

# Incentives Push Downtown Development

September 27, 2017 | Kimberly Reeves, Bisnow Austin-San Antonio



City incentives are sparking the development of new residential options in Downtown San Antonio, such as The Flats on St. Mary's.

San Antonio has a number of new urban core development projects: The Can Plant Residences at Pearl, Blue Star Arts Complex in Southtown and The Vistana Apartments Downtown. A city focus on Downtown has jump-started groundbreaking on the **Frost Tower** and the restoration of the historic Art Deco Hedrick Building and the neighboring Voss Building on St. Mary's Street.

Uri Villarreal and his partner, Craig Glendenning, expected to complete the removal of the Hedrick's 1960s-era **aluminum siding** this week and begin work on 54 luxury apartments, called The Flats on St. Mary's. The apartments will be paired with office and retail, as well as a deck venue modeled on The Traveler's Club, which was popular in the 1940s and '50s in Downtown San Antonio.

Villarreal, the lead broker on the **Hedrick-Voss deal**, credits the city's push to redevelop vacant and underutilized buildings downtown with his move on Hedrick. City efforts included creating a log to track the condition of vacant buildings and an incentive program to encourage residential development, known as the Center City Housing Incentive Policy, or **CCHIP**.

"The project itself would not have been feasible unless we had some incentives," Villarreal said. "The footprint of the building is inefficient because it's very narrow. And it has been vacant for 25 years, exposed to the elements. Without the incentives, I don't think it would be possible."

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The Flats on St. Mary's would take down what has been considered a vacant eyesore for two decades. The city sought to demolish it in 2009. The most charitable label used for the Hedrick Building in the media **was blighted**. The \$12M transformation of Hedrick and its neighboring properties is expected to take two years, including demolition.

San Antonio-based B&A Architects are on The Flats on St. Mary's restoration project. B&A were the architects on the distinctive The Peanut Factory Lofts. The project, on South Frio on the near West Side, was the first market-rate city infill project under the new Downtown incentive programs.

The announcement of the Frost Tower and the continuing expansion of Downtown apartments leaves Villarreal optimistic about the future of Downtown. The fact the city has offered incentives has sweetened the deal for potential developers.

“The city is motivated to redevelop,” Villarreal said. “I’d say we’re pretty bullish on Downtown.”

See Also: [The 7 Things You Need To Know About Real Estate's Most Exclusive Retreat](#)

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# Once-concealed building's true character revealed

## Facade nearly gone; 1928 exterior surprises many

By Jessie Degollado [https://www.ksat.com/author/jdegollado] - Reporter

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**SAN ANTONIO** - After being encased by a heavy aluminum facade then abandoned for over two decades, the true character of the 10-story Real Estate Building at the corner of North St. Mary's East Martin [https://www.ksat.com/topic/Martin?entityid=4085912729&lang=en] streets is finally being revealed.

"It's hard to imagine how many times I passed the building and it never caught my eye," said Chris a prospective business tenant. "As soon as the cladding started coming off, it was like, 'Wow.'"

The cost to build it back then was \$375,000 and crews used reinforced concrete, brick, stone and cotta. The ornate designs on the exterior are said to add charisma to the building.

Uri Villarreal [http://uriahrealestate.com/the-commission] and Craig Glendenning are among the partners behind the multimillion-dollar project.

"It's been a sizeable investment. We're all excited," said Villarreal, who is also the project's real estate broker.

He said they also are grateful for city support such as tax incentives, fee waivers and a 15-year pro-tax reimbursement grant, which is an annual rebate of city taxes generated by the completed project. In addition, they are eligible for historic tax credits from the Texas Historical Commission.

Villarreal said they had no idea what was behind the facade put up in 1963 that was covering the building, which was then owned by the Great American Insurance Company. It then became the Hedrick Building, earning an award for its "complete modernization."

“Makes you kind of wonder why someone would go to all that trouble, but I guess times have changed,” said J. Gilbert Candia II, a passerby who happens to be an architect.

While taking photos of it, Candia said he was encouraged to see “someone had the foresight to come back and restore and beautify what was something that can be shared with a whole new generation.”

The Real Estate Building is the cornerstone of a mixed-use project on North St. Mary's between E Martin and Convent.



Villarreal said the bottom floor will be retail and the remaining floors, the Flats at St. Mary's, will be apartments.

The single-story building next door is being demolished for a courtyard or “urban retreat.” On the other side, the two-story Voss Center will feature a restaurant, coffee shop and perhaps a rooftop bar.

Pedro Rodriguez, the general contractor with LTP Builders [<http://www.constructioninsanantonio.com/>], said his crew has been removing the aluminum facade and the windows that were installed for the past three weeks.

"I have more on top," Rodriguez said. "The top is the hardest part."



Photos of Real Estate Building restoration process

**RELATED:** Photos of Real Estate Building restoration process [<https://www.ksat.com/content/photos-of-real-estate-building-restoration-process>]

He said to try to avoid congestion on North St. Mary's approaching the heart of downtown, his sprained crew has been working in the evenings.

Villarreal said the urban retreat and the Voss Center should be completed in the next six to eight months, and the interior of the Real Estate Building will take another year to year and a half.

### **WEB EXTRA: Read some of the history of the building below:**

The Real Estate Board Building Company, which built the building, was composed of a nine-member board, including the city's most prominent real estate developers. The Real Estate Board Building Company was organized to construct a 10-story building to provide offices for San Antonio Realtors. It was the first building of its kind built by Realtors in Texas. The organization selected the firm of A and Adams to design the estimated \$225,000 building constructed of reinforced concrete, brick, and terra cotta. (At completion the cost was said to be \$375,000.) The formal opening of the building was held on March 26, 1928.

The Great American Insurance Company owned the building, known generally as the “Insurar Building,” until 1958 when it was sold to architect/engineer Wyatt C. Hedrick (c. 1889- 1964) of Worth. Hedrick, who had designed and/or built major projects throughout Texas, had widespread estate investments that included commercial and ranch holdings. Hedrick had a long association in San Antonio where he was the local manager for Sanguinet and Staats from 1909 to 1913.

Wyatt Hedrick remodeled the Insurance Building in 1963, adding multi-colored exterior sheath, a modern canopy, aluminum doors, new elevators, and air conditioning. The completed building is pictured in the San Antonio Light in March 1963. Later in the year, the Hedrick Building, as it was renamed, received “the latest development award because of its complete modernization.”

Occupancy began to decline in the early 1980s. By 1984-1985, five of the ten floors were vacant. By 1986, the building was totally vacant. The Hedrick Building, which was acquired by Gill Savant Association, fell into disrepair. As a result of the real estate and banking crisis, the Resolution Trust Corporation (RTC), acting as receiver for Gill, liquidated its real estate holdings. The RTC sold the Hedrick Building to B.P. Agrawal, president of RBRA, Inc. in January 1993.

## HISTORY INFORMATION COURTESY OF THE CITY OF SAN ANTONIO

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**BUSINESS & TECH**

# Renovations to Transform Hedrick Building into the Flats On St. Mary's



**JEFFREY SULLIVAN** |  | AUGUST 2, 2017



SCOTT BALL / RIVARD REPORT

The Hedrick Building at 601 North Saint Mary's is being renovated to become a high-end residential property.

## UPDATED AUGUST 3, 2017

Known by some as the Real Estate Building and by others as the Hedrick Building, the vacant 10-story property at the downtown corner of North St. Mary's and Martin streets is getting a new life as the Flats On St. Mary's.

Within the next year, developers Craig Glendenning and Uri Villarreal are renovating the the blighted 1928 building located at 601 N. St. Mary's St. to create 54 high-end apartments. The duo are also planning on converting the two-story

property behind it, known as the Voss building, into a property with apartments, a restaurant, a coffee shop with the working name "The Hipster," and a 6,800 sq. ft. rooftop bar venue that connects to the ground-floor restaurant.

"I've literally been working on this project for 15 years," Glendenning said. Both he and Villarreal outlined their plans for the project to the *Rivard Report* on Wednesday.

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The \$12 million project was made viable through tax incentives offered through the Center City Housing Incentive Policy (<http://www.sanantonio.gov/CCDO/IncentivesandPrograms/CCHIP>) (CCHIP) and other federal and state historical credits. Another factor in the building's redevelopment was a local ordinance that requires the owners of vacant buildings to maintain established minimum maintenance requirements.

"The Hedrick Building had been subject to the Vacant Building Registration Ordinance (<http://www.sanantonio.gov/Vacant-Building>), motivating the property owner to move forward with renovations," said Shanon Miller, director of the Office of Historic Preservation (<http://www.sanantonio.gov/historic/>).

After registering the building as a part of a downtown national register (<https://www.sanantonio.gov/historic/Programs/Downtown-National-Register-District-Initiative>), the building became eligible for state and local tax credits, city officials said. Members of the Office of Historic Preservation worked closely with Glendenning and Villarreal to take full advantage of the credits available. Those historic incentives alone accounted for 45% of the project's total cost.

"I'm excited about redeveloping that block and bringing those two buildings back to what they were," Villarreal said. "There's a lot of history there, and if you look at everything around it [the area's] in good shape."

The Real Estate and Voss buildings are located near desirable downtown amenities: the Tobin Center for the Performing Arts, the Weston Centre, and the Riverwalk. Villarreal said the apartments would be priced at about \$2 per square foot, making the property one of the pricier downtown living options.

But the restoration will rejuvenate a building that has stood vacant since 1987, its deteriorating exterior making it an eyesore in the downtown landscape. Glendenning said he's received letters of intent from a title company, a manicure and pedicure establishment, and a surveying company hoping to fill space as commercial tenants in the former real estate building.

When renovations are complete, the building will look quite different than it does today, resembling other 1920s-era buildings instead of the mid-century facade it currently wears.

"It was actually designed by the real estate board building company, and they built it to be offices for realtors," Miller said.

The building became known as the Hedrick Building in the 1950s when it was sold to prominent Ft. Worth architect and engineer Wyatt Hedrick.

The building's original detailed architecture is now hidden by cladding placed around the building in the 1960s. At the time, the cladding was installed in an attempt to modernize the 1920s building, yet the decision failed to stand the test of time and trend.

"We took off one piece of it to see what was behind it," Glendenning said. "It's just a 4-foot section that we took off. There's 160 feet of it, so it could be pretty interesting."

"There are intact architectural features behind that cladding that we're anxious to see once they remove it," Miller said. "[There's] more elaborate terracotta detailing ... more in line with other buildings from that time like the Tower Life building with [its] ornate detailing at the ground level."

Groundbreaking on the development will begin Aug. 15, when crews will begin to remove the exterior cladding. Conceptual approval for the project has been granted by the Historic Design and Review Commission (<http://www.sanantonio.gov/historic/HDRC>), and Glendenning plans on bringing specific contract propositions and other details, such as plans for a wraparound parking lot, back to the commission within the next 60 days.

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*A previous version of this article mischaracterized the role of the vacant building ordinance.*

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**BUSINESS & TECH**

# Hedrick Building Restoration Showcases Facade's Former Glory



**JEFFREY SULLIVAN** |  | SEPTEMBER 23, 2017



SCOTT BALL / RIVARD REPORT

The metal paneling surrounding the Hedrick Building at 601 North Saint Mary's has been slowly peeled away over the Summer.

## UPDATED SEPTEMBER 25, 2017

Craig Glendenning started renovating the Hedrick building with only an idea of what the 1920s building looked like without the metal cladding that covered its front. Weeks into removal efforts, what he found underneath was a gift.

"God couldn't have hid anything better," Glendenning said. "It's a great blessing."

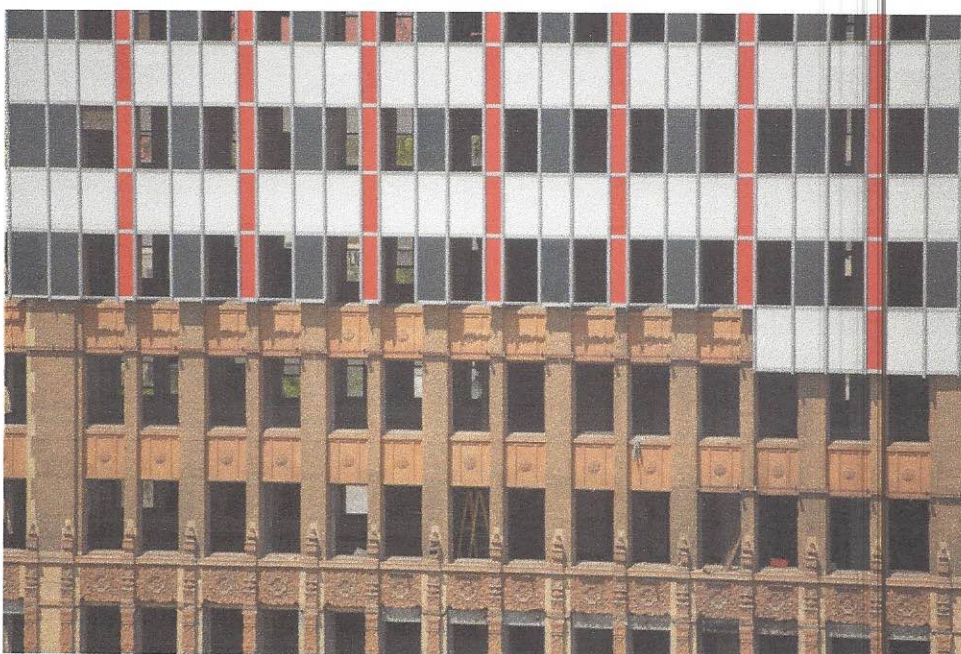
Sheets of red, white, and silver metal covered a warm terra cotta colored facade lined with intricately carved designs wrapping around the front of the building. Brick columns stack ten stories high to a top featuring carvings of Spanish colonial conquistadors.

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The decades-old cladding was introduced as part of a modernization effort carried out in the 1960s.

"That building won the innovation for revitalization and modernization of a building in San Antonio," Glendenning said. "It was the number one rehab project in San Antonio that year, and five years later it was obsolete."

**Related: [Renovations to Transform Hedrick Building into the Flats On St. Mary's](https://therivardreport.com/renovations-to-turn-hedrick-building-into-the-flats-on-st-marys/)**  
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SCOTT BALL / RIVARD REPORT

The Hedrick Building at 601 North Saint Mary's.

The building has stood vacant since 1987, making it an eyesore in the downtown landscape. But Glendenning and his partner Uri Villarreal are restoring the structure and surrounding buildings for residential and commercial use.

The Hedrick building will become The Flats On St. Mary's, home to 54 high end apartments close to the River Walk, Weston Centre, and Tobin Center for the Performing Arts. Commercial tenants are expected to fill the ground floor. A restaurant, rooftop venue, and coffee shop will be built into the Voss building situated behind the Hedrick. There also will be some apartments inside that building as well.

Glendenning says nearly 80% of the removal efforts are finished. Moving forward with the development, he says its now time to start working on the nearly 400 windows located around the property.

"Each one of those has to be historically replicated with a wood clad window," Glendenning said. "We're trying to do something that's going to last 100 years and not 20 years like the first one did."

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