

HISTORIC AND DESIGN REVIEW COMMISSION

April 15, 2015

Agenda Item No: 8

HDRC CASE NO: 2015-136
ADDRESS: 106 ALAMO PLAZA
LEGAL DESCRIPTION: NCB 151 BLK LOT 3, A1,A2,A3,A4,A5,A6,7,8,60,61, 62,63,65,A66&64 EXC SW 32 FT 2009-RESURVEY PER DEED 13653/1433 EX 8/25/2008
ZONING: D H HE RIO-3
CITY COUNCIL DIST.: 1
DISTRICT: Alamo Plaza Historic District
LANDMARK: Joske's Dept Store
APPLICANT: Mitsuko Ramos/Kaufman & Killen, Inc
OWNER: New Rivercenter Mall, L.P. c/o Ashkenazy Acquisition Corp.
TYPE OF WORK: Tax certification
REQUEST:

The applicant is requesting Tax Certification at 106 Alamo Plaza.

APPLICABLE CITATIONS:

UDC Section 35-618. Tax Exemption Qualifications:

(d) Certification.

(1)Historic and Design Review Commission Certification. Upon receipt of the owner's sworn application the historic and design review commission shall make an investigation of the property and shall certify the facts to the city tax assessor-collector within thirty (30) days along with the historic and design review commission's documentation for recommendation of either approval or disapproval of the application for exemption.

FINDINGS:

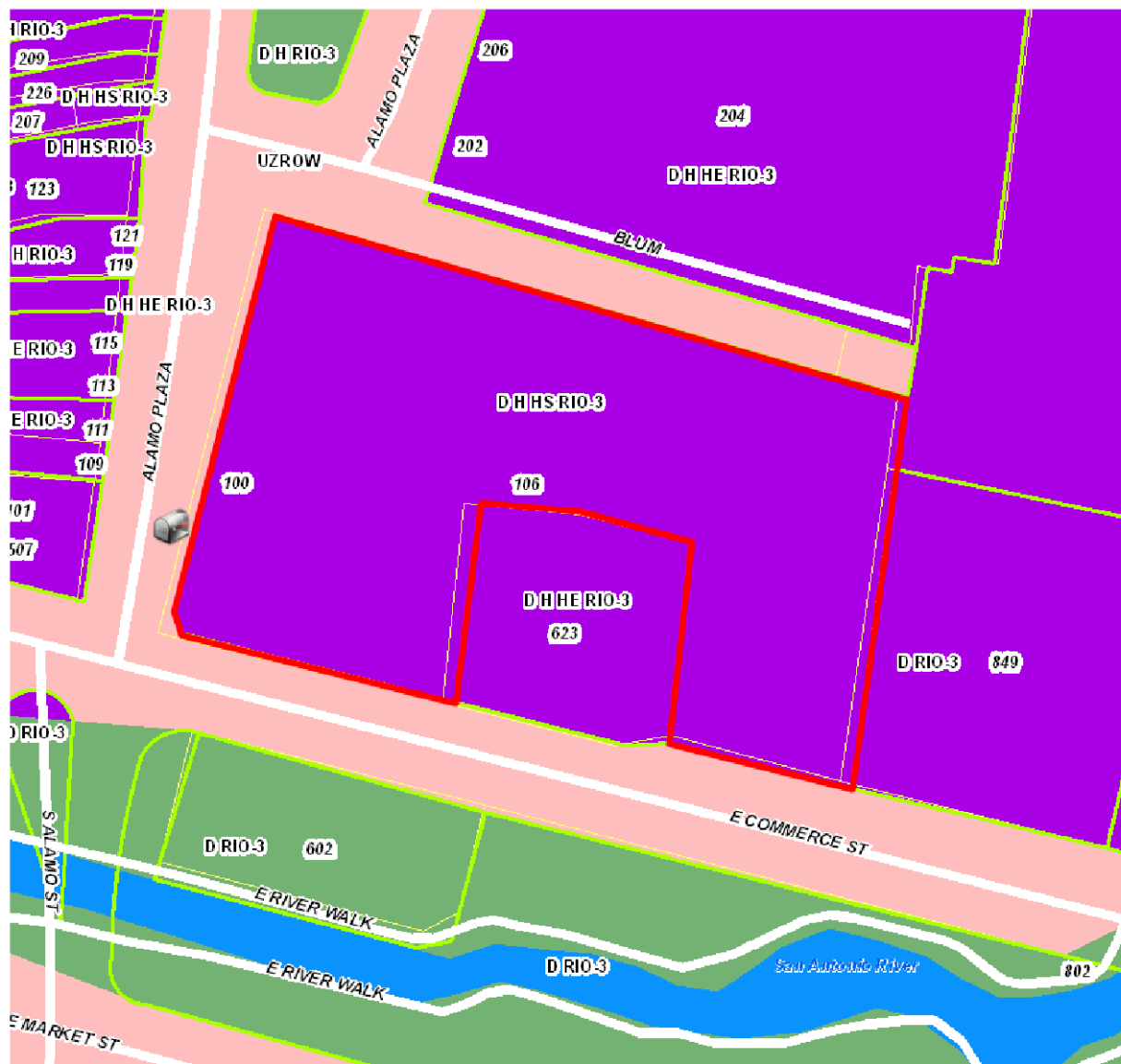
- a. The scope of work consists of the HDRC approved restoration of the Joske's Building façade among other items for the overall substantial rehabilitation of the structure.
- b. The applicant has met all of the requirements for Historic Tax Certification outlined in UDC Section 35-618 and has provided evidence to that effect to the Historic Preservation Officer including interior photos and invoices.

RECOMMENDATION:

Staff recommends approval as submitted based on finding a and b.

CASE MANAGER:

Edward Hall



Flex Viewer

Powered by ArcGIS Server

Printed: Apr 10, 2015

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Rivercenter Mall – Joske’s Building Redevelopment

Written Narrative in Support of Historic Tax Credit Applications

Prepared by: Christian E. Oviatt, SCSM
General Manager – Rivercenter

PROJECT OVERVIEW: Redevelopment of the Historic Joske’s Building at Rivercenter mall was a goal since its acquisition by an affiliate of Ashkenazy Acquisition Corp in March 2005. One of the most significant factors in the decision to acquire Rivercenter was the amount of then vacant or underutilized space within that building. There are six floors; 4 above grade, a full basement and smaller sub-basement with a Gross Building Area (GBA) of more than 551,000 square feet. At acquisition, more than 210,000 square feet was vacant primarily in the basement and on the 3rd and 4th floors. Dillard’s occupied another 138,000 square feet paying below market rent and, as one of two underperforming department stores in the project – Macy’s is the other - represented underutilized space. Accordingly, the vacant and underutilized portions of the building provided an attractive redevelopment opportunity.

HISTORIC PERSPECTIVE: Joske's, founded by German immigrant Julius Joske in 1867, was a department store chain originally based in San Antonio, Texas. In December 1928, Hahn Department Stores acquired the company along with the Titcher-Goettinger department store of Dallas, and three years later Hahn became part of Allied Stores. Allied was taken over by Campeau in 1986, and Campeau in turn sold the Joske's chain in 1987 to Dillard's. All Joske's stores were then quickly converted into Dillard's locations.

Joske's first store, located on Main Plaza in San Antonio and known as J. Joske, opened in 1867 and operated until 1873, when Joske sold it and went back to Berlin for his family. After returning to San Antonio the same year, Joske opened a new store on Austin Street called J. Joske and Sons. Joske moved the store to Alamo Plaza and changed its name to Joske Brothers. In 1887 the store was moved across the street to the corner of Alamo and Commerce Streets, overlooking historic Alamo Plaza. New floors and elevators were added during a 1909 expansion. In 1936, the five-level store became the first fully air conditioned store in Texas, and the store became known as "The Big Store."

The store was expanded and renovated again in 1939, sporting a new Art Deco facade along Alamo Street as well as the first escalators installed in a Texas store. To make way for this expansion, the rooftop electric sign, the largest in Texas, where a cowboy was shown lassoing a steer came down. When Joske's wanted to expand again in 1945, nearby St. Joseph's Catholic Church refused to sell its land. Nevertheless, Joske's kept expanding, and St. Joseph's was eventually surrounded on three sides by the store and was jokingly called "St. Joske's." By 1953

the flagship store had been expanded several times. The 551,000 sq ft five-level store was the largest department store west of the Mississippi until its closure in 1987. The long-time slogan for the chain was "the biggest store in the biggest state." In 1968, a fiberglass and decorative cast iron element embellished "False Façade" was installed along commerce Street to unify the building's Art Deco style. The exterior has remained largely unchanged architecturally since.

At one time, a shopper could get a custom-made saddle in the downtown store. Departments included spurs and saddles; appliances; a travel agency; an Oriental rug gallery; a lending library; a bakery; gourmet foods; books, toys and even a large postage stamp collecting area. Joske's flagship store also featured the Camellia Room (for formal dining), the Chuck Wagon, and the Fountain Room (a coffee shop). During the Christmas holidays, the flagship store was well known for its fourth-floor "Fantasyland"; its holiday-themed window displays, including a large window with a toy train set; and the 40-foot-tall Santa Clause that sat atop the roof. "Rusty the Reinsteer" was the Joske's holiday mascot.

SCOPE: The redevelopment plans substantially renovate, reorient and repurpose the Historic Joske's building that is part of the Rivercenter mall. The project retains, preserves and rehabilitates the historic exterior. The space previously occupied by Dillard's on the 1st and 2nd floors will be sub-divided to accommodate multiple, smaller Tenants. Vertical transportation will be expanded via the installation of new elevators and escalators and the refurbishment of existing equipment. The goal is to engage portions of the basement as well as the third and fourth floors that have not been active in more than 24 years.

The Blum Street retail corridor will be converted into a "Fast Casual" restaurant row where each Tenant will have both interior and exterior patio seating. There is a shade structure proposed over the entire length of the public area, large overhead fans and music to establish a desirable ambiance and identity for a previously uninviting area. Applicant may seek to have the Blum Street corridor designated as a "Pocket Park" consistent with the Downtown Master Plan. The plan reorients the property towards the Alamo Plaza by adding a feature with a 3-story atrium on Blum Street and adding an entrance on the hard corner of Alamo and Blum streets for the Junior anchor tenant, H&M. Together these entrances celebrate the plaza and capitalize on the various initiatives to improve the plaza.

The Master Signage Plan, already approved by the Historic Design Review Commission, is an important component of the overall redevelopment project that sets the tone for the architectural design and updated merchandising. The intent is to create a world class shopping, dining and entertainment venue in the heart of the downtown San Antonio. Upon completion,

the project will be a powerful amenity to the important hospitality industry, an iconic destination for visitors and locals alike and a catalytic foundation for improvements in and around Alamo Plaza.

ADDRESSES: This Signage Master Plan (hereinafter “SMP”) addresses signage on four separate structures: The Historic Joske’s Building at 106 Alamo Plaza, the Rivercenter Mall building at 849 E Commerce Street, and the related and attached parking garages – one facing Commerce Street (hereinafter the “Commerce Garage”) and one facing Crockett Street (hereinafter the “Crockett Garage”). The Joske’s Building is in NCB 151, LOT 3, A1-8, 60-66, EXC SW 32 FT. The Rivercenter Mall building is in NCB 1010, BLK 2, LOT 4.0287 AC of 30. The Commerce Garage is in NCB 1010, BLK 2, LOT 26, RIVERCENTER SUBD. The Crockett Garage is in NCB 1010, BLK 2, LOT 28, RIVERCENTER SUBD.

OWNERSHIP: New Rivercenter Mall, LP and New Rivercenter Mall II, LP are both affiliates of the Ashkenazy Acquisition Corporation and its principal, Ben Ashkenazy.

Historic Joske's Building

Summary of Renovation/Restoration Project

Roof:

To install the new roof, AAC is incurring costs in excess of \$1.5 million in demolition costs to sustain the walls around the construction of the new roof. The walls are currently being reinforced by 16 iron pillars rooting from the basement of the building to the very top of the building.

The roofing on the other portions of the building will be restored to prevent leaking, which is an issue that one of the tenants (AMC) in Joske's Building is currently experiencing.

Waterproofing:

The construction plans also include the waterproofing of the entire building to protect contents and the structural integrity of the building.

Safe Occupancy:

Additionally, significant costs are being incurred to eliminate lead-based hazards since the Joske's Building was constructed in the 1800s.

Exterior Walls & Features:

Because the Joske's Building is a historical structure, the exterior of the building will remain intact (as is); except for retail signs that will be put up once the rehabilitation is completed. AAC submitted a Master Signage application to the Historic Design Review Commission of the city of San Antonio and the application was approved.

Although new doors will be installed as part of the rehabilitation, the existing windows will remain when the rehabilitation is completed. AAC is also incurring significant costs in restoring the stained glass windows.

Other Features:

Some existing elevators will be restored and new elevators will be installed. New escalators will also be installed as well as new HVAC systems.

Historic Joske's Building

Historical Timeline

The table below depicts a historical timeline of events affecting the Joske's Building.

Table I: Historical Timeline of the Joske's Building^{1, 2}

Date	Description
January 1, 1887	Joske's Brothers retail store opened its doors at the corner of Alamo and Commerce streets (currently 106 Alamo Plaza).
January 1, 1909 (First Expansion of Joske's)	First expansion of the Joske's Brothers retail store. For this first expansion, the Joske's acquired all the property on the Alamo Street block including the 5-story Conroy Building, up to the Gallagher Building, which held the Wolff Brothers store. This expansion added elevators and new floors (from 2 to 4 floors). The façade of the building was a brick design.
January 1, 1937	Joske's Brothers retail store acquired the Plaza Theater, which opened in the Gallagher Building on January 1, 1911 from Allied Store Corporation.
January 1, 1938 (Second Expansion of Joske's)	Second expansion of the Joske's Brothers retail store. For this second expansion, the Plaza Theater was demolished to pave way for this second expansion of the Joske's Brothers retail store.
January 1, 1939 (Renovation of Joske's)	Renovations of the Joske's Brothers retail store began. This renovation included a demolition of the Conroy building and the Alamo Theater that added 100,000 square feet of space to the property. As part of this expansion, the façade of the building was changed to a new Art Deco design (current façade of the building).
January 1, 1953	Building program doubled the store's size to 551,000 square feet of space and added a parking lot.
January 1, 1977	Designation of the Joske's Building by the Texas Historical Commission as a building that is contributing to the historical significance of the Alamo Historic District.
January 1, 1987	Campeau Corporations (Dillard's) bought the Joske's Store from Allied Stores, renovated the store, and renamed it Rivercenter.
January 1, 2005	Ashkenazy Acquisition Corp. ("AAC") acquired Rivercenter Mall, which opened on January 1, 1989. AAC also acquired the Joske's Building from Dillard's.
August 1, 2008	Dillard's move out of the Joske's Building and it has remained vacant since then.
October 1, 2013	Redevelopment of the Joske's Building by the current owners (AAC) begins.
May 1, 2015	AAC expects to complete the redevelopment of the Joske's Building.

¹ Damon Arhos, "JOSKE'S," *Handbook of Texas Online* (<http://www.tshaonline.org/handbook/online/articles/dhjqn>), accessed June 23, 2014. Uploaded on June 15, 2010. Published by the Texas State Historical Commission

² Julie Domel and Merissa Brown, San Antonio Express-News (<http://www.mysanantonio.com/business/item/Timeline-A-history-of-alamo-street-joske-s-18226.php>), accessed June 23, 2014.

Ashkenazy Acquisition Corporation
RiverCenter Mall - Joske's Building
Historic Tax Credit Application

Tax Certification Form Exhibit

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Work Description (Hard Costs)	Total Qualifying Renovation Expenses (QRE) in Dollars
Façade	4,800,000
General Conditions (Supervision)	109,510
PM. Assit. PM, Secretary	230,211
Field Super, Assit. Field Super	197,530
Flagmen, Safe Guards, Barricades	243,658
Cleaning	27,955
Office Equipment & Supplies	28,379
Selective Demo (removal of interior wood structure and deteriorating material tied to exterior wood)	1,149,244
Selective Demo Reallocation	320,184
Create Opening To (access to bldg to deliver materials)	50,000
Drilled Piers incl Concrete & Spoil	433,600
Temporary Shoring Footings	64,300
Temp. Shoring for Exterior Wall	823,440
Ventilation in Basement	25,000
Excavation 6' & Gravel Fill In (lower basement)	223,500
Structural Concrete	2,863,156
Rebar	477,000
Rebar Placement	182,700
Rebar Allow Item GN-9 Sht S1-0	5,850
Cast-N-Place Concrete	51,840
Misc. Concrete (Includes cost of cranes)	378,600
Cast Stone Masonry (interior & exterior)	416,175
Structural Steel	1,578,045
Steel Erection	910,575
Struct Steel Allow Item GN-10 10	39,900
Pipe and Tube Rails (upgrade egress stairs)	93,200
Rough Carpentry (roof blocking, in wall blocking, etc)	189,900
Historic elevator restoration	600,000
SBS Modified Bit RFG (Roof)	856,000
Historic exterior brass door renovation off Alamo & Blum (corner entrance)	500,000
Temporary Partition Type "A"	115,000
Spray on Fireproofing	200,000
Stone Column Renovation	200,000
Wet Pipe Sprinklers	1,057,363
Fire Pump	101,044
PLBG	757,200
UVAC	2,194,509

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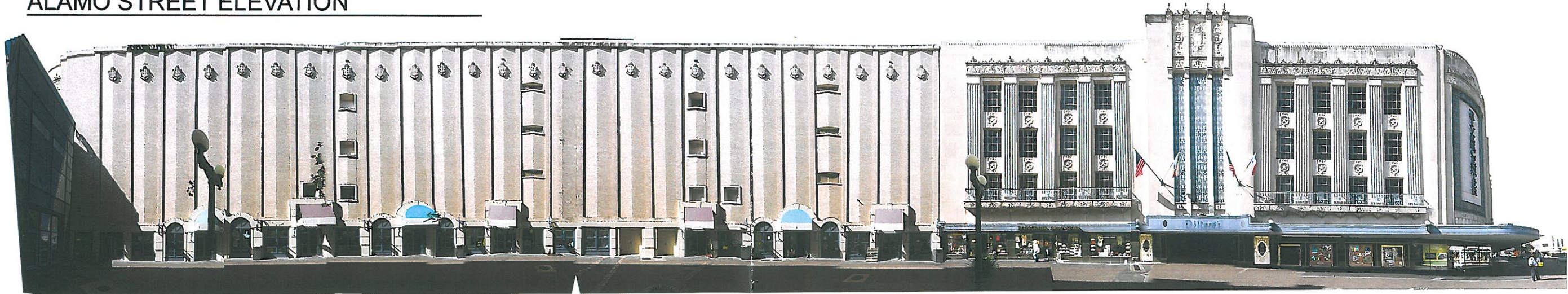
Description (Soft Costs)		Total Qualifying Renovation Expenses (QRE) in Dollars
Architect Design		
	Project Architect	\$257,320.13
	Accessibility Review	\$925.00
Engineering		
	Structural	\$74,000.00
	MEP	\$200,000.00
	Geotechnical	\$133,045.61
	Environmental	\$25,000.00
	Civil (sidewalks)	\$57,163.57
	Project Manager	\$219,491.61



COMMERCE STREET ELEVATION



ALAMO STREET ELEVATION



BLUM STREET ELEVATION