HISTORIC AND DESIGN REVIEW COMMISSION

December 20, 2023

HDRC CASE NO:	**2023-408**
ADDRESS:	900 W HOUSTON ST 906 W HOUSTON ST 904 W HOUSTON ST 111 N FRIO ST 908 W HOUSTON ST
LEGAL DESCRIPTION:	NCB 264 BLK 76 LOT 1 (.1295 AC) & 2 (.1295 AC) NCB 264 BLK 76 LOT 13 (VISTA VERDE NORTH TEX R-109 UT-12)
ZONING:	D, H
CITY COUNCIL DIST.:	5
DISTRICT:	Cattleman Square Historic District
LANDMARK:	Richbook Building, SA Dye Works Building
APPLICANT:	James McKnight/Ortiz McKnight PLLC
OWNER:	MASTER PROPERTY PARTNERS LTD
TYPE OF WORK:	Demolition of historic landmarks
APPLICATION RECEIVED:	September 28, 2023
60-DAY REVIEW:	November 27, 2023 (Demolition Hold); January 26, 2024 (60-Day Review)
CASE MANAGER:	Edward Hall

REQUEST:

The applicant is requesting a Certificate of Appropriateness for approval to:

1. Demolish the historic structure addressed as 900, 904 and 906 W Houston and 111 N Frio, commonly known as the Richbook Building.
2. Demolish the historic structure addressed as 908 W Houston, commonly known as the SA Dye Works Building. This structure is on a parcel that includes the structure fronting and addressed as 118 N Medina. The structure fronting N Medina is not part of this request and has not proposed to be demolished.

APPLICABLE CITATIONS:

UDC Section 35-614. – Demolition

Demolition of a historic landmark constitutes an irreplaceable loss to the quality and character of the City of San Antonio. Accordingly, these procedures provide criteria to prevent unnecessary damage to the quality and character of the city's historic districts and character while, at the same time, balancing these interests against the property rights of landowners.

(a)Applicability. The provisions of this section apply to any application for demolition of a historic landmark (including those previously designated as historic exceptional or historic significant) or a historic district.

(3)Property Located in Historic District and Contributing to District Although Not Designated a Landmark. No certificate shall be issued for property located in a historic district and contributing to the district although not designated a landmark unless the applicant demonstrates clear and convincing evidence supporting an unreasonable economic hardship on the applicant if the application for a certificate is disapproved. When an applicant fails to prove unreasonable economic hardship in such cases, the applicant may provide additional information regarding loss of significance as provided is subsection (c)(3) in order to receive a certificate for demolition of the property.

(b) Unreasonable Economic Hardship.

(1)Generally. The historic and design review commission shall be guided in its decision by balancing the historic, architectural, cultural and/or archaeological value of the particular landmark or eligible landmark against the special merit of the proposed replacement project. The historic and design review commission

shall not consider or be persuaded to find unreasonable economic hardship based on the presentation of circumstances or items that are not unique to the property in question (i.e. the current economic climate).

(2)Burden of Proof. The historic and design review commission shall not consider or be persuaded to find unreasonable economic hardship based on the presentation of circumstances or items that are not unique to the property in question (i.e. the current economic climate). When a claim of unreasonable economic hardship is made, the owner must prove by a preponderance of the evidence that:

A. The owner cannot make reasonable beneficial use of or realize a reasonable rate of return on a structure or site, regardless of whether that return represents the most profitable return possible, unless the highly significant endangered, historic and cultural landmark, historic and cultural landmarks district or demolition delay designation, as applicable, is removed or the proposed demolition or relocation is allowed;

B. The structure and property cannot be reasonably adapted for any other feasible use, whether by the current owner or by a purchaser, which would result in a reasonable rate of return; and

C. The owner has failed to find a purchaser or tenant for the property during the previous two (2) years, despite having made substantial ongoing efforts during that period to do so. The evidence of unreasonable economic hardship introduced by the owner may, where applicable, include proof that the owner's affirmative obligations to maintain the structure or property make it impossible for the owner to realize a reasonable rate of return on the structure or property.

(3)Criteria. The public benefits obtained from retaining the cultural resource must be analyzed and duly considered by the historic and design review commission.

As evidence that an unreasonable economic hardship exists, the owner may submit the following information to the historic and design review commission by affidavit:

A. For all structures and property:

i. The past and current use of the structures and property;

ii. The name and legal status (e.g., partnership, corporation) of the owners;

iii. The original purchase price of the structures and property;

i. The assessed value of the structures and property according to the two (2) most recent tax assessments;

v. The amount of real estate taxes on the structures and property for the previous two (2) years;

vi. The date of purchase or other acquisition of the structures and property;

vii. Principal balance and interest rate on current mortgage and the annual debt service on the structures and property, if any, for the previous two (2) years;

viii. All appraisals obtained by the owner or applicant within the previous two (2) years in connection with the owner's purchase, financing or ownership of the structures and property;

ix. Any listing of the structures and property for sale or rent, price asked and offers received;

x. Any consideration given by the owner to profitable adaptive uses for the structures and property;

xi. Any replacement construction plans for proposed improvements on the site;

xii. Financial proof of the owner's ability to complete any replacement project on the site, which may include but not be limited to a performance bond, a letter of credit, a trust for completion of improvements, or a letter of commitment from a financial institution; and

xiii. The current fair market value of the structure and property as determined by a qualified appraiser.

xiv. Any property tax exemptions claimed in the past five (5) years.

B. For income producing structures and property:

i. Annual gross income from the structure and property for the previous two (2) years;

ii. Itemized operating and maintenance expenses for the previous two (2) years; and

iii. Annual cash flow, if any, for the previous two (2) years.

C. In the event that the historic and design review commission determines that any additional information described above is necessary in order to evaluate whether an unreasonable economic hardship exists, the historic and design review commission shall notify the owner. Failure by the owner to submit such information to the historic and design review commission within fifteen (15) days after receipt of such notice, which time may be extended by the historic and design review commission, may be grounds for denial of the owner's claim of unreasonable economic hardship.

When a low-income resident homeowner is unable to meet the requirements set forth in this section,

Then the historic and design review commission, at its own discretion, may waive some or all of the requested information and/or request substitute information that an indigent resident homeowner may obtain without incurring any costs. If the historic and design review commission cannot make a determination based on information submitted and an appraisal has not been provided, then the historic and design review commission may request that an appraisal be made by the city.

(d)Documentation and Strategy.

(1)Applicants that have received a recommendation for a certificate shall document buildings, objects, sites or structures which are intended to be demolished with 35mm slides or prints, preferably in black and white, and supply a set of slides or prints to the historic preservation officer.

(2)Applicants shall also prepare for the historic preservation officer a salvage strategy for reuse of building materials deemed valuable by the historic preservation officer for other preservation and restoration activities.

(3)Applicants that have received an approval of a certificate regarding demolition shall be permitted to Receive a demolition permit without additional commission action on demolition, following the commission's recommendation of a certificate for new construction. Permits for demolition and construction shall be issued simultaneously if requirements of section 35-609, new construction, are met, and the property owner provides financial proof of his ability to complete the project.

(4)When the commission recommends approval of a certificate for buildings, objects, sites, structures designated as
landmarks, or structures in historic districts, permits shall not be issued until all plans for the site have received
approval from all appropriate city boards, commissions, departments and agencies. Permits for parking lots shall not
be issued, nor shall an applicant be allowed to operate a parking lot on such property, unless such parking lot plan
was approved as a replacement element for the demolished object or structure.

(e)Issuance of Permit. When the commission recommends approval of a certificate regarding demolition of buildings, objects, sites, or structures in historic districts or historic landmarks, permits shall not be issued until all plans for the site have received approval from all appropriate city boards, commissions, departments and agencies. Once the replacement plans are approved a fee shall be assessed for the demolition based on the approved replacement plan square footage. The fee must be paid in full prior to issuance of any permits and shall be deposited into an account as directed by the historic preservation officer for the benefit, rehabilitation or acquisition of local historic resources. Fees shall be as follows and are in addition to any fees charged by planning and development services:

0—2,500 square feet = $2,000.00
2,501—10,000 square feet = $5,000.00
10,001—25,000 square feet = $10,000.00
25,001—50,000 square feet = $20,000.00
Over 50,000 square feet = $30,000.00

FINDINGS:

General Findings:

a. The applicant is requesting a Certificate of Appropriateness for approval to demolish two historic landmarks. The first, the Richbook Building is addressed as 900, 904, and 906 W Houston, and 111 N Frio, and is located at the corner of W Houston and N Frio. The second, the SA Dye Works is located mid-block and is addressed as 908 W Houston.
b. DEMOLITION NOTICE – Demolition notice postcards were mailed to properties within a 200 foot radius of the property, as required by the Unified Development Code. Additional notice and an opportunity to meet regarding the request was provided to the Historic Westside Residents Association.
c. DESIGN REVIEW COMMITTEE – The Design Review Committee met on site on November 16, 2023. At that meeting, Commissioners asked questions regarding attempts to rehabilitate both structures, asked questions regarding the structural condition of both structures, and requested a follow-up site visit to view the interior of both structures. A second Design Review Committee meeting was held on site on December 11, 2023. At that

meeting, the DRC viewed the interior of both structures and asked questions regarding past redevelopment attempts and the structural condition of both landmarks.

d. REPLACEMENT PLANS – The applicant has not provided replacement plans at this time. Final approval and permitting of new construction is required in order to release a demolition permit under the UDC.

e. LOSS OF SIGNIFICANCE – When an applicant fails to prove unreasonable economic hardship, the applicant may provide to the Historic and Design Review Commission additional information which may show a loss of significance in regards to the subject of the application in order to receive Historic and Design Review Commission recommendation of approval of the demolition. If, based on the evidence presented, the Historic and Design Review Commission finds that the structure or property is no longer historically, culturally, architecturally or archeologically significant, it may make a recommendation for approval of the demolition. In making this determination, the historic and design review commission must find that the owner has provided sufficient evidence to support a finding by the commission that the structure or property has undergone significant and irreversible changes which have caused it to lose the historic, cultural, architectural or archeological significance, qualities or features which qualified the structure or property for such designation. Additionally, the Historic and Design Review Commission must find that such changes were not caused either directly or indirectly by the owner, and were not due to intentional or negligent destruction or a lack of maintenance rising to the level of a demolition by neglect.

<u>Findings related to request item #1:</u>

1a. The historic structure at 900, 904, and 906 W Houston and 111 N Frio is commonly known as the Richbook Building, was constructed circa 1923 and was originally addressed 1200-1208 W Houston. According to phone directories from that time, the building housed multiple businesses including the Cloth Model Shop, Whitt & Co. Printers (who published La Prensa), The Majestic Cafe, and a barber shop. The second floor was occupied by the Fausto Hotel. The building appears to have had mutliple additions over time, including the two, westernmost structural bays. Separation of the buildings by a party wall is indicated by a dotted line on the Sanborn Maps. The structure is contributing to the Cattleman Square Historic District and was landmarked on November 18, 1988, by City Council as part of ordinance 68210.

1b. The loss of a landmark structure is an irreplaceable loss to the quality and character of San Antonio. Demolition of any contributing buildings should only occur after every attempt has been made, within reason, to successfully reuse the structure. Clear and convincing evidence supporting an unreasonable economic hardship on the applicant if the application for a certificate is disapproved must be presented by the applicant in order for demolition to be considered. The criteria for establishing unreasonable economic hardship are listed in UDC Section 35-614 (b)(3). The applicant must prove by a preponderance of the evidence that:

a. The owner cannot make reasonable beneficial use of or realize a reasonable rate of return on a structure or site, regardless of whether that return represents the most profitable return possible, unless the highly significant endangered, historic and cultural landmark, historic and cultural landmarks district or demolition delay designation, as applicable, is removed or the proposed demolition or relocation is allowed;

[The applicant has provided a contractor's estimate for the rehabilitation of the structure, which totals $6,153,617.08. This bid anticipates conversion to office use, although no specific use or tenant occupancy is proposed at this time. Neither additional bids, nor a third-party bid has been obtained at this time. The applicant has not provided a fair market appraisal at this time.]

b. The structure and property cannot be reasonably adapted for any other feasible use, whether by the current owner or by a purchaser, which would result in a reasonable rate of return;

[The applicant has provided a contractor's estimate for the rehabilitation of the structure into office use. No additional information has been provided by the applicant at this time; however, the applicant has noted that uses other than office could potentially increase the rehabilitation estimate by 25%. Staff finds that additional information regarding the structure's condition should be submitted for review, including a structural engineer's analysis of the current building conditions and viability of reuse of the structure. Consideration for partial demolition, additions, and new construction integrated into the existing buildings have not been submitted.]

c. *The owner has failed to find a purchaser or tenant for the property during the previous two (2) years, despite having made substantial ongoing efforts during that period to do so. The evidence of unreasonable economic hardship introduced by the owner may, where applicable, include proof that the owner's affirmative obligations to maintain the structure or property make it impossible for the owner to realize a reasonable rate of return on the structure or property.*

[The applicant has noted that the property has been actively marketed for approximately three (3) years without success. The applicant has provided letters from organizations who have noted a partnership in the redevelopment of this structure is not feasible.]

1c. Staff finds that the applicant has not fully satisfied the burden of proof requirements to demonstrate an unreasonable economic hardship, as the UDC requires all three criteria, noted above, to be met. Staff finds that additional economic information to substantiate the economic burden for rehabilitation should be submitted to satisfy criteria a and b, including an engineer's report, alternatives to full demolition such as partial demolition, and potential replacement plans.

Findings related to request item #2:

2a. The historic structure at 908 W Houston is commonly known as the SA Dye Works, and was constructed circa 1915. The structure features two stories in height, brick facades and a tiered cast concrete parapet. The structure is contributing to the Cattleman Square Historic District. The historic designation of this structure was included with a significant number of other structures on November 18, 1988, and was landmarked by City Council as part of ordinance 68210. This structure is on a parcel that includes the structure fronting and addressed as 118 N Medina. The structure fronting N Medina is not part of this request and has not proposed to be demolished.

2b. The loss of a landmark structure is an irreplaceable loss to the quality and character of San Antonio. Demolition of any contributing buildings should only occur after every attempt has been made, within reason, to successfully reuse the structure. Clear and convincing evidence supporting an unreasonable economic hardship on the applicant if the application for a certificate is disapproved must be presented by the applicant in order for demolition to be considered. The criteria for establishing unreasonable economic hardship are listed in UDC Section 35-614 (b)(3). The applicant must prove by a preponderance of the evidence that:

a. *The owner cannot make reasonable beneficial use of or realize a reasonable rate of return on a structure or site, regardless of whether that return represents the most profitable return possible, unless the highly significant endangered, historic and cultural landmark, historic and cultural landmarks district or demolition delay designation, as applicable, is removed or the proposed demolition or relocation is allowed;*

[The applicant has not provided a detailed estimate of the cost of rehabilitation or a proposed reuse for the structure. The applicant has not provided a fair market appraisal at this time.]

b. *The structure and property cannot be reasonably adapted for any other feasible use, whether by the current owner or by a purchaser, which would result in a reasonable rate of return;*

[The applicant has not provided information regarding plans for the rehabilitation or the adaptive reuse of the property. Staff finds that additional information regarding the structure's condition should be submitted for review, including a structural engineer's analysis of the current building conditions and viability of reuse of the structure. Consideration for partial demolition, additions and new construction have not been submitted.]

c. *The owner has failed to find a purchaser or tenant for the property during the previous two (2) years, despite having made substantial ongoing efforts during that period to do so. The evidence of unreasonable economic hardship introduced by the owner may, where applicable, include proof that the owner's affirmative obligations to maintain the structure or property make it impossible for the owner to realize a reasonable rate of return on the structure or property.*

[The applicant has noted that the property has been actively marketed for approximately three (3) years without success.]

2c. Staff finds that the applicant has not fully satisfied the burden of proof requirements to demonstrate an unreasonable economic hardship, as the UDC requires all three criteria, noted above, to be met. Staff finds that additional information, including estimates for the cost of rehabilitation, should be submitted. Additionally, staff finds that information regarding the structure's condition should be submitted for review, including a structural engineer's analysis of the current building conditions and viability of reuse of the structure. Consideration for partial demolition, additions and new construction have not been submitted.

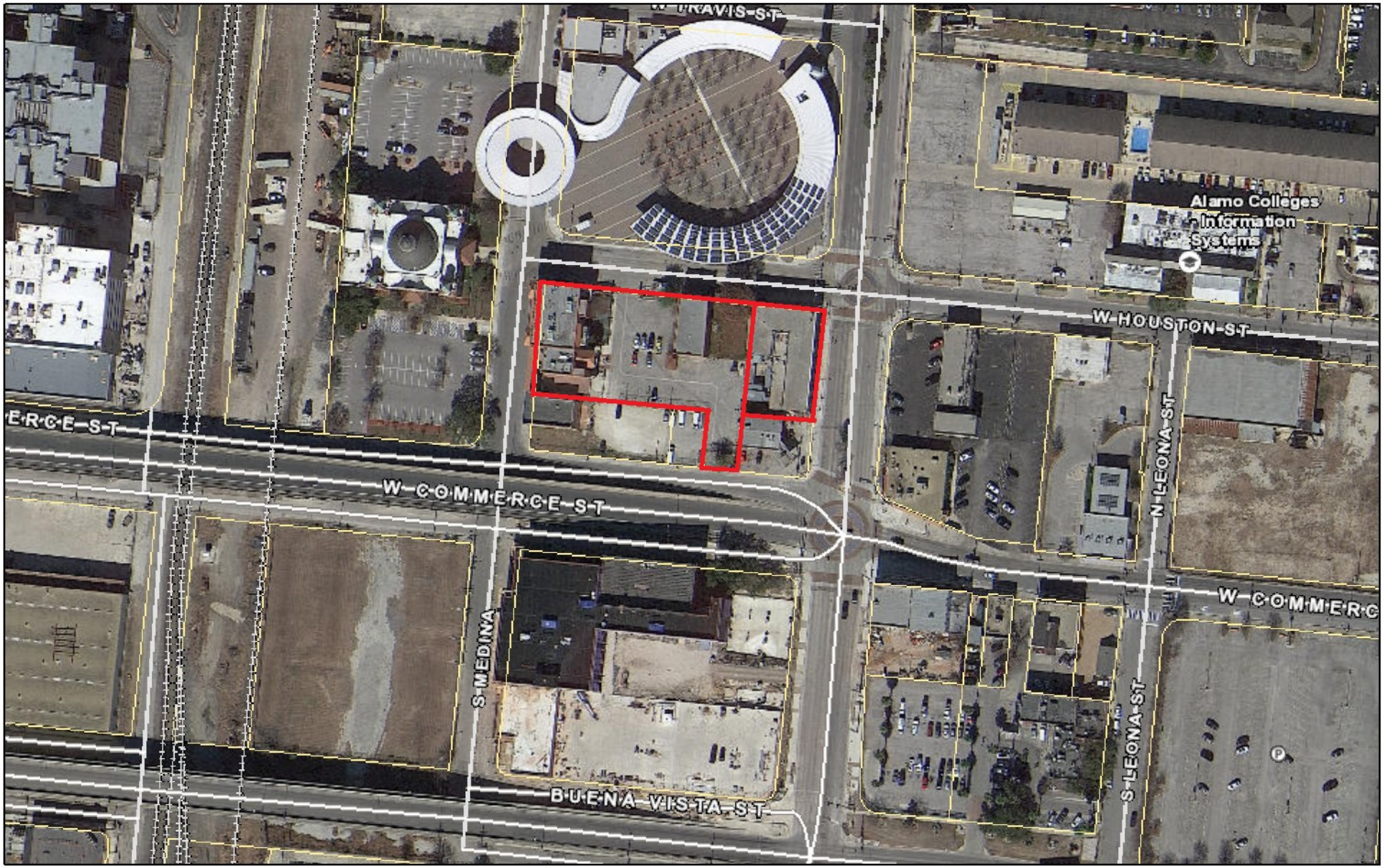
RECOMMENDATION:

1. 900, 904, and 906 W Houston, and 111 N Frio – Staff does not find that the applicant has fully satisfied the burden of proof requirements to demonstrate an unreasonable economic hardship. Staff does not recommend approval of demolition at this time. Staff recommends the applicant provide additional information to substantiate an economic hardship, including additional cost estimates for bids for rehabilitation and a structural engineer's analysis of the current building conditions and viability of reuse of the structure.

2. 908 W Houston – Staff does not find that the applicant has fully satisfied the burden of proof requirements to demonstrate an unreasonable economic hardship. Staff does not recommend approval of demolition at this time. Staff recommends the applicant provide additional information, including estimates for the cost of rehabilitation, should be submitted. Additionally, staff recommends that the applicant submit additional information including a structural engineer's analysis of the current building conditions and viability of reuse of the structure.

For both items, should the HDRC concur that the applicant has failed to prove unreasonable economic hardship, the commission may recommend demolition citing a loss of significance for either building as noted in finding e.

City of San Antonio One Stop



December 15, 2023

1:2,000

0 0.015 0.03 0.06 mi

0 0.0275 0.055 0.11 km

CITY OF SAN ANTONIO
OFFICE OF HISTORIC PRESERVATION

Historic and Design Review Commission
Design Review Committee Report

DATE: November 16, 2023

HDRC Case #: 2023-408

Address: 900 - 906 W Houston, 111 N Frio, 908 W Houston

Meeting Location:

APPLICANT: James McKnight/Ortiz McKnight

DRC Members present: Jimmy Cervantes, Roland Mazuca, Gabriel Velasquez, Vince Michael (Conservation Society)

Staff Present: Edward Hall, Cory Edwards

Others present: Members from WPA, Derek Tulowitzky (D5 Council Office), David Adelman (owner), Anisa Schell (Ortiz McKnight)

REQUEST: Demolition of historic landmark structures

COMMENTS/CONCERNS:
JMcKnight: Overview of application
DAdelman: Overview of property history; purchase history: overview of initial development idea. Overview of money lost on property (approximately $100,000 a year). Note of marketing for office, retail. Note of previous failed marketing attempts.
DAdelman: Comments on difficulties regarding rehabilitation. Overview of past failed marketing attempts.
RMogas: Question regarding plan for redevelopment after demolition (DA - 5 story residential with ground level retail). Questions regarding extent of property.
JCervantes: Why rental and not condos. (DAdelman: Not area of expertise)
Questions regarding original intent for the redevelopment of the property when purchased. (DAdelman - Original rehab with residential)
RMazuca: Questions regarding structural integrity of building. DAdelman: 908 is in better condition than 900.
All: Walk of property. Viewing of structures from the rea

DAdelman: Comment regarding SAFD tagging building unsafe. SAFD will not enter the structure to fight a fire.
All: Comments regarding structural integrity of 908. In better condition than 900 (Rich Book).
DAdelman: Approximately $300 sq ft to rehabilitate the buildings.
RMogas: Questions regarding financial specifics of new construction.
GSanchez: Questions about coordinating with the Housing Trust.
JCervantes: Would like to see photos of the interior of the buildings.
OVERALL COMMENTS:

CITY OF SAN ANTONIO
OFFICE OF HISTORIC PRESERVATION

Historic and Design Review Commission
Design Review Committee Report

DATE: December 11, 2023

HDRC Case #: 2023-408

Address: 900 - 906 W Houston, 111 N Frio, 908 W Houston

Meeting Location: On Site

APPLICANT: James McKnight/Ortiz McKnight

DRC Members present: Jeff Fetzer, Monica Savino, Anne-Marie Grube, Jimmy Cervantes, Lisa Garza/Vince Michael (Conservation Society)

Staff Present: Edward Hall, Cory Edward

Others present: Barclay Anthony (Owner), others

REQUEST: Demolition of historic landmark structures

COMMENTS/CONCERNS:
JM: Overview of request
BA: Overview of ownership, difficulty developing the property
VM/LG: Question about redevelopment
JF: Have state and federal level tax credits been explored?
BA: Overview of structural issues with slab
JF: Questions about foundation (grade or piers)
LG: Questions regarding structural analysis
AMG: Questions about deterioration since first demolition request.

OVERALL COMMENTS:

1951 SANBORN MAP

15
17

W. SALINAS

(CHAVEZ)

W. TRAVIS (ZAVALLA)

N. MEDINA

N. FRIO

N. LEONA

W. HOUSTON

W. COMMERCE

ABBE PL. (ARB.)

262

263

264

287

286

285

I. & G. N. HOTEL

REX HOTEL 2 & 3

AMERICAN HOTEL

HOTEL MEXICO 2 & 3

Scale of Feet

See Volume Four

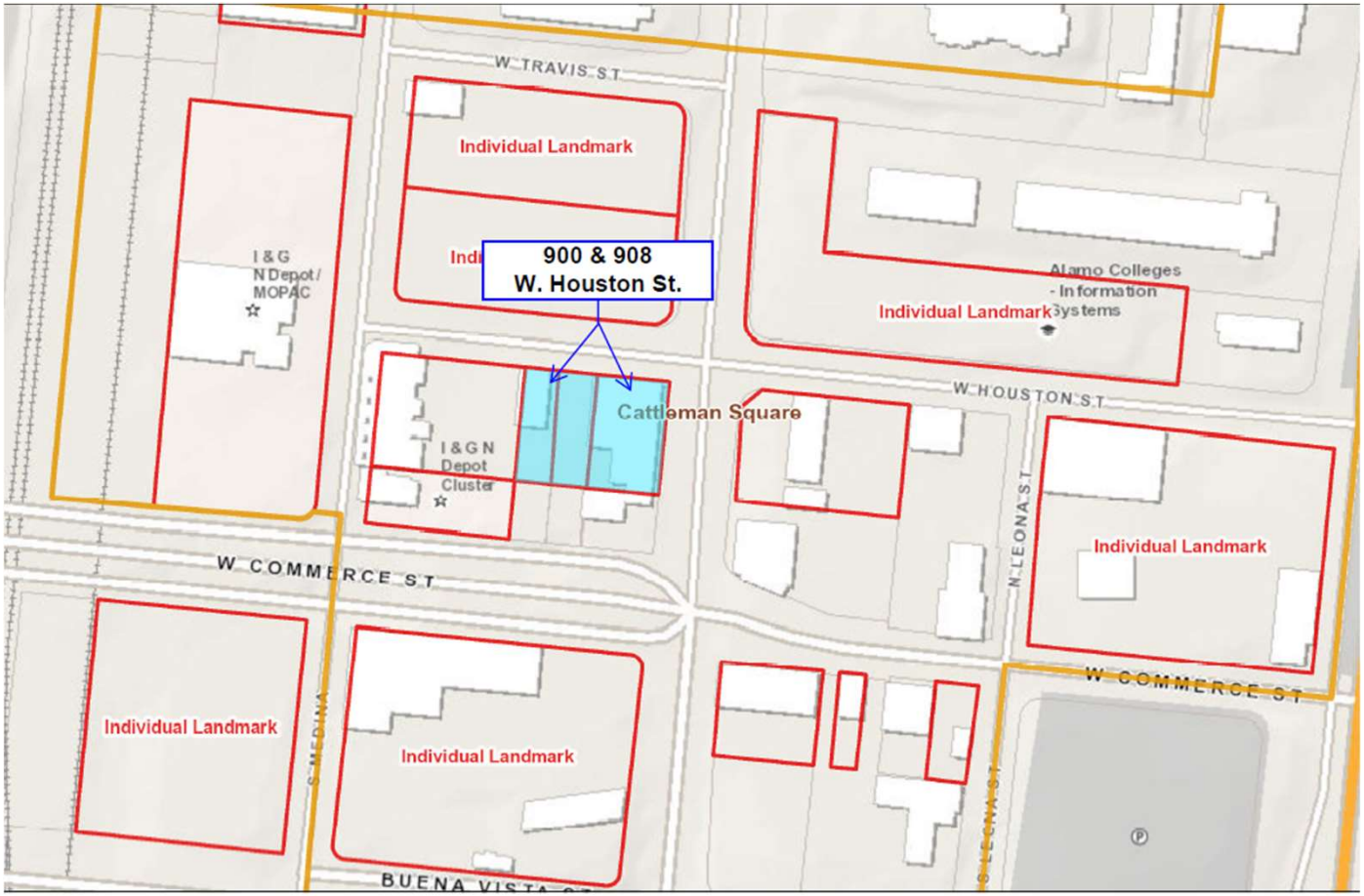
900 & 908 W. Houston St.

Case No. 2023-408

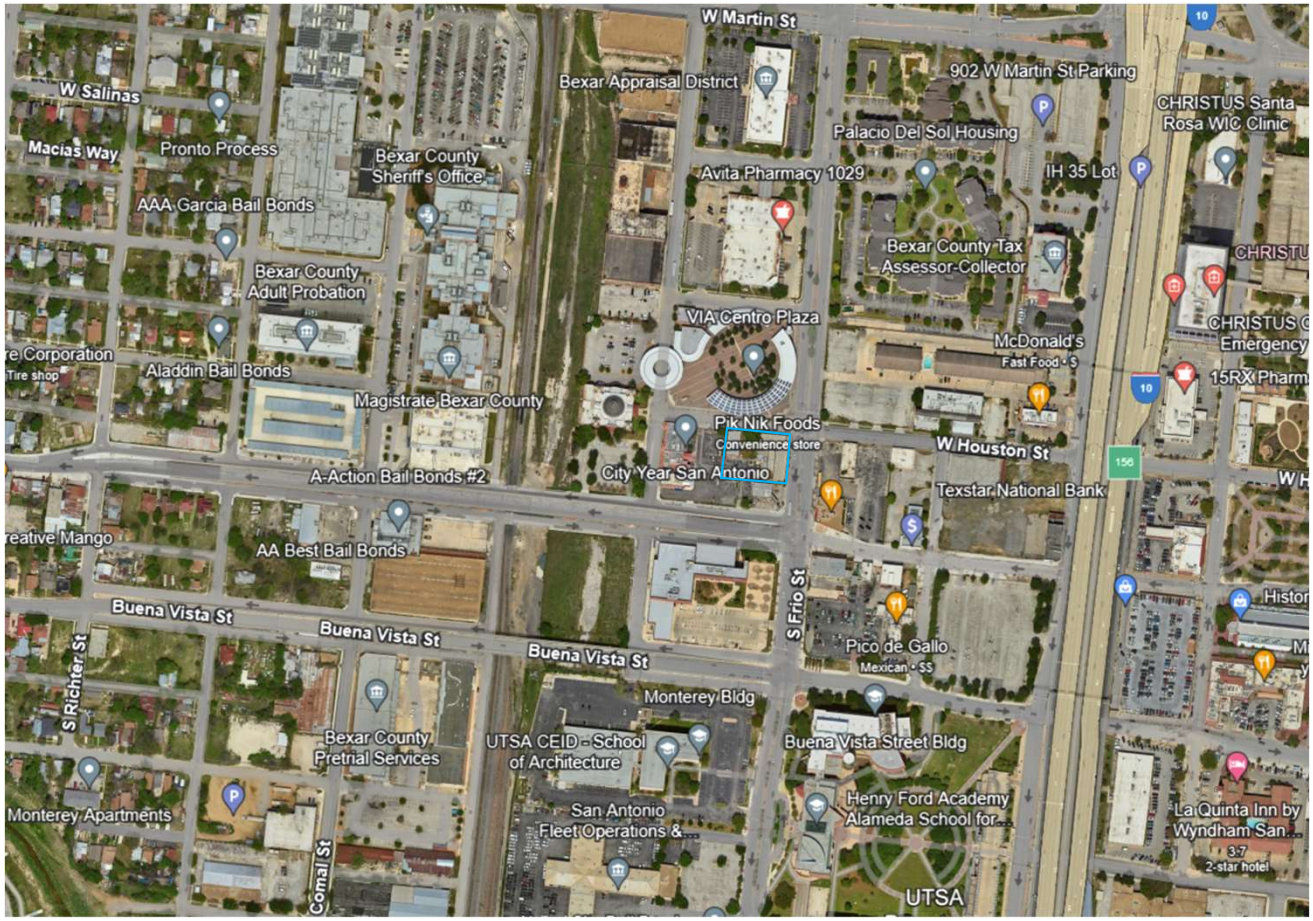
12/20/2023

O|M Ortiz McKnight PLLC

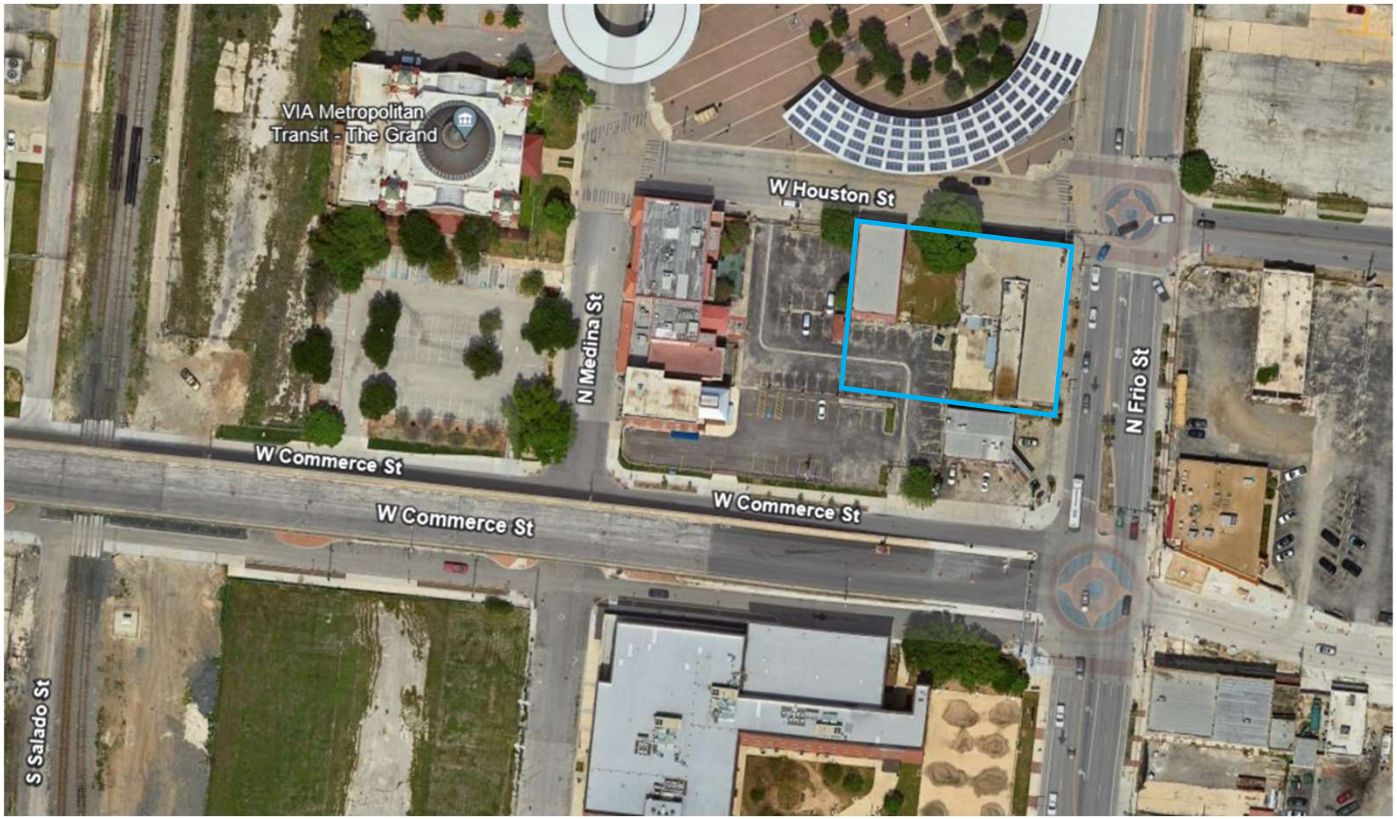
Location


W TRAVIS ST
Individual Landmark
I & G N Depot / MOPAC
900 & 908
W. Houston St.
Alamo Colleges - Information Systems
Individual Landmark
W HOUSTON ST
Cattleman Square
I & G N Depot Cluster
N LEONA ST
Individual Landmark
W COMMERCE ST
Individual Landmark
Individual Landmark
W COMMERCE ST
BUENA VISTA

Location


W Martin St
W Salinas
Macias Way
Pronto Process
Bexar County Sheriff's Office
Bexar Appraisal District
902 W Martin St Parking
CHRISTUS Santa Rosa WIC Clinic
Palacio Del Sol Housing
Avita Pharmacy 1029
IH 35 Lot
AAA Garcia Bail Bonds
Bexar County Tax Assessor-Collector
Bexar County Adult Probation
VIA Centro Plaza
McDonald's
Fast Food · $
Aladdin Bail Bonds
Magistrate Bexar County
Pik Nik Foods
Convenience store
W Houston St
A-Action Bail Bonds #2
City Year San Antonio
Texstar National Bank
AA Best Bail Bonds
Buena Vista St
S Frio St
Pico de Gallo
Mexican · $$
S Richter St
Monterey Bldg
Bexar County Pretrial Services
UTSA CEID - School of Architecture
Buena Vista Street Bldg
Monterey Apartments
San Antonio Fleet Operations &...
Henry Ford Academy Alameda School for...
La Quinta Inn by Wyndham San...
3.7
2-star hotel
Comal St
UTSA

Location


VIA Metropolitan
Transit - The Grand
W Houston St
N Medina St
N Frio St
W Commerce St
W Commerce St
W Commerce St
S Salado St

Location


W Commerce St
S Frio St
W Commerce St
VIA Metropolitan Transit - The Grand
908 W Houston
900 W Houston
N Frio St
W Houston St
N Medina St
W Travis St

Surrounding Area

History

Current Name: Richbook Building; Los Buddies Lounge, American Hotel (1987)

Architect/Builder: Unknown

Architecture: "This two-story brick masonry Victorian Italianate commercial building on the corner of Houston and Frio presents glass block transoms over the openings on the first floor, a cast stone dado below the windows and central entrances. A soldier course of bricks is placed above the transoms and also above the upper story windows. A lintel of stone is under the windows and below the cornice. Square modillians are spaced over double-hung windows and incised below the cornice and centered on the two primary facades is "19 RICHBOOK 23". There is a single window between the pairs and a Chicago window in the center of the north facade." (Recorded by S. Stepan, December 1987; Source: J. Dickman, 1983.)

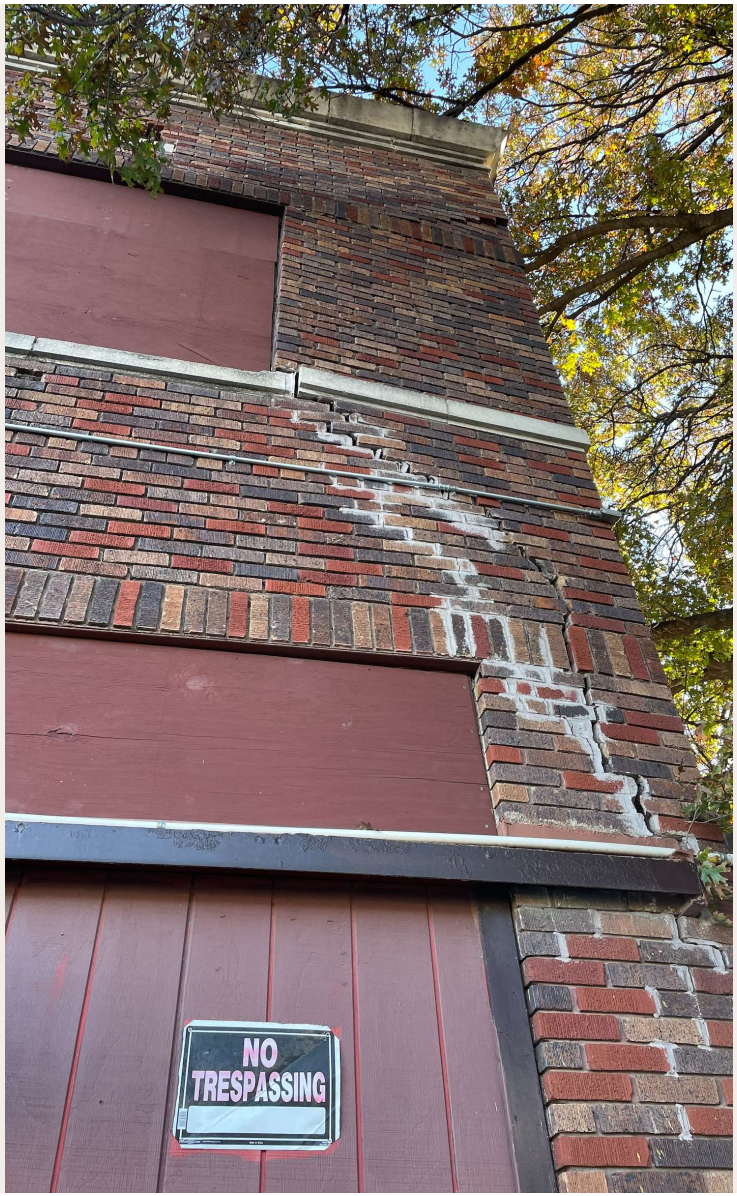
History: "Morris Richbook was born in Romania in 1883, son of an agriculturist and vintner. He came to America in 1902, learned the English language and developed a clothing business and department store at 214 W. Houston St. In 1923, the building at 906 W. Houston St. was opened...." (Recorded by S. Stepan, December 1987; Source: J. Dickman, 1983.)

Significance:

Owner/Address: Leonard Stern
Jeannette E. Stern
152 Rilfa Vista
San Antonio, TX 78216 (12/87)

Legal: NCB 264 Blk 76 Lot 1 and 2

900-908 W. Houston



- Originally designated as part of the larger area
- No specific significance cited for these structures
- Much of the area is now changed or gone

Criteria for Unreasonable Economic Hardship
UDC § 35-614(e)(1)(B):

i. Cannot Make Reasonable Beneficial Use or Realize a Reasonable Rate of Return for Existing Structure

ii. Structures Cannot Be Reasonably Adapted

iii. Property has been owned and marketed for more than 2 years

iv. Construction Cost Estimate for Rehabilitation

Cannot Make Reasonable Beneficial Use or Realize a Reasonable Rate of Return for Existing Structure

UDC Section 35-614(e)(1)(B)(i)

Pro Forma

The property owners prepared a "Pro Forma" document that estimates what rents they could receive and even optimistically considers full lease-out, never an easy task.

Even with the most conservative and optimistic numbers, there is no chance at actually making money at this location with the kind of investment required.

900 W Houston, San Antonio, TX

Pro forma

BUILDING PROGRAM AND RENTS					
Commercial Units	**SF**	**per SF**	**Units**	**Total Rent Monthly**	**Total SF**
900 W Houston (1st Floor) retail office	6,000	$1.50	1	$9,000	6,000
900 W Houston (2nd Floor) office	8,000	$1.00	1	$8,000	8,000
					-
	14,000				
Total Monthly Rent				**$17,000**	
Total Building Square Feet					14,000

						Exit Cap Rate
INCOME					**Stabilized**	9.0%
Gross Potential Income (Total Annual Rents)				*$204,000*	*$210,120*	
Less Vacancy			20%	-$40,800	-$42,024	
Gross Operating Income				$163,200	$168,096	
Operating Expenses (NNN)			$6	-$84,000	-$86,520	
Expense Reimbursement			80%	$67,200	$69,216	
Leasing Commissions/ Inducements				-$73,440		
Net Operating Income (NOI)				**$72,960**	**$150,792**	*$1,675,467*
COSTS						
Sales Price				$1		
Building Improvement Cost	SF Building		$440	$6,153,617	$6,153,617	
Total Hard Costs				**$6,153,618**	$6,153,618	
Soft Costs (Archtiect/ MEP / Permitting			4%	$215,377		
Carry Costs (taxes, interest, Insurance, lease up)	18-24 months			$500,000		
Land Costs				$1		
Total Project Costs				**$6,868,996**	**$6,868,996**	
Return on Project Cost				**1.1%**	**2.2%**	
LOAN						
Down Payment			35%	$2,404,148	$2,404,148	
Loan Amount			65%	$4,464,847	$4,464,847	
	Amort Years	Interest				
Loan Assumptions	20	0.0875				
Monthly Debt Service				-$39,456	-$39,456	
Total Annual Debt Service				-$473,476	-$473,476	
Cash Flow After Debt Service				**-$400,516**	**-$322,684**	
Debt Service Coverage Ratio (DSCR)				0.15	0.32	
Cash on Cash Return (Return on Down Payment)				**-16.7%**	**-13.4%**	

Crime: 900 W. Houston

The Rich Book Building had previously been used for apartments and for ground floor commercial, however, it has recently had a sordid history.

In April 2018, after months of a sting operation, the San Antonio Police Department and Texas Department of Public Safety raided the Rich Book Building to arrest eight people as part of an organized drug ring.

https://foxsanantonio.com/news/local/state-troopers-police-raid-building-near-downtown

San Antonio police, state troopers uncover organized drug ring in downtown building

by SBG San Antonio | Tue, April 17th 2018, 8:19 AM CDT

Raid at building on North Frio Street on Tuesday, April 17, 2018. (Photo: Sinclair Broadcast Group)

SAN ANTONIO — Undercover agents and officers with the San Antonio Police Department and Texas Department of Public Safety raided a building just west of downtown on Tuesday morning, leading to the arrests of eight people.

San Antonio Police Chief William McManus said they were tipped to drug activity at the building located at North Frio Street and West Houston back in February. Over the last two months, undercover officers used surveillance cameras to monitor the apartments above the Cattleman's Square Tavern.

Crime: 900 W. Houston

Then, in September 2019, another raid took place leading to the arrest of six people, also a part of a drug operation.

These activities were the result of increased harmful community activity over the years in this troubled area.

https://news4sanantonio.com/news/local/six-suspected-drug-dealers-arrested-in-undercover-sting-targetng-troubled-street-corner

Six suspected drug dealers arrested in undercover sting targeting troubled street corner

by Robert Price | Wed, September 18th 2019, 11:57 PM CDT

SAPD arrested six suspected drug dealers Tuesday as part of ongoing efforts to reduce crime in the Cattleman Square area west of downtown.

SAN ANTONIO - Half a dozen suspected drug dealers are off the streets following an undercover sting operation Tuesday, marking the second major operation in the past year targeting dealers near Cattleman Square just west of downtown.

San Antonio Police and business owners are calling it a crucial step in cleaning up an area they say is plagued by crime.

Structures Cannot Be Reasonably Adapted

The required investment cannot be realized with the existing configuration of buildings. Demolition is necessary to allow the Owners to realize the potential of the Property without the unnecessary burden of the existing dilapidated buildings.

UDC Section 35-614(e)(1)(B)(ii)

The Owners have attempted to adapt and reuse as much of the Buildings as possible, but despite significant monetary investments, time, and effort, the redevelopment of a major portion of the Buildings yet to occur.

This is partially because of the cost and partially because there are not tenants willing to operate in this area without more significant improvements to surrounding developments and increased safety for their workers.

Fire: 908 W. Houston

The costs to improve the Buildings were further increased when in February of 2022 a fire broke out on the first floor of 908 W. Houston, which quickly spread to the second floor.

According to News 4 San Antonio, fire crews had to break through the second floor to reach the fire. Significant damage was caused to the building.

https://news4sanantonio.com/news/local/fire-breaks-out-at-old-rich-book-building-in-cattleman-square-historic-district

Property has been owned and marketed for more than 2 years

- Substantial marketing effort has been made
- Failed to find a purchaser or tenant
- Hardship has not been induced by the property owners

UDC Section 35-614(e)(1)(B)(iii)

JJ REAL CO.

August 30th, 2023

JJ Real Co, Inc
Jeremy Jessop
210.386.3970
jj@jjrealco.com

The Office of Historic Preservation & Historic & Design Review Commission
Development and Business Services Center
1901 S. Alamo
San Antonio, TX 78210

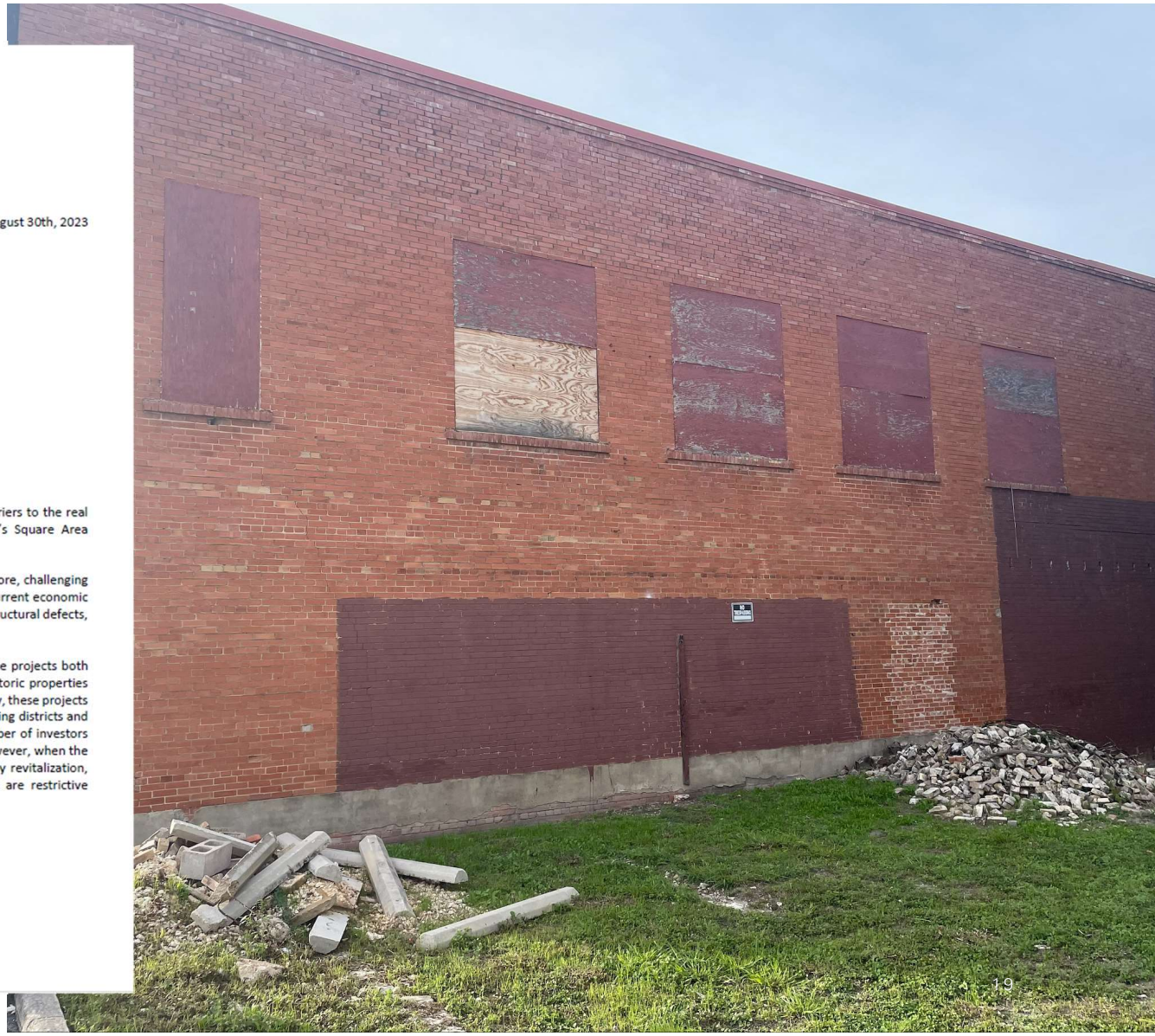
To Whom It May Concern,

I am writing on behalf various clients and associates as it pertains to obstacles and barriers to the real estate activation of the Richbook building, 900 W Houston and overall Cattleman's Square Area development.

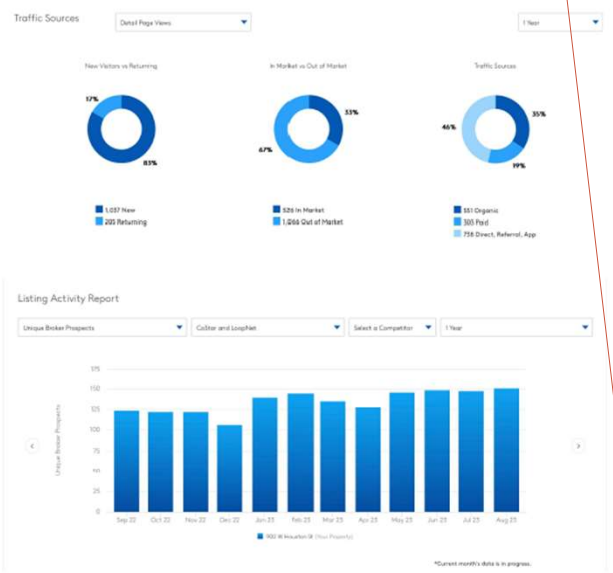
While there is resurgence of interest in real estate activity, especially within the urban core, challenging elements in engaging investors and tenants is becoming problematic, especially in the current economic climate. As it pertains to this intersection the challenges are primarily of buildings with structural defects, lack of security and homelessness.

In the past 18 years, as serving as a broker for the urban core and other adaptive reuse projects both historical and new construction, I have had multiple stories of success re-imagining historic properties with investors and tenants that have a level of vision and place-making abilities. Ultimately, these projects were successful because they tapped into the city's fabric of its neighborhoods, burgeoning districts and its overall attractiveness. When the surrounding neighborhood encourages it, the number of investors and tenants willing to take a chance on a building that needs a lot of work increases. However, when the surrounding neighborhood presents challenges, more than encouragement for property revitalization, the pool of vision-laden candidates dries up. In this particular case, the challenges are restrictive development codes, homelessness and vagrancy.

824 Broadway Suite 110
San Antonio TX 78215
210.386.3970



Among other local advertising mediums and your major nationwide platforms like Crexi CoStar and LoopNet the property has been marketed for approximately 3 years through Covid shutdown and the boom thereafter with very little interests without the removal of the Richbook building and the external problems it presents to the area. The listing performance has touched players in all markets local and afar with no one willing to commit to a development with the obstacles in place.



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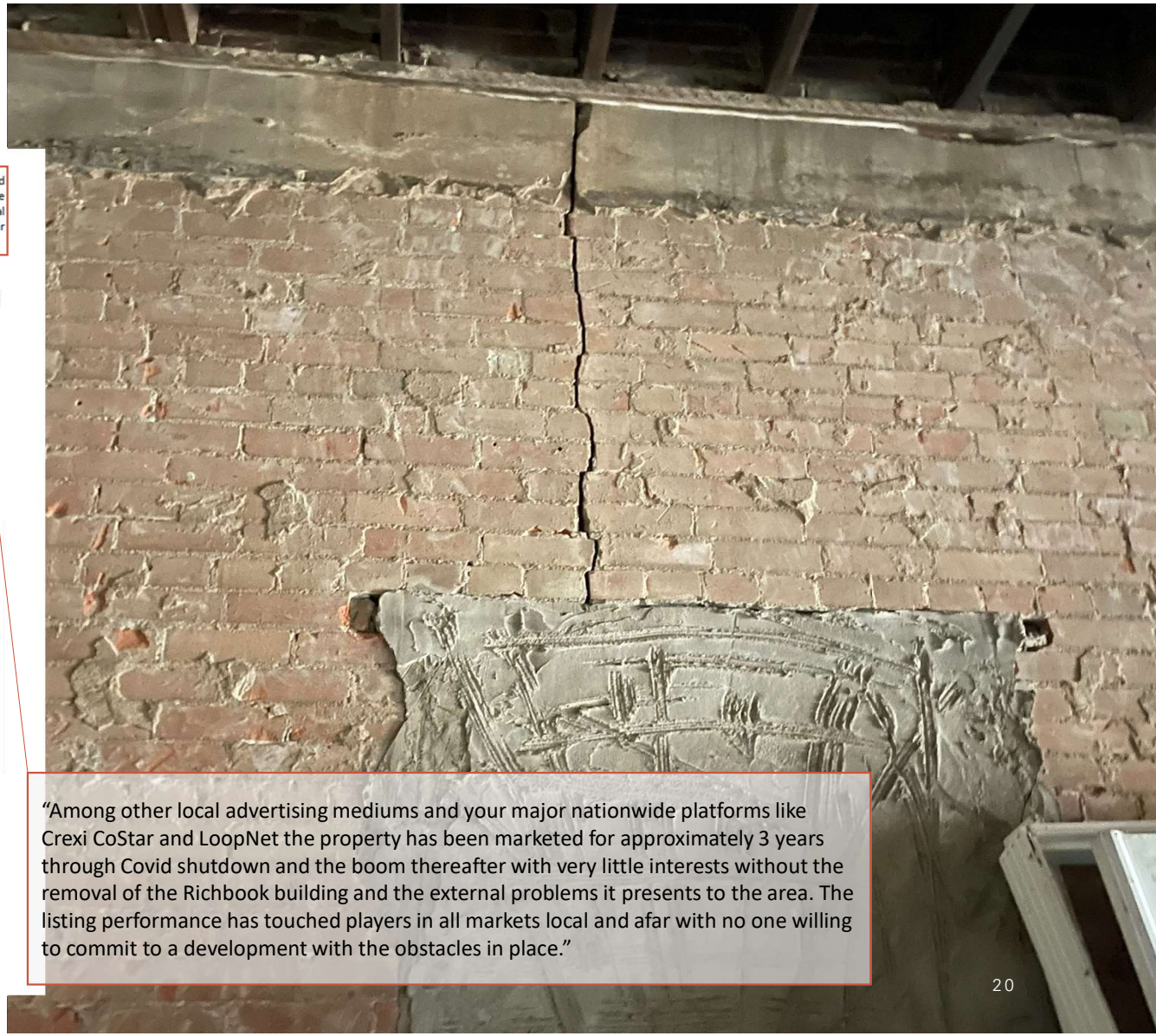
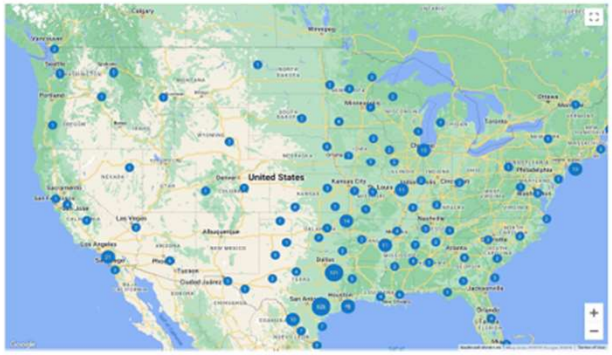


“Among other local advertising mediums and your major nationwide platforms like Crexi CoStar and LoopNet the property has been marketed for approximately 3 years through Covid shutdown and the boom thereafter with very little interests without the removal of the Richbook building and the external problems it presents to the area. The listing performance has touched players in all markets local and afar with no one willing to commit to a development with the obstacles in place.”

Detail Page Views Confidentiality Agreements



This intersection, and its neighboring intersections, have at any point dozens of loitering individuals, some presenting health and safety concerns for property owners and tenants. To merely show a space for a client becomes an orchestrated endeavor involving the SAPD, multiple members of my staff and others. Merely gaining access to the sites can be a challenge as camping tents, possessions and often human excrement, occupy parking lots, sidewalks and entrances.

We have had several groups tour the site and did have a potential client for the site that rehabilitates "graduates" of Haven for Hope. Although really liking the location of the property in question, due to the lifestyle 'temptations' surrounding the property, the site would prove problematic for its clients, not to mention safety concerns for its employees as well. They passed on leasing the site. Furthermore, other non-profit organizations invested in the area and surrounding projects such as NALCAB have passed on the site due to both safety of employees and the liability of the Richbook building.

I believe that a serious investment of institutional proportions with modern day parking solutions is the only path to improving this intersection and neighborhood. This can be achieved with a development plan that manages access, provides secure parking and encourages further development and commerce. The required investment based on the existing road blocks cannot be realized with the existing configuration of buildings serving as a backstop to homelessness and crime.

Sincerely,

Jeremy B. Jessop

824 Broadway Suite 110
San Antonio TX 78215
210.386.3970

"We have had several groups tour the site and did have a potential client for the site that rehabilitates "graduates" of Haven for Hope. Although really liking the location... They passed on leasing the site. Furthermore, other non-profit organizations invested in the area and surrounding projects such as NALCAB have passed on the site due to both safety of employees and the liability of the Richbook building.

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To Whom It May Concern:

By way of this letter, I am confirming City Education Partners exploration of the leasing of the Cattleman's Square property. As our previous location was becoming unavailable, we were exploring other options to hold our main offices and to make available to our many partners. This took place in February/March of 2020. After evaluation of the property, the surrounding area, and the need for significant capital improvements, and the lack of clarity about community support and viability of structural changes, we decided not to pursue it further.

I am available for any questions you might have at mark.larson@earlymatterssa.org or 210-887-6391.

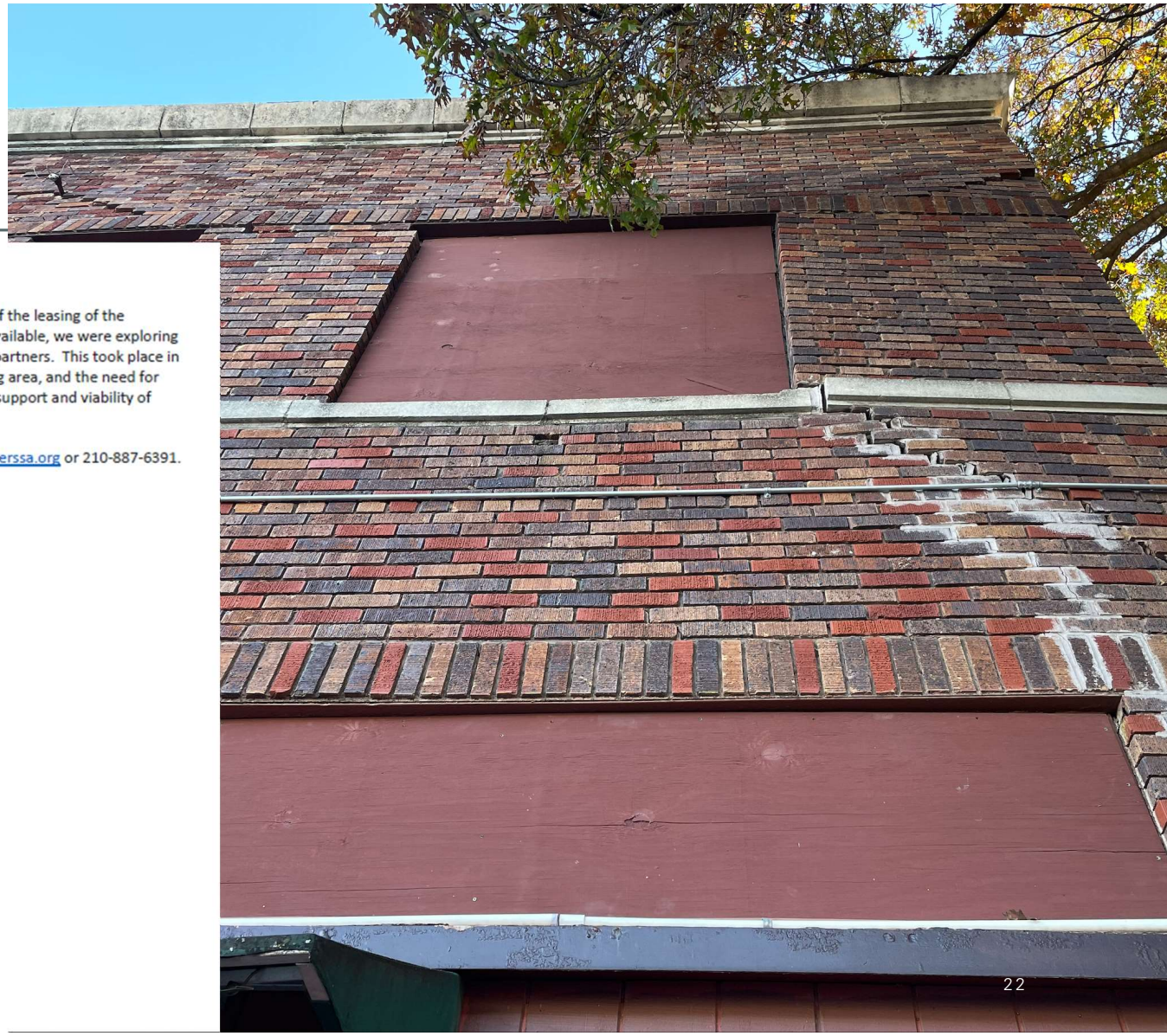
Mark Larson
Former - CEO of City Education Partners from 2019 – July 2020

Mark Larson
Executive Director
Early Matters San Antonio
Mark.larson@earlymatterssa.org
Cell: (210) 887-6391
Schedule with Mark

earlymatters
SAN ANTONIO

Powered by:

TEXAS A&M UNIVERSITY SAN ANTONIO | INSTITUTE FOR SCHOOL AND COMMUNITY PARTNERSHIPS



PROSPER WEST
San Antonio

November 8, 2023

To Whom It May Concern:

This letter will serve to confirm Prosper West's exploration of the purchase of the Cattleman's Square property including the Rich Book Building. After two months of discussion with the seller, which included the offer of financing terms, we concluded that the project was not financially feasible considering the extent of rehabilitation needed, the surrounding market conditions, and the other unknowns on the project such as community support, public subsidies, and deeper rehabilitation issues.

If you have any questions or need additional information, please feel free to contact me.

Sincerely,

Ramiro Gonzales
President/CEO
ramiro@prosperwestsa.org
(210) 744-1469

HAWTHORNE CONTRACTING

Ms. Stephanie Stolte
Project Manager
Master Property Partners, Ltd.
San Antonio Texas

Project Name: 900 W. Houston Street-Master Property Partners. Ltd.

Scope of Work:
Preliminary Budget pricing to demo existing interior and reconstruct to bring to current code and functionality. Includes interior, exterior, structural, site-work, flatwork.

Demo	$	195,000.00
New Walls	$	143,000.00
VWC	$	-
T/F/Paint	$	110,500.00
Ceiling	$	136,500.00
Electric	$	552,500.00
HVAC	$	975,000.00
Plumbing	$	325,000.00
Concrete	$	162,500.00
Fire Alarms	$	110,500.00
Fire Sprinklers	$	455,000.00
Flooring	$	145,340.14
Doors/Hardware	$	110,500.00
Millwork	$	116,545.00
Elevators	$	325,000.00
Structural Work/Masonry	$	240,500.00
Glass/Windows	$	500,500.00
Site Work/Flatwork	$	240,500.00
General Conditions	$	419,165.52
Contractor Fee	$	421,084.05
Subtotal	$	5,684,634.72
Tax	$	468,982.36
Contract Total	$	6,153,617.08

Exclusions: keying of door hardware, Waxing/polishing of new flooring. Any items not listed above.

This proposal shall become effective upon signature by owner (or owner rep). Payment is due 30 days from invoice date. A finance charge of 1.5% per month will be applied to any upaid balances after 30 days.

Prepared by: Darren Hawthorne Accepted: _____

Date: 8.17.23 Date: _____

Hawthorne Contracting · PO Box 171274 · San Antonio · Texas · 78217

Construction Cost Estimate for Rehabilitation

UDC Section 35-614(e.)(1)(B)(iv)

The owners have enlisted the help of Mr. Darren Hawthorne, a contractor with 20+ years of experience finishing out office buildings in San Antonio, to estimate the cost **just to bring the Rich Book Building up to a level where it could be rented as an office building. -** A level that would be necessary and competitive to attract tenants.

His estimate comes at a cost of approximately $6.1M. That is for a building that is currently valued at $100 on land valued at $334,510.

The idea that gentrification and displacement will affect the area are drudged up every time new development is mentioned on the Inner West Side, to the detriment of the people living here. It means that positive development is not created, and we're saddled with being allowed low income housing or city use of the area which lowers the overall attraction and value (Haven for Hope, Jail).

Instead of development for future generations, we have derelict buildings that draw vagrants, high drug trafficking/usage, and crime. All of this within walking distance of the very people that are educating themselves at UTSA, the people that will one day run various institutions in our city, state, and country.

I know the "National Grocer Building" is also being looked at for demolition and redevelopment, which to me means the CoSA/District 5, can't block development that is sure to come, one way or another. We should be happy to work with developers that are interested in public feedback. If we do not support positive development, we are only blocking attempts at building a thriving city environment for future generations.

I can't speak for Maricela and Ralph, but I personally am ALL FOR future development of the buildings, including up to demolition as needed, with plans for development of something new in its place. Something that could possibly include housing, retail, business, a model that has been done and used in many other locations and cities, comes to mind.

The past can be kept alive in many ways such as:

- Setting up a room or wall within the building that talks about the history of what once stood
- Build a to-scale model of it within the room, maybe split to show the inner structure and have a plaque telling of its importance to the development of the city in its time
- Build a monument inside an inner courtyard

The point is there is much that can be done to preserve the past without continuing to use the excuse of "preservation of the past" to block development, that essentially amounts to a crumbling vacant building, and a stagnant area so close to downtown proper of San Antonio. It's shameful, and disgraceful, and we can do better.

This is my opinion, and I stand by it 100%.

Community Support

Excerpt statement from Jiles "J.R." Rodriguez, Gardendale Neighborhood Association Board Member, December 13, 2023

Questions

James McKnight

210-664-0005

jmcknight@ortizmcknight.com

O|M Ortiz McKnight PLLC

AN ORDINANCE

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN.

* * * * *

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. THAT SECTION 42-22 OF CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BE AND THE SAME IS HEREBY AMENDED, SO THAT IT SHALL HEREAFTER INCLUDE THE FOLLOWING DESCRIBED CHANGES IN CLASSIFICATION AND THE REZONING OF THE HEREINAFTER DESIGNATED PROPERTY, TO-WIT:

(CASE NO. Z85036)

Designation as an Historic District, listed below as follows:

Lots 15,16,17,18 and 20, NCB 286
In the 900 block of West Martin Street
In the 700-800 blocks of West Houston Street
Zoned: "B-4" Central Business District

Lots 3 thru 14, NCB 263
In the 900 block of West Travis Street
In the 900 block of West Houston Street
Zoned: "I-1" Light Industry District

Lots 1 thru 12, NCB 264
In the 900 block of West Houston Street
In the 900 block of West Commerce Street
Zoned: "B-4" Central Business District

Lots 17 thru 25, NCB 265
In the 900 block of West Commerce Street
In the 900 block of Buena Vista Street
Zoned: "L" First Manufacturing District
Zoned: "I-1" Light Industry District

Lots 3 thru 14, NCB 285
In the 800 block of West Houston Street
In the 800 block of West Commerce Street
Zoned: "B-4" Central Business District

Lots 1 thru 15, NCB 299
In the 700 block of West Houston Street
In the 700 block of West Commerce Street
Zoned: "B-4" Central Business District

Lots 2 thru 15, NCB 284
In the 800 block of West Commerce Street
In the 800 block of Buena Vista Street
Zoned: "L" First Manufacturing District

The south 530' of the east 168.8' of NCB 246 and 247
In the 100-200 blocks of Medina Street
Zoned: Historic Landmark "L" First Manufacturing District

ORD. NO. 60317

FEB 28 1985

Norma L. Rodriguez

CITY CLERK

SECTION 2. That all other provisions of said Chapter 42, as amended, shall remain in full force and effect, including the penalties for violations as made and provided in Section 42-11.

SECTION 3. That the Director of Planning shall change in his records and zoning maps in accordance herewith and the same shall be available and open to the public for inspection.

SECTION 4. That this ordinance is not severable.

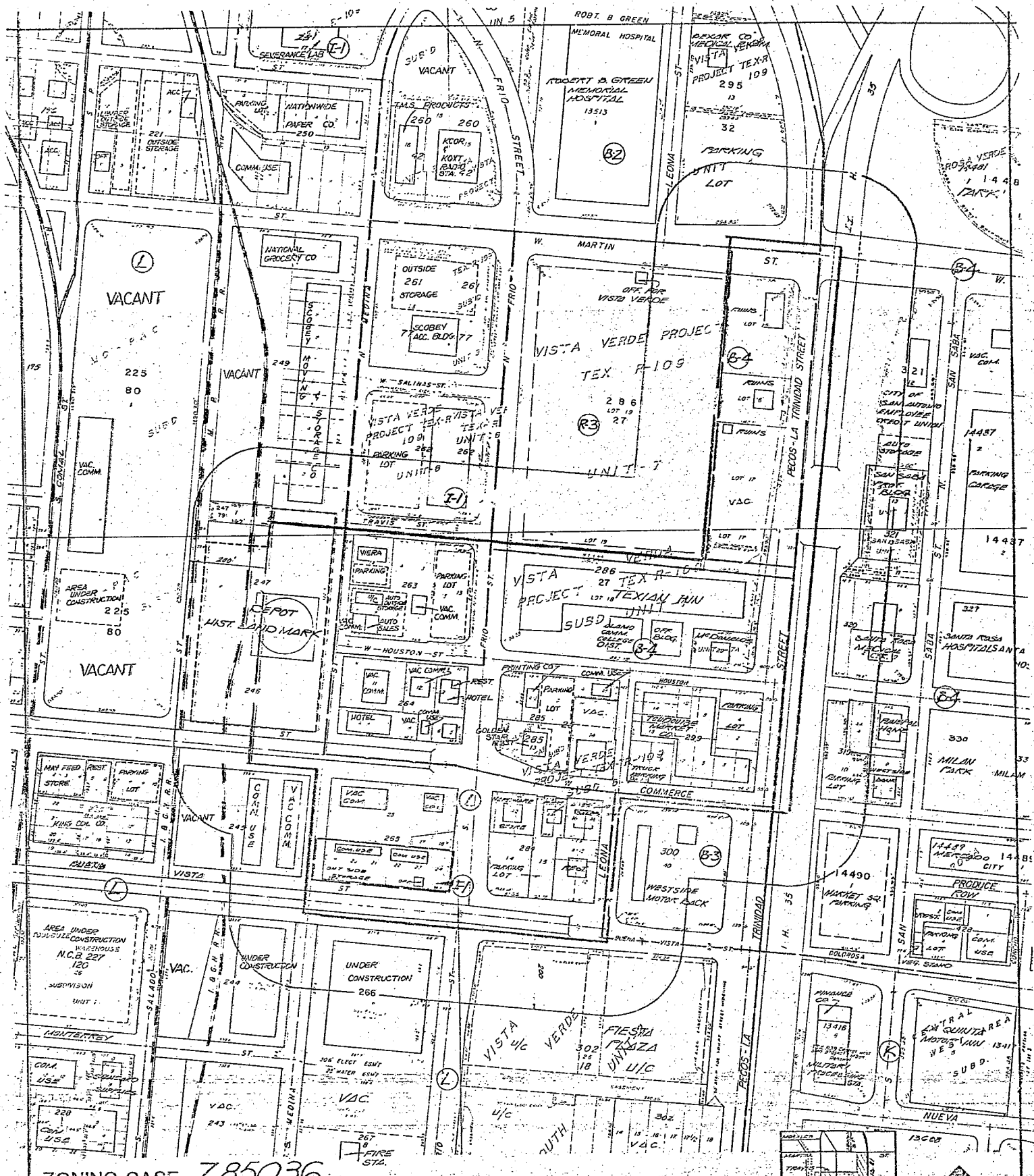
PASSED AND APPROVED this _____ day of _____ 19_____.

ATTEST: MAYOR

CITY CLERK

APPROVED AS TO FORM: _____

CITY ATTORNEY



ZONING CASE Z85036
CITY COUNCIL DISTRICT 5
CENSUS TRACT 1106
GRID 15-57
REQUESTED ZONING CHANGE
TO BE DESIGNATED HISTORIC
DATE JAN. 29, 1985
SCALE

DEPARTMENT OF PLANNING
SAN ANTONIO, TEXAS

TEJEDA BILL

ITEMS NEEDED TO FILE & RECORDED ON THE FOLLOWING

ADDRESS: 900-908 W. Houston St. [] EXCEPTIONAL [✓] SIGNIFICANCE

__✓__ Done

[✓] BEXAR APPRAISAL PRINT OUT

[✓] PUBLIC RECORDS DATABANK SHEET

[✓] PICTURE

[ ] DEED

() - Yes it was found

() - No & Requires Research

[✓] ARCHITECT DESCRIPTION Unapproved

[ ] HISTORIC DESIGNATION VERIFIED CERTIFICATE FORM

[ ] VERIFICATION FORM WITH THE FOLLOWING SIGNATURE:

[ ] DIRECTOR ~~(David Pasley)~~ Emil R. Moncivais SIGNATURE

[ ] HISTORIC OFFICER (Ann B. McGlone) SIGNATURE

[ ] NOTARY (Hope De La Vega) SIGNATURE

[ ] FILE & RECORDED

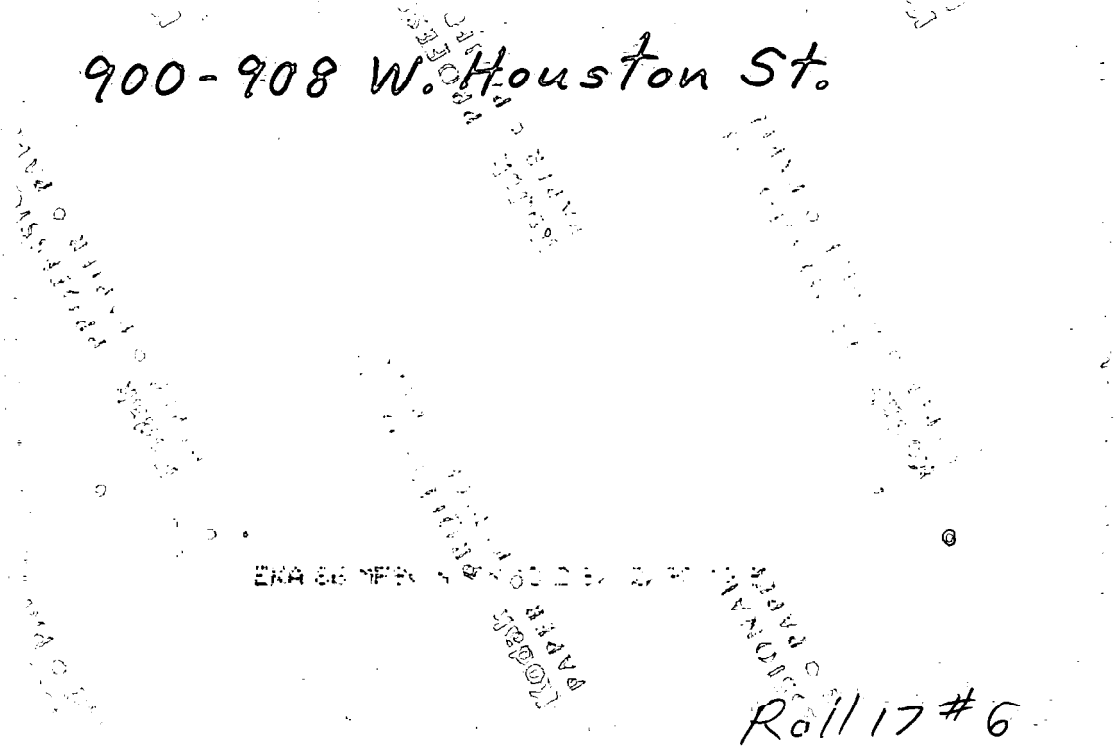
NOTE(S): _____

_____

COMPLETE [ ] YES [ ] NO

COMPLETED BY: _____
(NAME)

900-908 W. Houston St.



Roll 17 #6

Richbook Building (c.1923) 900-908 W. Houston St.	Significant

Current Name: Richbook Building; Los Buddies Lounge, American Hotel (1987)

Architect/Builder: Unknown

Architecture: "This two-story brick masonry Victorian Italianate commercial building on the corner of Houston and Frio presents glass block transoms over the openings on the first floor, a cast stone dado below the windows and central entrances. A soldier course of bricks is placed above the transoms and also above the upper story windows. A lintel of stone is under the windows and below the cornice. Square modillians are spaced over double-hung windows and incised below the cornice and centered on the two primary facades is "19 RICHBOOK 23". There is a single window between the pairs and a Chicago window in the center of the north facade." (Recorded by S. Stepan, December 1987; Source: J. Dickman, 1983.)

History: "Morris Richbook was born in Romania in 1883, son of an agriculturist and vintner. He came to America in 1902, learned the English language and developed a clothing business and department store at 214 W. Houston St. In 1923, the building at 906 W. Houston St. was opened...." (Recorded by S. Stepan, December 1987; Source: J. Dickman, 1983.)

Significance:

Owner/Address: Leonard Stern
Jeannette E. Stern
152 Rilfa Vista
San Antonio, TX 78216 (12/87)

Legal: NCB 264 Blk 76 Lot 1 and 2

PUBLIC RECORDS DATABANK, INC. 730 LOVERA SAN ANTONIO, TX 78212 210-733-4286

Tax Id : 00264-076-0010 *Legal : NCB 264 BLK 76 LOT 1&2* *Prop Class : COMMERCIAL* *Zone : RESIDENCE DISTRICT* *Address : 900.0 HOUSTON ST W* *782073052 CR:0704* *Map: 616 Grid: D5*	*Current Owner:* *STERN FAMILY TRUST % LEONARD STERN* *152 RILLA VISTA* *SAN ANTONIO TX 782167630*

Values

Improvements :	*70,000.00*	*Estimated Tax Amount :*	*2,675.05*
Land :	*30,000.00*	*Census Track*	*:1106*
Total :	*100,000.00*	*Volume/Page*	*:4720/1512*
Market Land :	*0.00*	*Document Type*	*:WD*
Agriculture :	*0.00*		

RA16M BEXAR APPRAISAL REAL PROPERTY ADMINISTRATION 96/07/08
NEXT I-ACT ACCOUNT AND OWNER INQUIRY TUCPL
ACCOUNT: 00264 076 0010 YEAR 1996 ROLL C 10:36:25
ARB PENDING LEGAL NCB 264 BLK 76 LOT 1&2 UPDATED 93-11-10
BY KCSUV210
ACRES 0.0000
SCHOOL 57
PARCEL ADDRESS 900 0 HOUSTON ST W EXT CITY 21
S.P.T.B. CODE F1 00000 0000
PROPERTY CLASS CM PARENT ACCOUNT 00000 000 0000 VALUE CONTROL BP
ACCOUNT STATUS ZA TYPE N1
SOURCE TU21 REFERENCE OLD FILES SOURCE COST

COORD SHEET NUMBER OWNER NAME STERN FAMILY TRUST FID 60585
ORIGINATOR % LEONARD STERN FDD ON FILE
TERMINATOR ADDRESS 152 RILLA VISTA
CITY/STATE SAN ANTONIO TX
MAILING STATUS ZIP 78216 7630
NEW OWNER STATUS Sale
PERCENT 1.0000 YEAR BORN UPDATED 90-02-20
OWNER STATUS NF SOURCE BCDR REFERENCE 4720/1512 BY ABLYR
ACCOUNT INFORMATION DISPLAYED
PF10 FIDUCIARY PF3 PRIOR OWNER PF4 NEXT OWNER PF12 CHG PF7 PRIOR PF8 NEXT
PF2 OWN-HIST PF15 SEARCH PF18 VALUES PF20 NOTE PF21 EXEMPTIONS

COUNTY _____ BLOCK _____ 548 10c
CITY _____ QUAD _____ LOT _____ 3255

NAME: OK Hotel/State Leather
ADDRESS: 916-20 W. Houston
COUNTY: Bexar
CITY: San Antonio
UTM:
ARCHITECT/BUILDER:
DATE: CA.1915 PERIOD:
OWNER:
STYLE: Commercial
THEME:

DESCRIPTION: Two story brick building with simple projecting cornice roofed in tile. Raised brick courses separate first and second floors and define second floor window grouping. Tiered cast concrete parapet. 1/1 windows. Ground floor windows and doors intact. Flat roof.

BUILDING MATERIAL: wall: Brick roof: Probably built up - flat
PHYSICAL CONDITION: Fair SITE: original X or moved _____ date _____
ALTERATIONS:

SIGNIFICANCE: Forms small commercial complex with adjacent 912-914 W. Houston. Originally and still a hotel/commercial structure.

AREA OF SIGNIFICANCE: Architectural/contextual LEVEL OF SIGNIFICANCE: Local
DESIGNATION: NR NHL RTHL HABS HAER HESI HSI OTHER:
ORIGINAL USE: Commercial PRESENT USE: Commercial
RELATIONSHIP TO SURROUNDINGS: Commercial complex near Missouri Pacific Railroad Depot.
ACREAGE/BOUNDARY DESCRIPTION:

BIBLIOGRAPHIC DATA: City Directories
SEE INFO/CORRESPONDENCE FILES:
RECORDED BY: Maria Watson INFORMANT: Maria Watson
DATE: 1981-82 PHOTO DATA:

(rev. 6-79)

SIG

NAME: O.K. HOTEL

ADDRESS: 918-20 W. Houston Street

LEGAL: NCB 264 Lot 4 BLK 76 Parcel 310

LEGAL OWNER: Sam Cohen and William Yahiel
Box 7814
San Antonio, Texas 78207

PRESENT USE: Commercial

ORIGINAL USE: c. 1915 Commercial

DESCRIPTION: The two-story brick building contains two stores and restaurant on the first floor, a hotel on the second. There are two bays on the front (north) facade with central door to the upstairs apartments. The street level is altered with a brick dado and security screens. Windows on the second floor have a hidden steel beam lintel, and a soldier course of bricks bordering the upper floor facade. The wide projecting cornice displays mission tile, and the square end and peaked center parapets are capped with cast stone. A one-story brick masonry commercial building is attached on the west side.

HISTORY: City Directory listings;
1910 - Barber Shop
1920 - O K Hotel
San Antonio Dye Works
1927 - O K Hotel
Burbank Employment Agency
San Antonio Dye Works
1938 - O K Hotel
Ritz Cafe
San Antonio Dye Works
1946 - Ritz Cafe
Hotel
Domingo Acosta Barber Shop
1951 - O K Cafe, Bar
Hotel
Acosta Barber
1982 - O K Hotel
State Leather Co.


19 RICHBOOK23
Frio
BUSES ONLY
KEEP OUT


9 RICHBOOK23


PRIVATE PROPERTY
NO

19 RICH BOOK 23


PRIVATE
PROPERTY
NO TRESPASSING


PRIVATE PROPERTY
NO
908

KEEP
OUT

Cattleman's
APARTMENTS


PRIVATE
PROPERTY
NO TRESPASSING
TDOPK.B.

O|M ORTIZ MCKNIGHT PLLC

112 E. PECAN STE. 1350
SAN ANTONIO, TX 78205
(210) 664-0005
ORTIZMCKNIGHT.COM

September 12, 2023

Ms. Shanon Miller
Director, Office of Historic Preservation
City Tower
100 W. Houston Street
San Antonio, Texas 78205

VIA Electronic Delivery

Re: Application for a Certificate of Appropriateness for Demolition of Two Buildings located at 900 W. Houston Street (the "Rich Book Building") and 908 W. Houston Street (the "Office Building") in San Antonio, Bexar County, Texas (the "Property"): *Our File No. 8092.001*

Dear Ms. Miller:

The purpose of this correspondence is to submit information on behalf of the owners of the Buildings (the "Owners") for consideration by the Office of Historic Preservation and HDRC regarding approval for demolition of the Rich Book Building and Office Building as identified herein (collectively, the "Buildings"). Specifically, the purpose of this correspondence is to prove, by a preponderance of the evidence, that the continued existence of the Buildings places an unreasonable economic hardship on the Subject Property.

To begin, the Demolition Application asks for a statement about why those structures indicated are to be demolished. The Rich Book Building was built in 1923, while the smaller Office Building was constructed in 1909 (*see* **Exhibit "1"**). The Buildings were both part of a historic designation of the Cattleman's Square District in 1985.

The Rich Book Building had previously been used for apartments and for ground floor commercial, however, it has recently had a sordid history. In April 2018, after months of a sting operation, the San Antonio Police Department and Texas Department of Public Safety raided the Rich Book Building to arrest eight people as part of an organized drug ring. Then, in September 2019, another raid took place leading to the arrest of six people, also a part of a drug operation. These activities were the result of increased harmful community activity over the years in this troubled area. Long-time owners across the street from the Rich Book Building, the Lim family, stated that they have seen the area change over the years for the worse. The increased police presence and raids help to improve the culture, but as Mr. Lim stated, "We would really like to keep the positive progress going" (*see* **Exhibit "2"**). The purpose for this application is to show that not only have the years deteriorated the Buildings so badly as to require unreasonable repairs, but that demolition of these Buildings can lead to the exact progress Mr. Lim, and so many others, are looking for in Cattleman's Square.

The Owners have attempted to adapt and reuse as much of the Buildings as possible, but despite significant monetary investments, time, and effort, the redevelopment of a major portion of the Buildings has yet to occur. This is partially because of the cost and partially because there are not tenants willing to operate in this area without more significant improvements to surrounding developments and increased safety for their workers. The costs to improve the Buildings were further increased when in February of 2022 a fire broke out on the first floor and quickly spread (*see* **Exhibit "3"**). The Owners have enlisted the help of Mr. Darren Hawthorne, a contractor with 20+ years of experience finishing out office buildings in San Antonio, to estimate the cost just to bring the Rich Book Building up to a level where it could be rented as an office building. A level that would be necessary and competitive to attract tenants. His estimate comes at a cost of approximately $6.1M (*see* **Exhibit "4"**). That is for a building that is currently valued at $100 on land valued at $334,510. At first glance, it is not hard to recognize the daunting task of actually getting the construction work completed, but the Owners still wanted to see how they could make those numbers work, in terms of rents received. They prepared a "Pro Forma" document that estimates what rents they could receive and even optimistically considers full lease-out, never an easy task (*see* **Exhibit "5"**). Even with the most conservative and optimistic numbers, there is no chance at actually making money at this location with the kind of investment required.

The Owners have also been working to lease this space, without full repairs for at least three years, so not for lack of effort or experience. The Owners employed the services of Mr. Jeremy Jessop, who has worked as a broker for buildings in the urban core for the past 18 years. He explains in the attached letter (*see* **Exhibit "6"**), just how challenging it has been to lease the Building, but more importantly why. Discussing the issues with homelessness and drug activity previously mentioned above, Mr. Jessop states that "I believe that a serious investment of institutional proportions is the only path to improving this intersection and neighborhood. This can be achieved with a development plan that manages access, provides secure parking and encourages further development and commerce. The required investment cannot be realized with the existing configuration of buildings." This is a clear advocation for demolition, to allow the Owners to realize the potential of the Property without the unnecessary burden of the existing dilapidated building.

Overall, this correspondence will show that requiring the Buildings to remain has placed an unreasonable economic hardship on the Property, specifically:

1. *The owner cannot make a reasonable beneficial use of or realize a reasonable rate of return on a structure or site, regardless of whether that return represents the most profitable return possible, unless the proposed demolition is allowed.*

   As stated above and shown in the Pro Forma, the Owners have done the work to calculate the best return possible, no matter how small, and came back with a negative number. These Buildings do not represent a difficulty in achieving a reasonable return, but negative returns. Under any circumstance, that is not a reasonable expectation for these Owners, to be required to hold these buildings with a guarantee that they will only lose money each year. The only way to see a return on the Property is to allow the Owners to demolish the

Buildings and develop without that yoke. ***Therefore, not only do the Buildings prevent a reasonable rate of return on the Property, they prevent <u>any</u> profit from being recognized.***

2. *The structure and property cannot be reasonably adapted for any other feasible use, whether by the current owner or by a purchaser, which would result in a reasonable rate of return.*

   There is no feasible use beyond what uses have already been proposed for the Buildings. The purpose of hiring Mr. Hawthorne was to explore the costs of getting the Buildings to any state or use possible to see a return. His estimate was based on office use, which requires the least amount of work. Renovations to bring the Buildings up to an apartments standards, for example, could add another 25% to the already high cost. This means that the $6.1M cost shown is the least amount needed for any reasonable or feasible use, for the Owners or for any other potential buyer. ***No reasonable rate of return – if any – can be realized by the Owner or any potential purchaser of the Property by adapting the Buildings for <u>any</u> use.***

3. *The owner has failed to find a purchaser or tenant for the property during the previous three years, despite having made substantial ongoing efforts during that period to do so.*

   As stated above, multiple attempts have been made to find a tenant for the Property during the previous three years (or more), with the knowledge of the rehabilitation required for the Buildings. The Property has been actively marketed, and multiple potential tenants have sought the Property to no avail. Specifically, each and every potential tenant has discovered that the expense of rehabilitating is too high and that the human cost of locating to such a dangerous area is just as high. This has led to no activity and no real hope of finding tenants, much less those that would pay enough to make the renovations worth the effort. ***Despite substantial efforts by the Owners (including multiple potential tenants), no tenant has been found for the Buildings, under its current situation.***

In sum, the Buildings create an unreasonable economic hardship, as their presence prevents any reasonable rate of return and prevents any reasonable use of the Property. This unreasonable economic hardship is shown by a preponderance of evidence described above. ***For this reason, we respectfully ask for your support in recommending approval for a certificate of appropriateness for demolition of the Buildings.***

Sincerely,

ORTIZ MCKNIGHT, PLLC

By:_____
James McKnight

EXHIBIT 1

Property Identification #: 102583

Geo ID: 00264-076-0010
Situs Address: 900 W HOUSTON ST SAN ANTONIO, TX 78207
Property Type: Real
State Code: F1

Property Information: 2024

Legal Description: NCB 264 BLK 76 LOT 1 (.1295 AC) & 2 (.1295 AC)
Abstract: S00264
Neighborhood: NBHD code10040
Appraised Value: N/A
Jurisdictions: 21, 09, 08, 10, 11, 06, 57, SA030, CAD

Owner Identification #: 1028912

Name: MASTER PROPERTY PARTNERS LTD
Exemptions:
DBA: VACANT -CATTELEMAN'S SQUARE/HOTEL -

Bexar CAD Map Search

Bexar CAD

Property Search Results > 102583 MASTER PROPERTY PARTNERS LTD for Year 2023

Tax Year: 2023

Property

Account

Property ID:	102583	Legal Description:	NCB 264 BLK 76 LOT 1 (.1295 AC) & 2 (.1295 AC)
Geographic ID:	00264-076-0010	Zoning:	D
Type:	Real	Agent Code:	60075
Property Use Code:	226		
Property Use Description:	RETAIL/RES		

Protest

Protest Status:	
Informal Date:	
Formal Date:	

Location

Address:	900 W HOUSTON ST SAN ANTONIO, TX 78207	Mapsco:	616D5
Neighborhood:	NBHD code10040	Map ID:	
Neighborhood CD:	10040		

Owner

Name:	MASTER PROPERTY PARTNERS LTD	Owner ID:	1028912
Mailing Address:	900 ISOM RD STE 200 SAN ANTONIO, TX 78216-4116	% Ownership:	100.0000000000%
		Exemptions:	

Values

(+) Improvement Homesite Value:	+	$0	
(+) Improvement Non-Homesite Value:	+	$100	
(+) Land Homesite Value:	+	$0	
(+) Land Non-Homesite Value:	+	$334,510	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	$0	$0
(+) Timber Market Valuation:	+	$0	$0
(=) Market Value:	=	$334,610	
(–) Ag or Timber Use Value Reduction:	–	$0	
(=) Appraised Value:	=	$334,610	
(–) HS Cap:	–	$0	

(=) Assessed Value: = $334,610

Taxing Jurisdiction

Owner: MASTER PROPERTY PARTNERS LTD
% Ownership: 100.0000000000%
Total Value: $334,610

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
06	BEXAR CO RD & FLOOD	0.023668	$334,610	$334,610	$79.19
08	SA RIVER AUTH	0.018360	$334,610	$334,610	$61.43
09	ALAMO COM COLLEGE	0.149150	$334,610	$334,610	$499.08
10	UNIVERSITY HEALTH	0.276235	$334,610	$334,610	$924.31
11	BEXAR COUNTY	0.276331	$334,610	$334,610	$924.63
21	CITY OF SAN ANTONIO	0.541610	$334,610	$334,610	$1,812.28
57	SAN ANTONIO ISD	1.424200	$334,610	$334,610	$4,765.51
CAD	BEXAR APPRAISAL DISTRICT	0.000000	$334,610	$334,610	$0.00
SA030	San Antonio TIF #30 Westside	0.000000	$334,610	$334,610	$0.00
	Total Tax Rate:	2.709554			
				Taxes w/Current Exemptions:	$9,066.43
				Taxes w/o Exemptions:	$9,066.43

Improvement / Building

Improvement #1: Commercial **State Code:** F1 **Living Area:** 14306.0 sqft **Value:** $100

Type	Description	Class CD	Exterior Wall	Year Built	SQFT
220	RETAIL STORE	C - F	BR	1923	3133.0
140	HOTEL	C - F	BR	1923	3100.0
320	STORAGE WAREHOUSE	C - F	BR	1923	6233.0
320	STORAGE WAREHOUSE	C - F	BR	1923	1840.0

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	COB	Commercial Office Building	0.2590	11282.04	0.00	0.00	$334,510	$0

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2024	N/A	N/A	N/A	N/A	N/A	N/A
2023	$100	$334,510	0	334,610	$0	$334,610
2022	$100	$241,890	0	241,990	$0	$241,990
2021	$5,000	$230,380	0	235,380	$0	$235,380
2020	$24,620	$230,380	0	255,000	$0	$255,000

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	5/15/2014	SWD	Special Warranty Deed	STERN FAMILY TRUST	MASTER PROPERTY PARTNERS LTD	16678	741	20140080172
2		Deed	Deed		STERN FAMILY TRUST	4720	1512	0

2024 data current as of Sep 11 2023 2:33AM.
2023 and prior year data current as of Sep 9 2023 7:37AM
For property information, contact (210) 242-2432 or (210) 224-8511 or email.
For website information, contact (210) 242-2500.

Property Identification #: 1210507

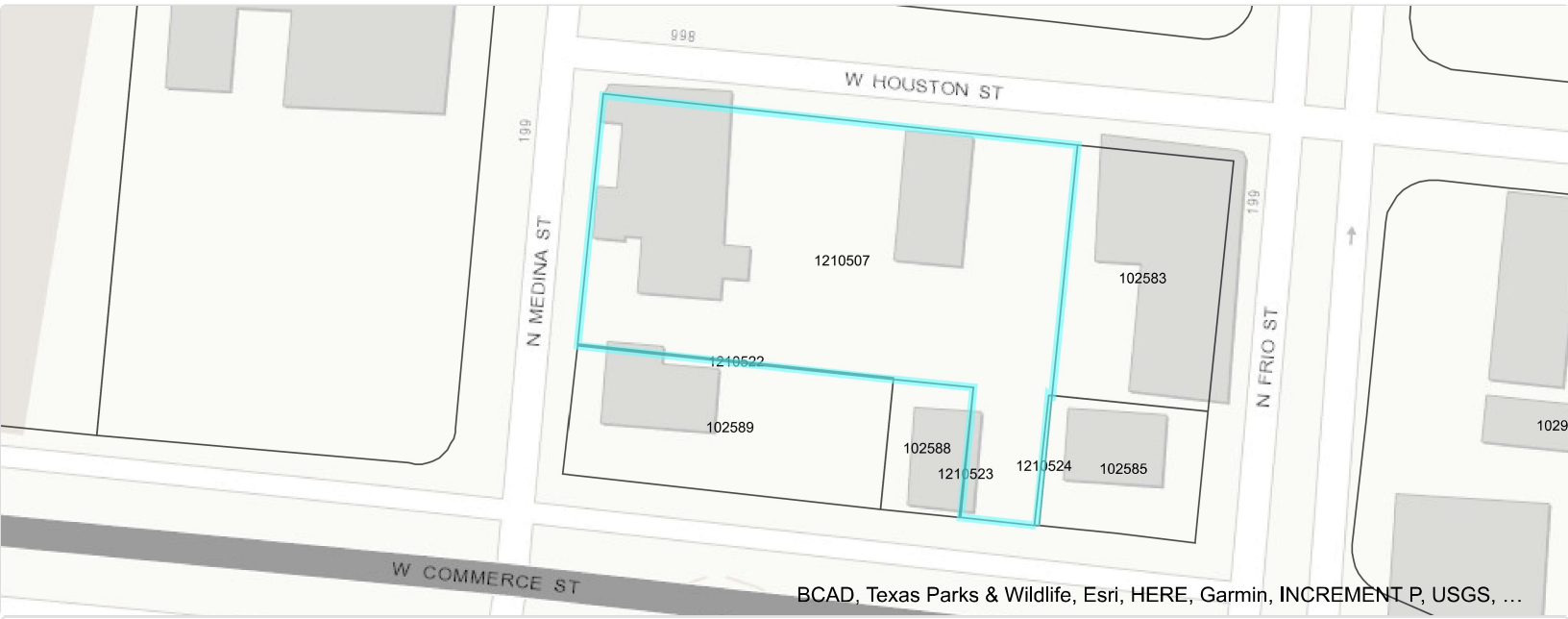
Geo ID: 00264-076-0130
Situs Address: 118 N MEDINA ST SAN ANTONIO, TX 78207
Property Type: Real
State Code: F1

Property Information: 2024

Legal Description: NCB 264 BLK 76 LOT 13 (VISTA VERDE NORTH TEX R-109 UT-12)
Abstract: S00264
Neighborhood: NBHD code10040
Appraised Value: N/A
Jurisdictions: CAD, 11, 06, 09, 57, 08, 21, SA030, 10

Owner Identification #: 3126537

Name: MASTER PROPERTY PARTNERS LTD
Exemptions:
DBA: 61.6% OCC (2023) HEIMANN BLDG



Bexar CAD Map Search

Bexar CAD

Property Search Results > 1210507 MASTER PROPERTY PARTNERS LTD for Year 2023

Tax Year: 2023

Property

Account

Property ID:	1210507	Legal Description:	NCB 264 BLK 76 LOT 13 (VISTA VERDE NORTH TEX R-109 UT-12)
Geographic ID:	00264-076-0130	Zoning:	D
Type:	Real	Agent Code:	60075
Property Use Code:	400		
Property Use Description:	OFFICE		

Protest

Protest Status:	
Informal Date:	
Formal Date:	

Location

Address:	118 N MEDINA ST SAN ANTONIO, TX 78207	Mapsco:	616D5
Neighborhood:	NBHD code10040	Map ID:	
Neighborhood CD:	10040		

Owner

Name:	MASTER PROPERTY PARTNERS LTD	Owner ID:	3126537
Mailing Address:	900 ISOM RD STE 200 SAN ANTONIO, TX 78216-4116	% Ownership:	100.0000000000%
		Exemptions:	

Values

(+) Improvement Homesite Value:	+	$0		
(+) Improvement Non-Homesite Value:	+	$933,800		
(+) Land Homesite Value:	+	$0		
(+) Land Non-Homesite Value:	+	$1,086,200	Ag / Timber Use Value	
(+) Agricultural Market Valuation:	+	$0		$0
(+) Timber Market Valuation:	+	$0		$0

(=) Market Value:	=	$2,020,000		
(–) Ag or Timber Use Value Reduction:	–	$0		

(=) Appraised Value:	=	$2,020,000		
(–) HS Cap:	–	$0		

(=) Assessed Value: = $2,020,000

Taxing Jurisdiction

Owner: MASTER PROPERTY PARTNERS LTD
% Ownership: 100.0000000000%
Total Value: $2,020,000

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
06	BEXAR CO RD & FLOOD	0.023668	$2,020,000	$2,020,000	$478.09
08	SA RIVER AUTH	0.018360	$2,020,000	$2,020,000	$370.87
09	ALAMO COM COLLEGE	0.149150	$2,020,000	$2,020,000	$3,012.83
10	UNIVERSITY HEALTH	0.276235	$2,020,000	$2,020,000	$5,579.95
11	BEXAR COUNTY	0.276331	$2,020,000	$2,020,000	$5,581.88
21	CITY OF SAN ANTONIO	0.541610	$2,020,000	$2,020,000	$10,940.52
57	SAN ANTONIO ISD	1.424200	$2,020,000	$2,020,000	$28,768.84
CAD	BEXAR APPRAISAL DISTRICT	0.000000	$2,020,000	$2,020,000	$0.00
SA030	San Antonio TIF #30 Westside	0.000000	$2,020,000	$2,020,000	$0.00
	Total Tax Rate:	2.709554			
				Taxes w/Current Exemptions:	$54,732.98
				Taxes w/o Exemptions:	$54,732.98

Improvement / Building

Improvement #1: Commercial **State Code:** F1 **Living Area:** 21533.0 sqft **Value:** $911,074

Type	Description	Class CD	Exterior Wall	Year Built	SQFT
400	OFFICE	C - A	BR	1909	13161.0
400	OFFICE	C - A	BR	2004	4206.0
400	OFFICE	C - A	BR	2004	2544.0
400	OFFICE	C - A	BR	2004	812.0
400	OFFICE	C - A	BR	2004	216.0
400	OFFICE	C - A	BR	2004	594.0
CNP	Canopy	* - A		2004	696.0
CNP	Canopy	* - A		2004	1917.0
CNP	Canopy	* - A		2004	504.0
CNP	Canopy	* - A		2004	540.0
CNP	Canopy	* - A		2004	378.0

Improvement #2: Commercial **State Code:** F1 **Living Area:** sqft **Value:** $5,638

Type	Description	Class CD	Exterior Wall	Year Built	SQFT
ASP	Asphalt	* - A		2004	6500.0

Improvement #3: Commercial **State Code:** F1 **Living Area:** sqft **Value:** $2,213

Type	Description	Class CD	Exterior Wall	Year Built	SQFT
FEN	Fence	S - G		2004	290.0

Improvement #4: Commercial **State Code:** F1 **Living Area:** sqft **Value:** $4,469

Type	Description	Class CD	Exterior Wall	Year Built	SQFT
CON	Concrete	* - A		2004	3200.0

Improvement #5: Commercial **State Code:** F1 **Living Area:** sqft **Value:** $4,891

Type	Description	Class CD	Exterior Wall	Year Built	SQFT
ASP	Asphalt	* - G		2004	4822.0

Improvement #6: Commercial **State Code:** F1 **Living Area:** 4968.0 sqft **Value:** $4,821

Type	Description	Class CD	Exterior Wall	Year Built	SQFT
400	OFFICE	C - A	BR	1900	4968.0

Improvement #7: Commercial **State Code:** F1 **Living Area:** sqft **Value:** $459

Type	Description	Class CD	Exterior Wall	Year Built	SQFT
FEN	Fence	S - G		1980	72.0

Improvement #8: Commercial **State Code:** F1 **Living Area:** sqft **Value:** $235

Type	Description	Class CD	Exterior Wall	Year Built	SQFT
DLA1	Detached Living Area 1	A - NO		1900	656.0

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	COB	Commercial Office Building	0.8410	36633.96	0.00	0.00	$1,086,200	$0

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2024	N/A	N/A	N/A	N/A	N/A	N/A
2023	$933,800	$1,086,200	0	2,020,000	$0	$2,020,000
2022	$1,386,310	$573,690	0	1,960,000	$0	$1,960,000
2021	$1,413,420	$546,580	0	1,960,000	$0	$1,960,000
2020	$1,413,420	$546,580	0	1,960,000	$0	$1,960,000

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	6/8/2018	SWD	Special Warranty Deed	AVANCE INC	MASTER PROPERTY PARTNERS LTD			20180111686

2024 data current as of Sep 11 2023 2:33AM.
2023 and prior year data current as of Sep 9 2023 7:37AM

For property information, contact (210) 242-2432 or (210) 224-8511 or email.

For website information, contact (210) 242-2500.

EXHIBIT
2

San Antonio police, state troopers uncover organized drug ring in downtown building

by SBG San Antonio
Tue, April 17th 2018, 8:19 AM CDT

https://foxsanantonio.com/news/local/state-troopers-police-raid-building-near-downtown

Raid at building on North Frio Street on Tuesday, April 17, 2018. (Photo: Sinclair Broadcast Group)

SAN ANTONIO — Undercover agents and officers with the San Antonio Police Department and Texas Department of Public Safety raided a building just west of downtown on Tuesday morning, leading to the arrests of eight people.

San Antonio Police Chief William McManus said they were tipped to drug activity at the building located at North Frio Street and West Houston back in February. Over the last two months, undercover officers used surveillance cameras to monitor the apartments above the Cattleman's Square Tavern.

McManus said the surveillance uncovered an organized drug ring involving 32 suspects. On Tuesday morning, 8 of those suspects were taken into custody. Chief McManus said they expected to arrest the remaining suspects within a few days.

"This building was a scourge for the city," added McManus as he announced plans to work with the city to shut the building down for good. He also praised the work of the undercover officers who determined the drug activity at the

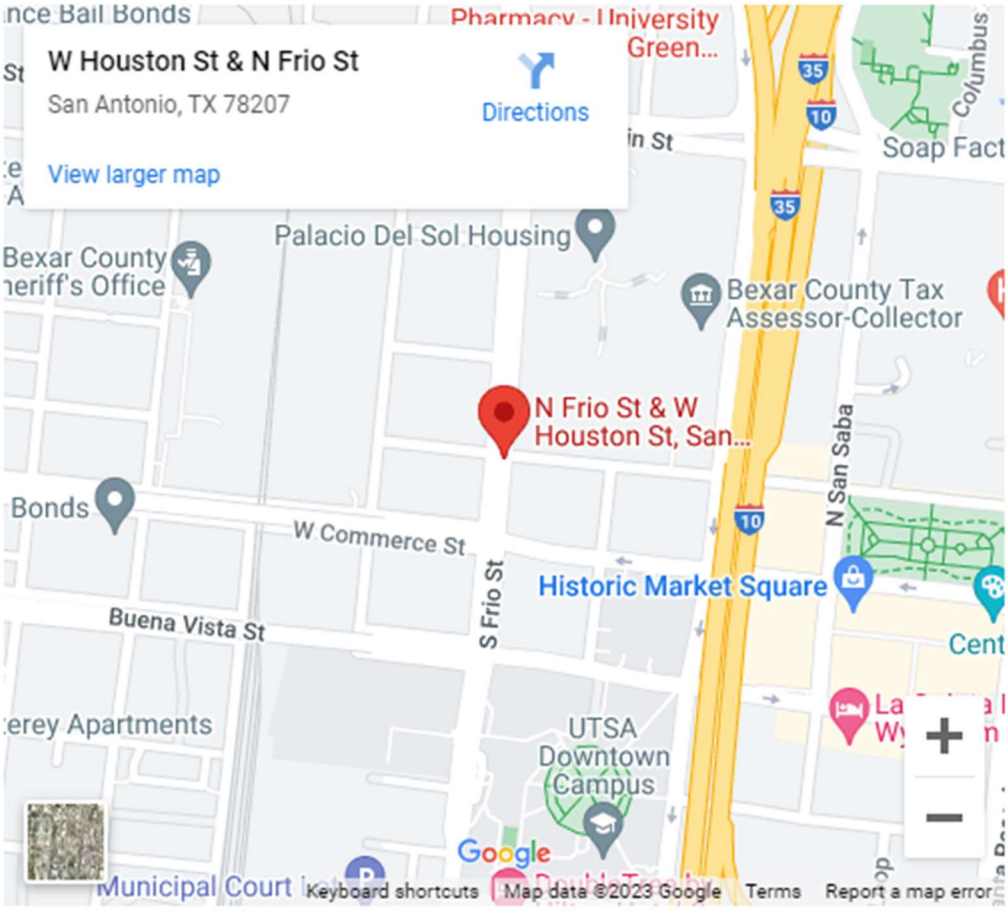
building was more than just individual selling and buying. McManus said some of the drugs that were being sold included cocaine, meth, marijana and synthetic marijuana.

"I'm glad to finally see the result of this operation," said Councilwoman Shirley Gonzales, who lives only a few blocks away from the building.

She described seeing suspects standing in the windows of the building, signaling to others in the plaza across the street as they would apparently arrange drug deals in broad daylight.


Share


19 RICH BROOK 2 3
PROTECTING THE



https://foxsanantonio.com/news/local/state-troopers-police-raid-building-near-downtown

Six suspected drug dealers arrested in undercover sting targeting troubled street corner

by Robert Price
Wed, September 18th 2019, 11:56 PM CDT

SAPD arrested six suspected drug dealers Tuesday as part of ongoing efforts to reduce crime in the Cattleman Square area west of downtown.

SAN ANTONIO - Half a dozen suspected drug dealers are off the streets following an undercover sting operation Tuesday, marking the second major operation in the past year targeting dealers near Cattleman Square just west of downtown.

San Antonio Police and business owners are calling it a crucial step in cleaning up an area they say is plagued by crime.

After a month of surveillance and investigation, police made their move on Tuesday, arresting Alex Francis, 32; Caleb Parkerson, 20; David Torres, 25; Demetrius Thomas, 23; Donald Springs, 31; and Miquella Turner, 21. All were taken into custody near the corner of North Frio and West Houston. All face felony charges of possession with intent to deliver.

People who live and work nearby hope the arrests will send a message to others and help improve the overall quality of life along these streets west of I-35.

Golden Star Café has been serving up Chinese food at the corner of North Frio and West Commerce since the early 1930's.

"We've been here serving generations of San Antonians," said Bo Lim, a co-owner and manager of the family-run restaurant. "1932 is when my grandfather started our business."

But she says the area has changed over the years.

"There are a lot of people that lose their way down here as tourists," said Lim. "They're not used to it and they get really scared."

"You've had prostitution, drug activity, gang activity," said Sgt. Michelle Ramos of the San Antonio Police Department. "It's very concerning for a lot of people. It's been a problem."

And so the police department has been working to change that.

"Looking to see, 'Who were the main players in that area,'" she said. "Setting up surveillance."

In April of 2018, SAPD officers joined forces with the Texas Department of Public Safety to raid the Cattleman's Square Apartments on West Houston, right across the street from Golden Star Café. Agents and officers obtained arrest warrants for more than 30 suspected drug dealers and worked with Code Compliance to get the building boarded up.

"For a couple months, it was pretty clean," said Sgt. Ramos. "We weren't having very many problems like we had experienced before."

Lim noticed a difference at first too. But, she said, "We really would like to keep the positive progress going."

"The activity in the area died down, but then you have other players coming in," said Sgt. Ramos. "And (they're) trying to sell drugs in that corner. It's well known for that activity."

This month, narcotics detectives partnered up with officers from SAPD Central SAFFE (San Antonio Fear Free Environment) to carry out a new undercover sting operation.

"We did have several detectives, they did go in an undercover capacity, and they did do buys," she said. "We saw a large amount of synthetic marijuana in that area (Tuesday)." They were selling them for $5 a cigarette. And so, you had individuals who were going around and it looks like they're just smoking a cigarette, but it had synthetic marijuana in it."

"We really appreciate them coming down and addressing the ongoing issues that we've been having in this community," said Lim. "This should be constantly monitored. It's not just a one-time deal."

Sgt. Ramos agreed, saying the area *is* always monitored. "We are out there, we are going to monitor the situation, and our officers, our detectives are aware of what's going on, and they're going to get you."

EXHIBIT
3

Fire breaks out at old Rich Book building in Cattleman Square Historic District

by SBG San Antonio Staff Reports
Wed, February 2nd 2022, 6:47 AM CST

https://news4sanantonio.com/news/local/fire-breaks-out-at-old-rich-book-building-in-cattleman-square-historic-district

A fire broke out late Tuesday night in the Cattleman Square Historic District in San Antonio. (SBG San Antonio)

SAN ANTONIO - A fire broke out late Tuesday night in the Cattleman Square Historic District in San Antonio.

The fire started around 11:30 p.m. at the old Rich Book Building on W. Houston Street and N. Frio Street.

Crews had to break through the second floor to reach the fire, but once they did, they made quick work of it.

Fire officials believe the fire started in a couch on the first floor and spread to the ceiling.

Nobody was injured. Damage estimates are around $15,000.

The Rich Book building was built in 1923 and was the former location of Cattleman's Square Tavern.

https://news4sanantonio.com/news/local/fire-breaks-out-at-old-rich-book-building-in-cattleman-square-historic-district

EXHIBIT
4

HAWTHORNE CONTRACTING

Ms. Stephanie Stolte
Project Manager
Master Property Partners, Ltd.
San Antonio Texas

Project Name: **900 W. Houston Street-Master Property Partners. Ltd.**

Scope of Work:
Preliminary Budget pricing to demo existing interior and reconstruct to bring to current code and functionality. Includes interior, exterior, structural, site-work, flatwork.

Demo	$	195,000.00
New Walls	$	143,000.00
VWC	$	-
T/F/Paint	$	110,500.00
Ceiling	$	136,500.00
Electric	$	552,500.00
HVAC	$	975,000.00
Plumbing	$	325,000.00
Concrete	$	162,500.00
Fire Alarms	$	110,500.00
Fire Sprinklers	$	455,000.00
Flooring	$	145,340.14
Doors/Hardware	$	110,500.00
Millwork	$	116,545.00
Elevators	$	325,000.00
Structural Work/Masonry	$	240,500.00
Glass/Windows	$	500,500.00
Site Work/Flatwork	$	240,500.00
General Conditions	$	419,165.52
Contractor Fee	$	421,084.05
Subtotal	$	5,684,634.72
Tax	$	468,982.36
Contract Total	$	6,153,617.08

Exclusions: keying of door hardware, Waxing/polishing of new flooring. Any items not listed above.

This proposal shall become effective upon signature by owner (or owner rep). Payment is due 30 days from invoice date. A finance charge of 1.5% per month will be applied to any upaid balances after 30 days.

Prepared by: Darren Hawthorne **Accepted:** _____

Date: 8.17.23 **Date:** _____

EXHIBIT 5

900 W Houston, San Antonio, TX

Pro forma

BUILDING PROGRAM AND RENTS					
Commercial Units	**SF**	**per SF**	**Units**	**Total Rent Monthly**	**Total SF**
900 W Houston (1st Floor) retail office	6,000	$1.50	1	$9,000	6,000
900 W Houston (2nd Floor) office	8,000	$1.00	1	$8,000	8,000
					-
	14,000				
Total Monthly Rent				**$17,000**	
Total Building Square Feet					14,000

						Exit Cap Rate
INCOME					**Stabilized**	**9.0%**
Gross Potential Income (Total Annual Rents)				*$204,000*	*$210,120*	
Less Vacancy			20%	-$40,800	-$42,024	
Gross Operating Income				$163,200	$168,096	
Operating Expenses (NNN)			$6	-$84,000	-$86,520	
Expense Reimbursement			80%	$67,200	$69,216	
Leasing Commissions/ Inducements				-$73,440		
Net Operating Income (NOI)				**$72,960**	**$150,792**	***$1,675,467***
COSTS						
Sales Price				$1		
Building Improvement Cost	SF Building		$440	$6,153,617	$6,153,617	
Total Hard Costs				**$6,153,618**	$6,153,618	
Soft Costs (Archtiect/ MEP / Permitting			4%	$215,377		
Carry Costs (taxes, interest, Insurance, lease up)		18-24 months		$500,000		
Land Costs				$1		
Total Project Costs				**$6,868,996**	**$6,868,996**	
Return on Project Cost				**1.1%**	**2.2%**	
LOAN						
Down Payment			35%	$2,404,148	$2,404,148	
Loan Amount			65%	$4,464,847	$4,464,847	
		Amort Years	Interest			
Loan Assumptions		20	0.0875			
Monthly Debt Service				-$39,456	-$39,456	
Total Annual Debt Service				-$473,476	-$473,476	
Cash Flow After Debt Service				**-$400,516**	**-$322,684**	
Debt Service Coverage Ratio (DSCR)				0.15	0.32	
Cash on Cash Return (Return on Down Payment)				**-16.7%**	**-13.4%**	

EXHIBIT 6

JJ REAL CO.

August 30th, 2023

JJ Real Co, Inc
Jeremy Jessop
210.386.3970
jj@jjrealco.com

The Office of Historic Preservation & Historic & Design Review Commission
Development and Business Services Center
1901 S. Alamo
San Antonio, TX 78210

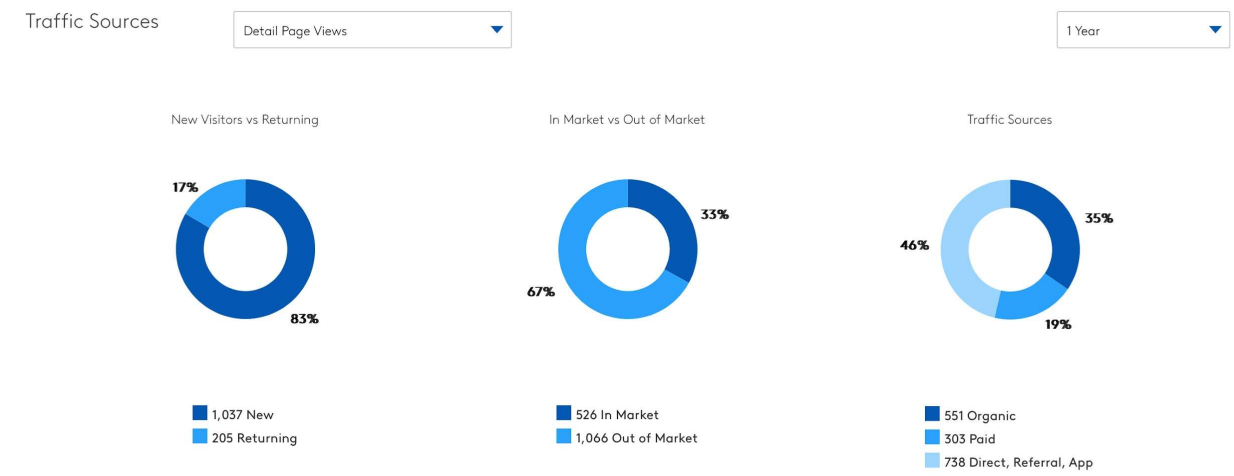
To Whom It May Concern,

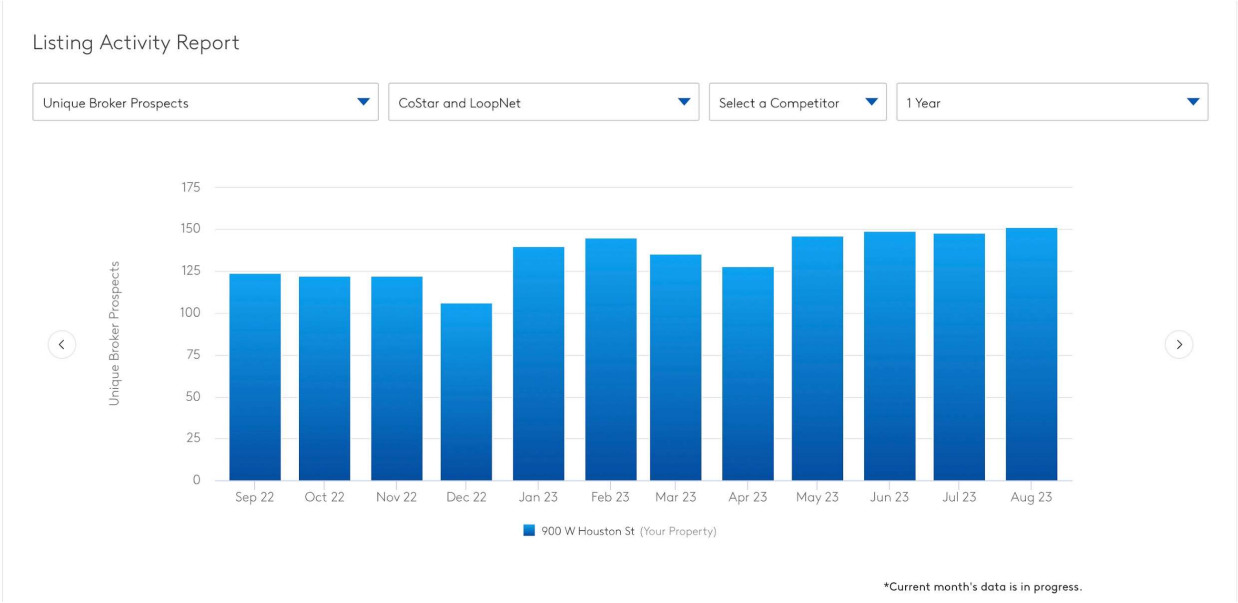
I am writing on behalf various clients and associates as it pertains to obstacles and barriers to the real estate activation of the Richbook building, 900 W Houston and overall Cattleman's Square Area development.

While there is resurgence of interest in real estate activity, especially within the urban core, challenging elements in engaging investors and tenants is becoming problematic, especially in the current economic climate. As it pertains to this intersection the challenges are primarily of buildings with structural defects, lack of security and homelessness.

In the past 18 years, as serving as a broker for the urban core and other adaptive reuse projects both historical and new construction, I have had multiple stories of success re-imagining historic properties with investors and tenants that have a level of vision and place-making abilities. Ultimately, these projects were successful because they tapped into the city's fabric of its neighborhoods, burgeoning districts and its overall attractiveness. When the surrounding neighborhood encourages it, the number of investors and tenants willing to take a chance on a building that needs a lot of work increases. However, when the surrounding neighborhood presents challenges, more than encouragement for property revitalization, the pool of vision-laden candidates dries up. In this particular case, the challenges are restrictive development codes, homelessness and vagrancy.

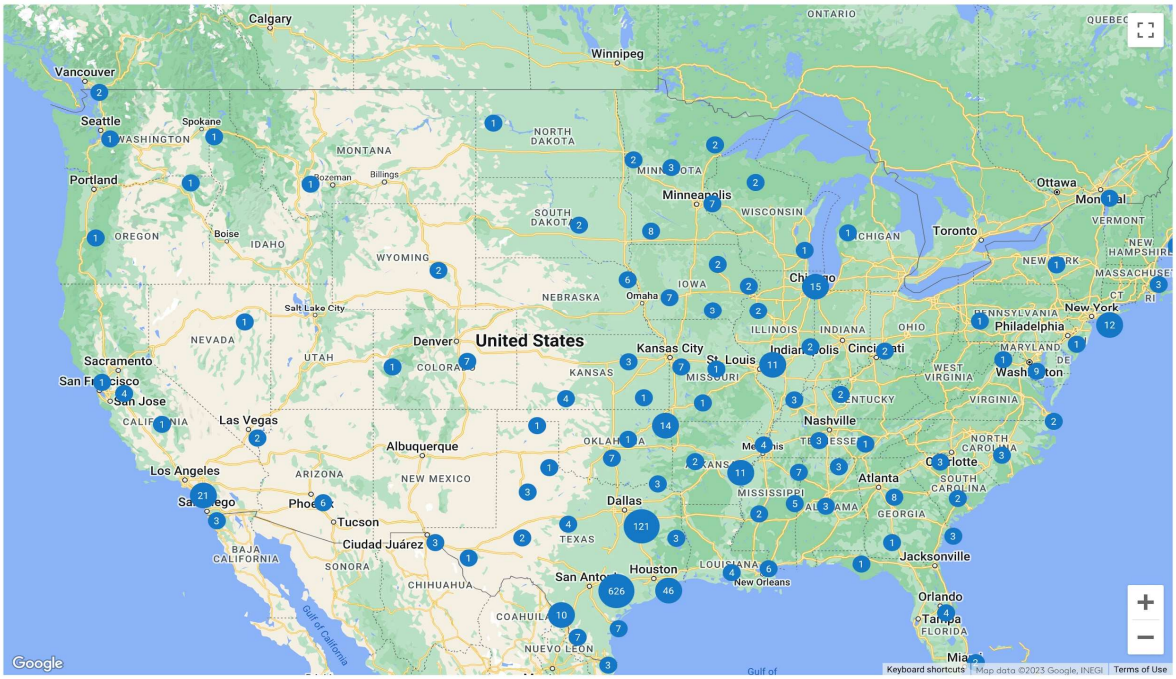
Among other local advertising mediums and your major nationwide platforms like Crexi CoStar and LoopNet the property has been marketed for approximately 3 years through Covid shutdown and the boom thereafter with very little interests without the removal of the Richbook building and the external problems it presents to the area. The listing performance has touched players in all markets local and afar with no one willing to commit to a development with the obstacles in place.





824 Broadway Suite 110
San Antonio TX 78215
210.386.3970

Detail Page Views Confidentiality Agreements



This intersection, and its neighboring intersections, have at any point dozens of loitering individuals, some presenting health and safety concerns for property owners and tenants. To merely show a space for a client becomes an orchestrated endeavor involving the SAPD, multiple members of my staff and others. Merely gaining access to the sites can be a challenge as camping tents, possessions and often human excrement, occupy parking lots, sidewalks and entrances.

We have had several groups tour the site and did have a potential client for the site that rehabilitates “graduates” of Haven for Hope. Although really liking the location of the property in question, due to the lifestyle ‘temptations’ surrounding the property, the site would prove problematic for its clients, not to mention safety concerns for its employees as well. They passed on leasing the site. Furthermore, other non-profit organizations invested in the area and surrounding projects such as NALCAB have passed on the site due to both safety of employees and the liability of the Richbook building.

I believe that a serious investment of institutional proportions with modern day parking solutions is the only path to improving this intersection and neighborhood. This can be achieved with a development plan that manages access, provides secure parking and encourages further development and commerce. The required investment based on the existing road blocks cannot be realized with the existing configuration of buildings serving as a backstop to homelessness and crime.

Sincerely,

Jeremy B. Jessop

824 Broadway Suite 110
San Antonio TX 78215
210.386.3970

PROSPER WEST
San Antonio

November 8, 2023

To Whom It May Concern:

This letter will serve to confirm Prosper West's exploration of the purchase of the Cattleman's Square property including the Rich Book Building. After two months of discussion with the seller, which included the offer of financing terms, we concluded that the project was not financially feasible considering the extent of rehabilitation needed, the surrounding market conditions, and the other unknowns on the project such as community support, public subsidies, and deeper rehabilitation issues.

If you have any questions or need additional information, please feel free to contact me.

Sincerely,

Ramiro Gonzales
President/CEO
ramiro@prosperwestsa.org
(210) 744-1469

From: Mark Larson <mark.larson@earlymatterssa.org>
Date: December 1, 2023 at 4:19:03 AM GMT+7
To: David Adelman <davida@areatx.com>
Subject: Letter of support

To Whom It May Concern:

By way of this letter, I am confirming City Education Partners exploration of the leasing of the Cattleman's Square property. As our previous location was becoming unavailable, we were exploring other options to hold our main offices and to make available to our many partners. This took place in February/March of 2020. After evaluation of the property, the surrounding area, and the need for significant capital improvements, and the lack of clarity about community support and viability of structural changes, we decided not to pursue it further.

I am available for any questions you might have at mark.larson@earlymatterssa.org or 210-887-6391.

Mark Larson
Former - CEO of City Education Partners from 2019 – July 2020

Mark Larson
Executive Director
Early Matters San Antonio
Mark.larson@earlymatterssa.org
Cell: (210) 887-6391
Schedule with Mark

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SAN ANTONIO

INSTITUTE FOR
SCHOOL AND
COMMUNITY
PARTNERSHIPS

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SCHOOL AND
COMMUNITY
PARTNERSHIPS

Edward Hall (OHP)

From: Anisa Schell <aschell@OrtizMcKnight.com>
Sent: Thursday, December 14, 2023 12:24 PM
To: Edward Hall (OHP)
Cc: James McKnight
Subject: [EXTERNAL] Fw: 900 & 908 W Houston

Edward,

Can you please add this letter in support of demolition to the file for 900/908 W. Houston?

Thank you,

Anisa Schell (she/her)
Project Manager
Ortiz McKnight, PLLC
O: 210.664.0005 | C: 303.947.1618

From: J R <jilesr@gmail.com>
Sent: Wednesday, December 13, 2023 3:18 PM
To: Anisa Schell <aschell@OrtizMcKnight.com>
Cc: maricela raya <maricelaraya@yahoo.com>; ralphg0618@gmail.com <ralphg0618@gmail.com>
Subject: Re: 900 & 908 W Houston

Hi Anisa, I'm forwarding this to the President Maricela and Vice President Ralph of Gardendale Neighborhood Association for review.

This looks like the developer (Adelman & Anthony http://areatx.com/realestate/) that was blocked by the Historic and Design Review Commission (HDRC), and Graciela Sanchez director of the Esperanza Peace and Justice Center. Mr. Roland Garcia Mazuca is from District 5 and is on the HDRC. I don't personally know how he feels about the development. As far as I know, the public wasn't informed or asked about the development. Gardendale NA wasn't made aware and only much later, researched what had happened.

My concern is I've read a few things where Adelman was pretty frank about getting rid of the location by all means. To quote:

> Asked whether he was ready to abandon the Rich Book site, he said, “Not only yes, but hell yes. I will wave the white flag of surrender.”

> In a response late Wednesday, Adelman said, “Nothing going on there at present time but we would engage with a developer with a vision anytime. Or, happy to entertain a sale. We do have a great site plan that would accommodate workforce housing, however, it would require the demolition of the building. I am a strong preservationist as you know, but that building is not salvageable with market economics. It would require strong incentives or philanthropy and given I am unaware of any philanthropists saving old buildings without significant historical qualities such as important events or unique architecture that leaves us with the public sector. And I don’t think the taxpayers should be footing the bill for this one.”

Reference: https://sabotdevelopment.com/austin-firm-sabot-development-invests-in-historic-san-antonio-west-side-building/

That being said, anything that services the development of the inner West Side, that further promotes **living**, **working**, **learning** (UTSA downtown), will only help with cleaning up the area as well.

The idea that gentrification and displacement will affect the area are drudged up every time new development is mentioned on the Inner West Side, to the detriment of the people living here. It means that positive development is not created, and we're saddled with being allowed low income housing or city use of the area which lowers the overall attraction and value (Haven for Hope, Jail).

Instead of development for future generations, we have derelict buildings that draw vagrants, high drug trafficking/usage, and crime. All of this within walking distance of the very people that are educating themselves at UTSA, the people that will one day run various institutions in our city, state, and country.

I know the "National Grocer Building" is also being looked at for demolition and redevelopment, which to me means the CoSA/District 5, can't block development that is sure to come, one way or another. We should be happy to work with developers that are interested in public feedback. If we do not support positive development, we are only blocking attempts at building a thriving city environment for future generations.

I can't speak for Maricela and Ralph, but I personally am ALL FOR future development of the buildings, including up to demolition as needed, with plans for development of something new in its place. Something that could possibly include housing, retail, business, a model that has been done and used in many other locations and cities, comes to mind.

The past can be kept alive in many ways such as:

- Setting up a room or wall within the building that talks about the history of what once stood
- Build a to-scale model of it within the room, maybe split to show the inner structure and have a plaque telling of its importance to the development of the city in its time
- Build a monument inside an inner courtyard

The point is there is much that can be done to preserve the past without continuing to use the excuse of "preservation of the past" to block development, that essentially amounts to a crumbling vacant building, and a stagnant area so close to downtown proper of San Antonio. It's shameful, and disgraceful, and we can do better.

This is my opinion, and I stand by it 100%.

On Wed, Dec 13, 2023 at 2:06 PM Anisa Schell <aschell@ortizmcknight.com> wrote:

> Hello JR,
>
> I hope you're doing well. I wanted to reach out to you about the proposed demolition at 900 & 908 W Houston. These buildings are within the boundaries of Gardendale.
>
> Our firm is representing the owner who is applying to demolish both buildings. You mentioned this at the WEHA meeting a couple of weeks ago. I wanted to see if you had any questions, or if you would like to talk about the demolition. We would really appreciate Gardendale's support on this application. I've attached a map showing the location of the buildings, across from the VIA hub. Please let me know if you have any questions.
>
> Thank you,
>
> Anisa Schell (she/her)
>
> O|M Ortiz McKnight PLLC
>
> 112 E. Pecan St., Ste. 1350
> San Antonio, TX 78205

O: 210.664.0005 | C: 303.947.1618
ortizmcknight.com

--
J. R.
Gardendale NA | Board Member