



City of San Antonio

Agenda Memorandum

File Number:15-2039

Agenda Item Number: 32.

Agenda Date: 6/16/2016

In Control: City Council A Session

DEPARTMENT: Office of Historic Preservation

DEPARTMENT HEAD: Shanon Shea Miller

COUNCIL DISTRICTS IMPACTED: District 2

SUBJECT:

Resolution to proceed with landmark designation for 1434 (1432) E. Commerce Street

SUMMARY:

This resolution requests direction from City Council to move forward with historic landmark designation for the property at 1434 (1432) E. Commerce Street. The Historic and Design Review Commission (HDRC) recommended a Finding of Historic Significance for this property on November 5, 2014.

BACKGROUND INFORMATION:

August L. Reus purchased the property in January 1913. According to the city directories, Reus ran a saloon at this location until Prohibition took effect in 1920, when he switched to selling soft drinks. However, newspaper articles from the 1930s reveal that August Reus' establishment (then addressed as 932 E. Commerce) had long been a successful restaurant, as well. The *San Antonio Express* noted that, "Reus Buffet is one of the 'institutions' of San Antonio. . . Not only does the establishment enjoy a large patronage from residents of the metropolitan area of the city, but its customers from out of town run to imposing numbers." Reus' son, Arthur, helped run the restaurant, which he eventually took over from his father.

In 1934, August L. Reus purchased the adjacent property at 928 - 930 E. Commerce (Lot 8, Block 3, NCB 598) from the estate of J.A. Hoerster. This building had previously housed grocers (1910s), a bakery (1920s), and furniture manufacturing (1930s). Son Arthur Reus saw the potential for another use and applied for a retail package house liquor license at 930 E. Commerce in 1935. The liquor store became known as the Reus Package House and remained in operation through 1970.

In 1936, father and son remodeled their restaurant to expand the buffet and to include a modern soda fountain. Reus

added packing and curing rooms on the back of the café for large scale production of the restaurant's popular German sausages in 1955. Reus sold his sausage both in the restaurant and through several local grocery stores.

Integration came to the restaurant in March 1964, when the Committee on Racial Equality (CORE) picketed the premises for nearly a month after an African-American man and woman were denied service inside the restaurant. The protesters challenged Arthur Reus' policy of only serving "Negroes" through a window in the back of the café or getting food to go. After a police-moderated meeting with CORE members, Reus agreed to integrate his restaurant.

Reus's Café closed in 1965, and its equipment and fixtures were put up for public auction in January 1966. Perhaps the most notable item offered was the "Antique Back-Bar, approximately 10 ft., purchased by Mr. (Arthur) Reus' father in 1907 from the Anheuser Busch Co., who at that time was the Lone Star Brewery."

The wood-framed residential building at 105 S. Hackberry (located on the lot behind the Reus-Sterling buildings) was constructed circa 1925 as the residence for August and Agnes Reus. It is a 1 ½ story Craftsman style home with a large, inset porch, decorative eave brackets and wood-shingled gables.

The collection of buildings comprising 1434 (1432) E. Commerce Street remains an important visual reminder of the thriving commercial corridor of E. Commerce Street that existed throughout the early to mid twentieth century. Although changes have occurred on the ground floor façades, including alterations to some of the original store fronts, there remain a number of original wooden doors and tile work that appears to be of historic age (although likely added sometime in the mid 20th century). The original wood-frame buildings have with altered by the incorporation of stucco cladding and clay tile coping, reflective of a trend that would have been popular in the early 20th century. The unified facade contributes to a continuity of style and appearance of these three buildings and defines the street edge along Commerce Street. The collection of structures continues to convey its significance as some of the oldest commercial buildings remaining within this section of E. Commerce Street. The loss of these structures would greatly undermine the integrity and history of this significant commercial corridor on San Antonio's near eastside.

The Reus-Sterling buildings and the residential structure (Reus House) at 105 S. Hackberry are recommended for local landmark designation based upon the following eligibility criteria:

- Its value as a visible reminder of the cultural heritage of the community [35-607(b)1]: a remaining testament to the former thriving commercial corridor of E. Commerce Street;
- Its identification with a person or persons who significantly contributed to the development of the community [35-607(b)3]: its lengthy association with August L. Reus and later his son Arthur Reus and their long-time saloon and restaurant operation that were a prominent fixture on the Eastside and in San Antonio's local economy;
- Its unique location or singular physical characteristics that make it an established or familiar visual feature [35-607(b)7]: as a prominent presence along the corridor of E. Commerce Street;
- Its historical, architectural, or cultural integrity of location, design, materials, and workmanship [35-607(b) 8];
- It is distinctive in character, interest or value; strongly exemplifies the cultural, economic, social, ethnic or historical heritage of San Antonio [35-607(b)11]: representative of the evolution of 19th and early 20th century commercial buildings as uses and occupants changed over time;
- It is an important example of a particular architectural type or specimen [35-607(b)12]: : one of the oldest collections of commercial buildings remaining in the vicinity on E. Commerce Street;
- It bears an important and significant relationship to other distinctive structures, sites, or areas, either as an important collection of properties or architectural style or craftsmanship with few intrusions, or by contributing to the overall character of the area according to the plan based on architectural, historic or cultural motif [35-607(b) 13]: contributes to the historical commercial character of E. Commerce Street as a thriving urban corridor;

The property is currently city-owned. A demolition application for the three contiguous buildings fronting E Commerce (known as the Reus-Sterling buildings) as well as the wood-framed residential building (Reus House) at 105 S. Hackberry was submitted by a potential purchaser of the property.

A site visit to the property was conducted by the Designation and Demolition Committee (DDC) of the Historic and Design Review Commission (HDRC) and OHP staff on October 8, 2014. The committee observed the interior and exterior of the buildings along E. Commerce Street. The committee members present noted that the buildings had historical value and contributed to the historic streetscape along E Commerce. The committee recommended landmark designation.

The City of San Antonio previously contracted with Alpha Engineering and Raba Kistner Consultants to assess the structural integrity of the foundation components of the buildings on E. Commerce Street. The reports concluded that the buildings are in need of substantial foundation repair. In particular, the foundation of the single-story building (1434) is in need of a complete retrofit or replacement (incorrectly identified as 1432 E Commerce in the report).

An additional structural report has been provided by a potential purchaser of the property. Conducted by Sparks Engineering, the report concludes that substantial repairs are necessary in order to adapt the building for future use. Recommended repairs include retrofitting wood-framed walls, constructing new concrete footings in 1434 (consistent with the Raba Kistner assessment), installing concrete pilasters and bond beam, reroofing, and replacing stucco. A representative of the potential purchaser has provided a cost estimate of approximately \$3.7 million for the rehabilitation of the buildings.

On November 5, 2014, the HDRC voted unanimously to pursue landmark designation of the property. Because the potential purchaser of the property does not give consent to designate the property, UDC Section 35-606 is followed to seek City Council resolution to proceed with the designation process.

Historic landmarks possess cultural and historical value and contribute to the overall quality and character of the City and its corridors. OHP staff acknowledges that there may be additional costs associated with a rehabilitation of the Reus-Sterling buildings versus the proposed new construction. The City offers a tax incentive for the substantial rehabilitation of historic properties which may help to offset some costs. If historic designation is approved, rehabilitation work may be eligible for this incentive. State and Federal tax incentives are also available for properties listed on the National Register of Historic Places and provide substantial relief for rehabilitation projects.

ISSUE:

The property at 1434 (1432) E. Commerce Street meets the criteria for landmark designation and staff recommends that the property be designated a Historic Landmark (HL). If Council approves a resolution to proceed with landmark designation, then OHP would apply for a change in zoning to include a historic landmark overlay for the property. The change in zoning requires approval from both the Zoning Commission and City Council. If approved by Council, the property would become a local historic landmark. Rehabilitation work would qualify for local tax incentives. All future proposals would require HDRC review.

ALTERNATIVES:

If Council does not approve a resolution to proceed with landmark designation, the designation process would come to an end and the structure could potentially be demolished without further public input. New construction on the property would not require review by the HDRC.

FISCAL IMPACT:

There is no anticipated fiscal impact. All costs associated with historic landmark designation will be absorbed by the Office of Historic Preservation.

RECOMMENDATION:

Staff recommends City Council approve a resolution to initiate historic landmark designation for this property.