) funds awarded to the Neighborhood Commercial Revitalization Program for the Revitalization Target area. Future funding of \$50,000 for the area is contingent on the availability of CDBG funds for FY 2007. Since the project designation in 1999, the City has contributed \$425,000 to East Town's revitalization efforts.

### **COORDINATION**

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

  
David D. Garza, Director  
Neighborhood Action Department  
Jelyne LeBlanc Burley  
Assistant City Manager  
J. Rolando Bono  
City Manager

## **AMENDMENT TO REVITALIZATION PROJECT SUB-GRANTEE CONTRACT**

**PROJECT NAME: EAST TOWN AT COMMERCE  
REVITALITALIZATION PROJECT**

**PROJECT NO.: 28-026040 and 28-027051**

Pursuant to paragraphs numbered 33.1 and 42.1 of the CONTRACT made and entered on the 1st day of April, 2002 by and between the City of San Antonio (hereinafter referred to as "CITY") and the Community Economic Revitalization Agency (hereinafter referred to as "SUB-GRANTEE"), relating to the above referenced Project and Project Number, and authorized by Ordinance No. 99797, the undersigned hereby agree to amendment of said CONTRACT as herein set forth:

1. Paragraph numbered 1.1 of Article I, entitled "TERM," is amended to read as follows:

**"Except as otherwise provided for pursuant to the provisions hereof, this CONTRACT shall commence immediately upon its execution and shall terminate on the earlier of (a) September 30, 2005, or (b) Project completion."**

2. Paragraph 7.2 of Article VII, entitled "REIMBURSEMENT BY CITY" is amended to read as follows:

**"Notwithstanding any other provision of this CONTRACT, the total of all payments and other obligations made or incurred by CITY hereunder shall not exceed the sum of \$475,000.00."**

3. The Project Description at Section IV of Exhibit "A," entitled "WORK STATEMENT" is amended to read as follows:

**"The objective of the Revitalization Project is to stimulate economic growth and encourage commercial revitalization within the targeted commercial district through: 1) design & planning efforts; 2) organization to implement plan strategies; 3) marketing and promotion; 4) business development; and 5) physical improvements. The current boundaries of the targeted commercial district would encompass the boundaries of the St. Paul Gateway ULI report as well. Thus, the boundaries of EastTown @ Commerce are changed to IH-37 on the west, Montana Street on the south, and Monumental on the eastern edge. The northern boundary would include Nolan Street, Brown Alley, Dawson Alley, and Florence Street. This represents an area of 227 acres."**

4. Paragraph numbered 1 of the Management and Administrative Considerations at Section VIII.B. of Exhibit "A," entitled "WORK STATEMENT" is amended to read as follows:

**"SUB-GRANTEE shall maintain a volunteer Board of Directors which meets regularly to oversee the continuing revitalization of the targeted commercial district and the implementation of responsibilities under this CONTRACT. SUB-GRANTEE shall take all necessary action to add a seat to the Board of Directors to be filled by a representative from the St. Paul Square Association."**

5. The budget sum for Project Numbers 28-026040 and 28-027051 is increased by a revision of \$50,000.00 for a new budget amount of \$475,000.00.

6. Exhibit "H" entitled "PROJECT BOUNDARY MAP" is amended in accordance with the Project Boundary Map affixed hereto and incorporated by reference herein as "Amended Exhibit "H".

7. The amendments stated in sections 1, 2, 3, 4, 5 and 6 hereof shall relate back to the original date of the execution of the CONTRACT, being the 1st day of April, 2002.

8. The amendments to the CONTRACT shall not prejudice any present or future rights, remedies, benefits, or powers belonging or accruing to CITY under the terms of the CONTRACT herein amended.

9. Except as provided otherwise herein, the CONTRACT shall remain unaffected, unchanged, and unimpaired by reason of the foregoing amendments.

Amendments to CONTRACT AGREED TO this the \_\_\_\_ day of \_\_\_\_\_, 2005.

CITY OF SAN ANTONIO

COMMUNITY ECONOMIC  
REVITALIZATION AGENCY

BY: \_\_\_\_\_  
DAVID D. GARZA  
Director  
Neighborhood Action  
Department

BY: \_\_\_\_\_  
GERALD EMBRY

APPROVED AS TO FORM:

\_\_\_\_\_  
Assistant City Attorney