



SAGE

PUBLIC MARKET COMPLEX FEASIBILITY STUDY

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EXECUTIVE SUMMARY

Introduction & Purpose of the Study

This Feasibility study establishes a data-driven, community-reflective roadmap designed to transition years of neighborhood area planning into an actionable commercial and civic framework. For over 25 years, San Antonio for Growth on the Eastside (SAGE) has championed economic development, wealth retention, and cultural preservation across the city’s historic Eastside. This feasibility study represents a deliberate pivot away from extractive corporate retail models toward a community-centric “economic anchor” engineered to disrupt systemic commercial disinvestment and eradicate a severe, generational shortage of healthy, fresh food options.

The purpose of this report is to conduct a rigorous, site-specific evaluation of three finalist property locations within the Inner City Tax Increment Reinvestment Zone (TIRZ 11), which is a targeted geographic area created by the City of San Antonio to fund public infrastructure and spur economic development. As property values rise within the zone, the incremental increase in tax revenue is captured to reinvest back into the area’s development.

1.1 Definitive Project Recommendation: **CONDITIONAL GREEN LIGHT**

Based on a comprehensive multi-disciplinary analysis of localized market demand, community engagement parameters, structural liabilities, and capital allocation frameworks, this study issues a **CONDITIONAL GREEN LIGHT** for the development of the SAGE Eastside Public Market Complex. To provide an absolute baseline for public, private, and media audiences, a traditional, purely profit-driven commercial market development model is assigned a definitive Red Light. The Eastside submarket’s current median household income of \$41,698 and flat near-term population growth projections cannot underwrite

or sustain a high-rent, self-stabilizing luxury retail footprint. Attempting to replicate commercial models from affluent regional submarkets would result in financial insolvency or localized community displacement.

Conversely, when structured as a mission-driven, non-profit operated catalytic development backed by a layered public-private-philanthropic capital stack, the project receives an enthusiastic Green Light. The proposed complex does not compete with traditional grocers; instead, it occupies an entirely unique, uncontested market niche in Greater San Antonio. By functioning as a hybrid economic engine, the project leverages high-margin weekend destination tourism and cultural events to directly cross-subsidize affordable, daily fresh food access tailored to low-access Eastside families.

SAGE should proceed immediately with project initialization, subject to the strict adherence of the conditional phasing and financing guidelines outlined below.

1.2 Comprehensive Key Findings

The baseline economic and spatial feasibility of this initiative rests upon several critical data points extracted from the market demand study:

Defensible Food-Centric Demand: Retail demand data consistently confirms that food accounts for the vast majority of local spending potential. Project feasibility improves drastically by anchoring the programming around small-format grocery access, raw staples, and culturally relevant prepared foods rather than apparel or higher-end discretionary retail.

The Critical Price-Point Ceiling: Community engagement spanning over 370 public interactions established firm socioeconomic boundaries. To prevent neighborhood alien-

ation and the stigma of gentrification, food programming must explicitly feature menu options priced under \$12 and within the \$13–\$20 range per meal.

The Inflow/Outflow Commuter Pipeline: While net residential growth remains modest, the Eastside study area operates as a massive regional workforce destination. Out of approximately 6,900 jobs located within the district, 98% (6,758 workers) commute from outside the neighborhood. Intercepting this transient daytime workforce represents a vital secondary revenue pipeline to bolster vendor margins.

Arts and Culture as an Activation Tool: Market Potential Index (MPI) data reveals a profound regional propensity for music performances (MPI: 157), alongside participatory local theater and dance. While cultural programming is not a standalone revenue driver, it functions as an essential mechanism to maximize customer dwell time and instill neighborhood ownership.

The 3x Economic Multiplier Premium: Operating via a non-profit incubator framework ensures that locally owned independent businesses will recirculate approximately three times more wealth directly back into the Eastside economy than national corporate chains, physically anchoring capital in a historically disinvested corridor.

1.3 Comparative Site Evaluation Matrix Synthesis

Twelve (12) initial property locations were audited first-hand and systematically down-selected to three property finalists located within the Inner City Tax Increment Reinvestment Zone (TIRZ 11) boundary. The final evaluation scores represent a cross-vetted consensus generated by SAGE staff, the SAGE Board Committee, and Able City.

Site 1

The Friedrich Building

1617 E. Commerce St.

The Strategic Verdict

Ranked 1st Overall, The Friedrich Building represents the strongest long-term public benefit and programming asset. This 3-story, 73,000 gross sqft industrial anchor offers ideal scale, iconic branding, and an insulated, built-in customer base from the adjacent \$93M residential loft conversion. It scored 1st in Program Alignment and Community Impact but placed last in Connectivity.

By securing top marks in these categories, the Friedrich site demonstrates an unmatched capacity to accommodate daily food access, flexible vendor stalls, extensive community programming, local economic reinvestment, and long-term neighborhood catalytic potential

Development Cost Outlook

\$24,260,310 (Low) to \$31,268,310 (High).

Core Vulnerabilities

Decades of abandonment require capital-intensive core-and-shell rehabilitation. The property lines are tightly bound around the building footprint, creating a “Property Line Trap” that lacks independent surface parking or outdoor laydown zones. It carries high environmental due diligence risks due to its industrial manufacturing legacy (TCEQ oversight required).

Site 2: 1228 E. Houston St. – The Hugo (Former Spaghetti Warehouse)

The Strategic Verdict: Ranked 2nd Overall, The Hugo emerges as the strongest, most immediate practical alternative. Spanning 29,000 sqft across a character-rich 1907 footprint, its single greatest asset is an adjacent 1.7-acre footprint containing a 125-space surface parking lot included within the parcel boundaries to support immediate outdoor vendor tents and event staging. It performed highest in Market Considerations, Cost, and Due Diligence.

Development Cost Outlook: \$12,616,608 (Low) to \$16,240,224 (High).

Core Vulnerabilities: Public markets thrive on single-floor contiguous foot traffic, making The Hugo’s vertically stacked three-story layout a programmatic challenge. The site is bound to an active rail line and is currently held by a private investment firm, presenting immediate acquisition hurdles.

Site 3: 220 Chestnut St. – Ellis Alley Enclave & VIA Transit Lot

The Strategic Verdict: Ranked 3rd Overall, The Ellis Alley Enclave site offers unmatched multi-modal connectivity and immediate visibility from Interstate 37. It features unified public land ownership under VIA Metropolitan Transit, allowing SAGE to preserve historical assets for low-impact office use while deploying new 3-story ground-up construction on the western parking lot.

Development Cost Outlook: \$18,784,428 (Low) to \$23,721,126 (High).

Core Vulnerabilities: Ground-up construction commands a high development premium. The site requires navigating extensive Federal Transit Administration (FTA) regulatory red tape, eliminates active transit parking, and

introduces structural safety vulnerabilities by bisecting the public market programming across Chestnut Street.

1.4 Development Dictionary: Understanding the Real Estate Framework

To assist civic leaders, community members, and media representatives without a background in real estate development, the following core terminology represents the structural foundation of this report’s financial and spatial modeling:

Tax Increment Reinvestment Zone (TIRZ 11): A targeted geographic area created by the City of San Antonio to fund public infrastructure and spur economic development. As property values rise within the zone, the incremental increase in property tax revenue is captured and restricted for reinvestment back into the area’s infrastructure, facade enhancements, and public plazas rather than entering the general fund.

Qualified Rehabilitation Expenditures (QREs): The legal classification of costs eligible for Historic Tax Credits. QREs include direct structural work, MEP systems overhauls, architectural fees, and interior finishes. They strictly exclude land acquisition, surface parking lots, landscaping, and movable vendor fixtures/kitchen equipment.

Hard Costs vs. Soft Costs: Hard Costs represent the direct physical costs of construction (brick, mortar, steel, plumbing lines, labor). Soft Costs encompass the non-construction expenses required to execute the project (architectural fees, legal counsel, permitting costs, environmental consulting, and capitalized interest).

Master Lessee Operating Model: SAGE will utilize its existing business engagement infrastructure to manage the micro-leasing arrays, transforming the property management

role from a standard landlord into an active, on-site small business incubator. An organizational structure where SAGE acts as the single primary tenant over an entire building footprint, assuming full property management and utility responsibilities. SAGE then micro-leases small, turnkey stalls or kiosks to independent minority- and women-owned business enterprises (MWBEs), acting as an institutional shield against commercial market volatility.

1.5 Capital Stack Strategy: Federal, State, and Local Funding Tools

A traditional commercial loan cannot fund this project. Long-term solvency depends on an innovative public-private-philanthropic Capital Stack—the combination of distinct financial instruments used to fund a real estate asset. SAGE must layer the following targeted programs:

Historic Tax Credits (HTC) – Federal & State Levels

Because both The Friedrich Building and The Hugo hold historic landmark statuses, they qualify for a “twinned” HTC structure. The Federal Program provides a tax credit equal to 20% of eligible interior rehabilitation expenditures (claimed over 5 years). The Texas State Program provides a 25% tax credit available the year the project is placed in service.

The Non-Profit Mechanism: Because SAGE is a 501(c)(3) tax-exempt entity and cannot use tax credits directly, SAGE can legally syndicate and sell these state and federal credits to a private equity investor. This process injects non-dilutive equity covering up to 45% of all qualified rehabilitation costs directly into the initial construction budget.

New Markets Tax Credits (NMTC)

This federal program is explicitly designed

to incentivize private capital investment into low-income communities. The project study area falls within census tracts designated as in severe distress due to elevated poverty and unemployment rates. SAGE can partner with a certified Community Development Entity (CDE) to secure an NMTC allocation. Private investors provide equity in exchange for a 39% federal tax credit claimed over a seven-year compliance period, yielding flexible, low-interest, forgivable debt to cover major gap financing requirements.

Local Economic Incentives: Chapter 380 & PIDs

SAGE must petition the City of San Antonio to leverage its Economic Development Incentive Fund (EDIF) via a Chapter 380 Economic Development Agreement. Rather than subsidizing individual retailers, the City can provide SAGE with public infrastructure grants, utility regularization funding (grease traps, heavy electrical matrices), and structural property tax rebates based on job creation and small business incubation metrics. This should be paired with a Public Improvement District (PID)—a localized assessment zone that generates a sustainable, dedicated revenue stream to permanently fund collective district cleaning, specialized security, waste management, and cultural marketing.





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Introduction

There's No Love,
Like **EASTSIDE** Love.



INTRODUCTION

San Antonio for Growth on the Eastside (“SAGE”) has served San Antonio’s Eastside for more than 25 years as a community-based economic development nonprofit dedicated to advancing economic opportunity and cultural vitality. Rooted in the history, identity, and aspirations of the Eastside, SAGE’s work supports local entrepreneurs, preserves cultural heritage, strengthens neighborhood-serving businesses, and connects residents to resources that help build a more resilient and inclusive local economy.

SAGE’s work is grounded in the belief that economic development must be both place-based and community-informed. Through programs such as small business support, storefront improvement grants, cultural and historical markers, community planning initiatives, and major neighborhood reinvestment efforts. SAGE serves as an advocate and implementation partner for the Eastside; extending support beyond individual projects; SAGE helps align public, private, nonprofit, and community resources toward long-term neighborhood prosperity.

The Public Market Complex builds on this mission. Supported by a \$150,000 Community Economic Development planning award from the U.S. Department of Health and Human Services, the project represents a significant opportunity to create a community-informed business plan for a new Eastside economic anchor. SAGE is uniquely positioned to spearhead, develop, and operate this initiative. SAGE is not merely an active non-profit in the geographic boundary; it is the vital civic thread that connects localized small business needs with macro-level economic deployment. To support this effort, SAGE has engaged Able City and TXP as project partners. Able City brings an integrated approach to architecture, planning, economic development, and community engagement, with a focus on creating places and policies that improve quality of life and create a just, equitable, diverse, and inclusive society. TXP brings expertise in economic analysis and public policy, helping clients address complex economic and policy challenges through customized, strategic, and data-informed analysis.

Together, the project team is evaluating the market demand, site conditions, programming opportunities, partnership structures, and implementation considerations necessary to determine the feasibility of a Public Market Complex on the Eastside. This report is therefore not only a feasibility study for a potential public market. It is also an extension of SAGE’s larger economic development strategy for the Eastside.

“Eastside” History and Commercial Legacy

For most of San Antonio’s history, the urban form has been shaped by the river and the Spanish colonial mission system long before the establishment of contemporary municipal boundaries. Prior to European contact, the Payaya people occupied the region they called Yanaguana, or “refreshing waters,” concentrated around the San Pedro Springs. The Spanish arrived in the area in 1691, followed by the formal establishment of the Mission de San Antonio de Valero (the Alamo) and the Presidio San Antonio de Bexar in 1718.

The Spanish brought with them the The Law of the Indies, which established a comprehensive framework for how Spanish colonial cities were to be sited, designed, and governed across the Americas. The Spanish also brought with them the *casta* system, a highly stratified social hierarchy that quickly impacted the city’s spatial organization. While the “white” Spaniards settled in the central villa, darker-skinned settlers, including those of African and Indigenous descent



The Casa System. Source: New York Public Library



Commerce Street

described as “color quebrado” or broken color, were systematically separated and pushed to the east bank of the San Antonio River. This early division established the river not merely as a geographic feature but as a borderline of segregation that would persist for centuries, effectively designating the Eastside as the “black section” of town as early as the eighteenth century.¹

The abolition of slavery and the conclusion of the Civil War triggered a shift from enslaved labor to the formation of independent Black communities. Following Emancipation, freed African Americans established Ellis Alley in the late 1860s, one of the city’s first Black settlements widely regarded as the birthplace from which the contemporary Eastside developed.

San Antonio was famously the last major city in the United States to achieve a rail connection. When the Galveston, Harrisburg and San Antonio Railroad finally reached the city in 1877, it did so by traversing the Eastside; transforming it into a bustling hub. This proximity to the tracks defined the Eastside’s commercial character, leading to the construction of massive warehouses, supply depots, and Sunset Station. The railroad provided the connectivity necessary for San Antonio to become a major trading center, but it also solidified the Eastside as the industrial area of the city.

This period also saw the emergence of St. Paul Square and East Commerce Street, the latter of which was known as “Black Commerce Street”. This district functioned as an enclave economy where residents could secure services denied to them in the city’s white-dominated spaces.²

¹ <https://kinder.rice.edu/urbanedge/how-eastside-became-home-san-antonios-black-community>

² <https://saobserver.com/san-antonios-black-commerce-street/>

The prosperity of the Eastside community was inextricably linked to a small but powerful group of African American families and civic leaders. These figures navigated Jim Crow-era politics to secure resources for their neighborhoods while building enduring commercial legacies. Names like Bellinger, Sutton, and Webb built wide-ranging business and political networks¹, advancing Eastside interests.² They created legacies of education, public service, and enterprise.³ Together, these histories reveal the Eastside as one of San Antonio’s most important centers of culture, entrepreneurship, civic leadership, and cultural resilience. A future Public Market Complex can build on this foundation by creating a new gathering place that celebrates local food, small business, cultural heritage, and community ownership while honoring the Eastside’s past and investing in its next chapter.

Building on Earlier Efforts

The proposed development of a Public Market Complex on San Antonio’s Eastside is rooted in a robust framework of community planning, economic development, and commercial revitalization strategies established over the past decade. This section reviews four foundational planning and strategic documents that collectively define the economic baseline, identify community priorities, and establish the strategic justification for a public market as a catalytic investment on the Eastside.

City of San Antonio Eastside Community Area Plan (June 2024)

Overview: Developed as part of the SA Tomorrow comprehensive planning initiative, this community-driven plan establishes a 10-to-15-year framework guiding land use, housing, economic development, and public infrastructure within the historic Eastside area.

Community Engagement Summary: Utilized a five-year iterative feedback loop consisting of 18 planning meetings, five community workshops, and open houses to engage residents, neighborhood associations, and business owners, directly embedding local community values into the plan’s long-term vision and future land-use designations.

Established Community Priorities: Center on expanding neighborhood-serving retail, creating equitable wealth-building opportunities, establishing pedestrian-oriented hubs, increasing access to healthy food choices, and creating active public spaces that honor the Eastside’s cultural heritage.

EPS Commercial Revitalization Strategy (June 2023)

Overview: Commissioned by San Antonio for Growth on the Eastside (SAGE) and prepared by Economic & Planning Systems (EPS), this strategy focuses on activating commercial corridors, mitigating retail leakage, and maximizing the performance of the Eastside’s commercial real estate asset class.

Community Engagement Summary: Paired a dedicated Strategy Committee with targeted individual interviews of local entrepreneurs, real estate developers, and civic organizations to

¹ <https://blackpast.org/african-american-history/bellinger-charles-1875-1937/>

² <https://www.tshaonline.org/handbook/entries/sutton-alexander-carver-sr>

³ <https://www.tshaonline.org/handbook/entries/sutton-alexander-carver-sr>

identify operational friction points on the Eastside and define strategies for expanding community asset ownership.

Established Community Priorities: The analysis reveals that the Eastside suffers from substantial retail leakage to adjacent submarkets due to a lack of turnkey commercial spaces, high barriers to entry for local independent entrepreneurs, and underutilized or vacant properties along critical corridors. The report advocates for deliberate, multi-tenant commercial anchors capable of concentrating foot traffic and lowering the overhead costs of retail operations

HR&A Comprehensive Economic Development Strategy (2016–2017)

Overview: This comprehensive roadmap establishes broad economic priorities for Eastside residents and business owners, focusing on human capital, business acceleration, and targeted infrastructure investments to disrupt systemic economic disadvantages.

Community Engagement Summary: Implemented a multi-year engagement campaign using public forums, digital outreach, and Strategy Committee sessions to gather insights from residents, education leaders, and labor groups, which directly calibrated the framework for five core regional economic goals.

Established Community Priorities: The strategy outlines a critical mismatch between local entrepreneurial talent and the formal business infrastructure required to scale. Emphasize human capital development, business acceleration, and dismantling systemic economic disadvantages by expanding dedicated small-business support structures, accessible micro-loans, and tailored spaces for minority- and women-owned business enterprises.

HR&A SAGE Economic Development Strategy (February 2016)

Overview: Prepared by HR&A Advisors directly for SAGE, this document serves as an analytical study of the Eastside’s real estate submarkets, featuring detailed financial and architectural feasibility modeling across nine prototypical development sites.

Community Engagement Summary: Combined open public kickoff forums with stakeholder focus groups to integrate local feedback directly with quantitative market data, ensuring the recommended site development concepts aligned with neighborhood needs.

Established Community Priorities: The report concludes that traditional commercial real estate developments on the Eastside face severe financial feasibility constraints due to construction costs and rent limitations. Priorities highlight the need for market-supportable neighborhood development, focusing on the preservation of local character through flexible adaptive-reuse real estate models, creative public-private partnerships, and highly programmed public spaces.



Overarching themes from each report

Entrepreneurial Incubation

High barriers to entry for local and MWBE businesses require non-traditional, low-overhead commercial models like micro-leasing and turnkey shared spaces.

Capturing Retail Leakage

Significant neighborhood spending occurs outside the Eastside, driving a collective demand for a high-density, multi-tenant anchor that aggregates diverse food and retail options.

Creative Financing

High construction costs paired with lower submarket rents make standard development unfeasible, necessitating public-private partnerships and adaptive reuse to bridge financial gaps.

Equitable Wealth Building

Economic revitalization must intentionally center on preserving local cultural heritage, preventing displacement, and establishing pathways for community asset ownership.

Pedestrian Community Hubs

The Eastside lacks walkable, heavily public-private financing and real estate models, the public market can serve as a neighborhood anchor and a catalyst for broader Eastside revitalization.

A public market complex directly advances the goals of these plans by creating a centralized, culturally reflective destination that supports equitable community development, expands pedestrian-oriented hubs, improves access to healthy food, and fills local retail gaps. The findings in these reports reinforce the public market complex as both an economic development tool and a community-serving real estate strategy. By combining community priorities around health, culture, and equitable development with creative public-private financing and real estate models, the public market can serve as a neighborhood anchor and a catalyst for broader Eastside revitalization.

PURPOSE OF THE REPORT

The Public Market Complex is envisioned as more than a building, it is a catalyst for culture, commerce, and everyday life, translating years of community planning into an implementable vision. By bringing fresh food, local vendors, and public gathering together in a way that is financially sound and rooted in Eastside identity, the Market can address long-standing needs while celebrating heritage and creating new opportunities. Its success will depend on blending community voice with clear market analysis, strong site strategies, and design concepts that inspire confidence from residents, partners, and funders alike.

The primary goal of this study is to perform a rigorous site selection analysis of three potential locations on the Eastside. By evaluating each site’s physical infrastructure, market reach, and community alignment, this report identifies the optimal environment for a sustainable, mixed-use land use that serves as both a “home and a destination” for residents. By listening closely and elevating community priorities, that process has shown how trust and grassroots support lay the groundwork for success. The Public Market carries the same opportunity: to root a bold idea in community voice, align it with real needs, and shape a place that becomes a lasting anchor for the Eastside revitalization.

Why this study is being conducted

A proposed public market complex on San Antonio’s Eastside is envisioned as a catalytic anchor, addressing long-standing shortages in retail, dining, and community-serving uses while supporting local entrepreneurship. To promote inclusive growth, the initiative seeks to balance emerging market demand with strategies to preserve affordability, protect legacy businesses, and strengthen long-term economic resilience. This report builds upon key findings from existing SAGE studies and presents a high-level market demand assessment focused on the potential development of a public market complex.

San Antonio’s Eastside offers opportunities for growth due to its immediate proximity to Downtown, strong access to regional employment and activity anchors, and relatively affordable land compared to adjacent urban submarkets. Major destinations and institutions including St. Paul Square, Frost Bank Center, Alamodome, St. Philip’s College, San Antonio Stock Show & Rodeo, and VelocityTX Innovation Center generate sustained activity and demand capable of supporting neighborhood retail, entertainment, and mixed-use development.

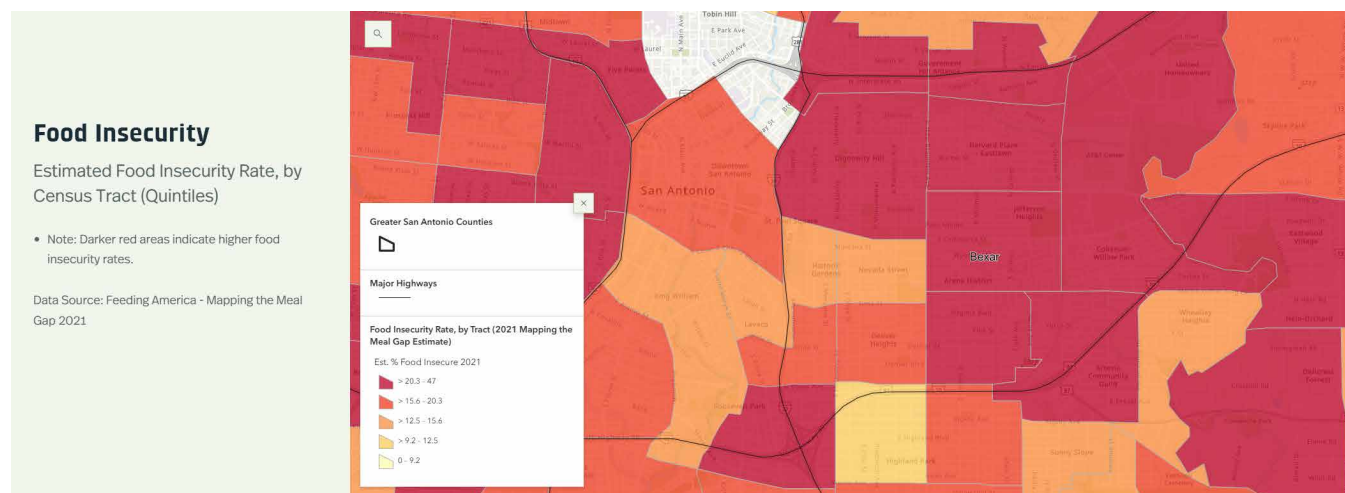
Access to safe and healthy food

The Eastside of San Antonio faces a critical food insecurity crisis, characterized by a severe lack of nearby affordable, fresh food options that forces many residents to rely on convenience stores or travel long distances for basic groceries. Establishing reliable access to healthy food within the neighborhood is vital, as nutrition directly impacts long-term public health outcomes, youth development, and overall community resilience. This systemic shortage is further compounded by severe cost barriers; low-income residents and families on fixed incomes are disproportionately impacted by rising grocery prices, making nutritious whole foods financially out of reach. By lowering these geographic and economic barriers, a future public market will do more than just provide food—it will serve as a vital intervention for health equity, reinvesting in the physical well-being and economic stability of Eastside families.

Understanding Food Insecurity in San Antonio, Texas is a 2023 effort to map out food insecurities in collaboration with San Antonio Metro Health District and UTHealth Houston School of Public Health.¹

This Food Insecurity Assessment Story Map was created by the University of Texas Health Science Center at Houston for the San Antonio Health Equity Network. The Network is a collective impact initiative with three focus areas: Food Insecurity, Housing Stability, and Access to Respectful Care.

What the data show indicates a high food insecurity rate within the Eastside (20.3 - 47%), a moderate rate (15.6 - 20.3%) within the Denver Heights area and a lower rate (12.5 - 15.6%) south of St. Paul Square. Overall, Bexar County’s population experiencing food insecurity has paled to the Eastside (18.6%)². In 2018, the Eastside’s nearby ZIP Code, 78202, experienced 56.1% of its children drinking more than one soda per day, correlated with high hospitalizations due to adult diabetes, nearly 487 hospitalizations per 100,000 hospitalizations (refer to Figure 1 in Appendix). In comparison to the rest of Bexar County, the Eastside district is in need of more accessible and nutritious food options to better its health and safety of residents.



¹ Understanding Food Insecurity in San Antonio, Texas, A Visual Tour of Food Insecurity-Related Factors in Greater San Antonio <https://storymaps.arcgis.com/stories/6acd1b7e6cce4e0bbcbce5b8dcac3ac06>

² Food Insecurity and SNAP Participation, 2023 (<https://dashboards.mysidewalk.com/city-of-san-antonio-strategic-health-plan-dashboard-5bbc32e941c7/food-systems-nutrition>).

The Eastside deserves a Public Market that strengthens small businesses, celebrates cultural identity, and stands as a lasting anchor of opportunity.

Food Halls vs. Public Markets

There is a distinct operational and financial difference between a commercial food hall and a mission-driven public market.

The Contrast: Established regional benchmarks like The Pearl operate on a high-end, profit-driven real estate model. While highly successful, their pricing structures, merchant fees, and upscale services often alienate lower-income demographics and create high barriers to entry for neighborhood entrepreneurs.

The Advantage: A Public Market that is structured around social yield and community value rather than maximizing corporate rental

income. By prioritizing affordable lease structures, tiered vendor rates, and community programming space, the market creates a welcoming, accessible environment for everyday Eastside residents while keeping overhead low for micro-businesses.

Key questions to answer

What would residents like to see in a public market complex on the Eastside?

What factors are important to visitors of a public market (lighting, family-friendly, parking etc.)

What concerns do residents have about building a new commercial gathering space on the Eastside?

What type of food options do residents want to see?

Table 1: Commercial Food Halls vs. Mission Driven Public Markets

Feature / Metric	Commercial Food Halls(e.g., The Pearl Bottling Dept.)	Mission-Driven Public Markets(e.g., Proposed Eastside Market)
Primary Tenant Mix	80%–90% Ready-to-eat restaurants and bars.	50% Raw grocery/staples (produce, meats, grains), 50% prepared food/crafts.
Capital Motive	Profit-driven, maximizing corporate real estate returns.	Community wealth building, food access, and local business incubation.
Average Startup Cost	High capital requirements (\$150k+ per stall initialization).	Low barriers to entry; tiered, subsidized micro-leasing.
Target Demographic	High-income professionals, regional foodies, and tourists.	Mixed income; hyper-local neighborhood residents and cultural visitors.



Study Approach & Methods

A feasibility study for an Eastside San Antonio public market cannot rely solely on top-down municipal metrics or distant real estate formulas. Because the Eastside is a historically minority-majority area shaped by decades of redlining and commercial disinvestment, the community must not just be surveyed—they must be the architects of the project.

The methodology of this study balances grassroots human sentiment with rigid market analytics, ensuring that the resulting public market functions as both an affordable fresh food gateway and an authentic “third space” for long-term residents.

Community Engagement (Surveys, Focus Groups, Interviews)

The human component of this study captures the qualitative lived experiences of Eastside residents across distinct touchpoints:

Surveys: Distributed online and via physical pop-ups at community hubs (like the Da-

vis-Scott Family YMCA), quantitative surveys gather foundational data. These track how far residents currently travel for groceries, what specific food gaps exist, and how much they expect to spend weekly at a public market.

Focus Groups: Focus groups dive deeper into localized consumer behavior. They answer critical cultural questions: What types of culturally relevant foods are missing? What price points are considered truly affordable? What structural elements will make the space feel safe and inclusive rather than gentrified?

Community Partner One-on-one Interviews: One-on-one dialogues with local legacy business owners, Eastside cultural leaders, Neighborhood Association leaders and non-profit leaders (like San Antonio African American Community Archive and Museum (SAAACAM)) identify the practical operational needs. This determines what lease structures, stall sizes, and operating requirements are necessary to support minority-owned vendors who cannot access traditional commercial brick-and-mortar storefronts.

Pop-ups: Pop-ups mean meeting the community where they already gather. Employing this strategy allowed this team to cast a wide net and talk to many people in a few hours. This strategy was used to quickly introduce the project to residents, get feedback via an interactive “vote with your dollar” activity, and share the survey. Pop-ups for this project included tabling at popular events or places, or navigating crowds on-foot with a clipboard.

Data Sources (Demographics, Spending, & Retail Leakage)

To ground local sentiments in economic reality, the study cross-references community feedback with robust secondary data pipelines:

Demographic Profile Enrichment: Using the U.S. Census Bureau’s American Community Survey (ACS) alongside the City of San Antonio Equity Matrix, the study maps median household income, vehicle access percentages, and child dependency ratios across Eastside tracts.

Retail Leakage and Surplus Analysis: Utilizing ESRI Business Analyst and local commercial permit data, the study quantifies “retail leakage”—the exact dollar amount Eastside residents are currently forced to spend outside of their neighborhood due to the local grocery deficit.

Food Security Coding: Integrating data from Feeding America’s Map the Meal Gap project, the study establishes an economic baseline measuring local purchasing power against regional food costs. This directly shapes the market’s subsidized vendor-pricing model.

Site Visits and Case Studies

To avoid reinventing the wheel, the feasibility study looks outward to analyze real-world

models of successful, community-focused public markets. This comparative analysis examines structural layouts, funding stacks, and operational policies from peer facilities across the country.

What We Analyze: The study reviews urban markets that explicitly balance a non-profit community mission with economic self-sufficiency. Key operational metrics analyzed include vendor turnover rates, the exact ratio of fresh produce stalls to prepared-food stalls, and the utilization rates of SNAP/EBT and “Double Up Food Bucks” programs.

Translating to the Eastside: By evaluating how other historical or transit-adjacent public markets manage logistics, waste, parking, and multi-floor foot traffic, the study builds a customized playbook for San Antonio. This ensures the proposed site adapts successfully to local constraints, like the vertical stacking of The Hugo or the tight property lines of the Friedrich Building.

Analytical Framework (The Feasibility Matrix)

The final stage of the methodology synthesizes the qualitative human data and the quantitative economic metrics into a unified Analytical Framework. Each potential site or operational model is run through a standardized grading matrix to determine final project viability.

The matrix uses six weighted categories:

Connectivity at 16%

Connectivity evaluates how easily users, vendors, employees, and visitors can access the site by walking, biking, transit, and automobile. This category considers the site’s relationship to surrounding neighborhoods, major corridors, parking resources, pedestrian infrastructure, transit access, visibility, and the ability to support daily operations.

Due Diligence at 11%

Due Diligence assesses the physical, regulatory, environmental, and legal conditions that may affect the feasibility of developing the site. This category considers zoning, ownership, title issues, floodplain, utility availability, site dimensions, topography, drainage, easements, permitting requirements, and other potential barriers that could influence project timing, risk, or complexity.

Cost at 13%

Cost evaluates the relative financial feasibility of acquiring, preparing, developing, and operating the site. This category considers land acquisition, site preparation, infrastructure extensions or upgrades, building construction, possible incentives, and high-level revenue potential.

Program Alignment at 17%

Programming Alignment measures how well the site can accommodate the intended uses and activities of the public market complex. This category considers the ability to support vendor stalls, food production, events, gathering spaces, indoor and outdoor market areas, public amenities, flexible programming, future expansion, and alignment with the overall vision for the market.

Market Considerations at 20%

Market Considerations evaluate whether the site has the customer base, visibility, and surrounding economic conditions needed to support a successful public market. This category considers nearby residents, workers, activity, spending potential, complementary businesses, competition, and the site’s ability to function as both a neighborhood-serving and destination-oriented market.

Community Impact / Public Benefit at 22%

Community Impact / Public Benefit assesses the broader civic value the site could provide beyond its physical and financial feasibility. This category considers whether the project improves food access, supports local entrepreneurs, strengthens cultural identity, provides inclusive public gathering space, benefits underserved neighborhoods, and catalyzes reinvestment.



02

Community Engagement

There's No Love,
Like **EASTSIDE** Love.





Introduction

The development of the proposed Public Market Complex is rooted in a commitment to authentically reflecting the heritage, cultural values, and economic aspirations of San Antonio’s Eastside. The project team prioritized inclusive outreach methods to capture a wide range of resident interest and involvement levels. Particularly prioritizing engagement methods that meet residents where they already gather. Between March and May 2026, the project team facilitated roughly 370 community member interactions using various distinct methodologies: one-on-one community partner conversations, structured focus groups, pop-ups at events and neighborhood hubs, one community-wide survey, and one Open House. This deliberate, resident-first approach allowed the project team to capture personal anecdotes and resident priorities, alongside critical feedback regarding eco-

nomie displacement and affordability. The following section details the community engagement methods used to collect feedback, and core findings compiled by the project team during this study. The findings from each engagement method and interaction collectively establish the Guiding Principles for an Eastside Public Market Place – a foundational framework for a community-led destination.

How did Community Feedback impact this study?

Feedback was not merely collected; it was the primary driver of the project’s structure.

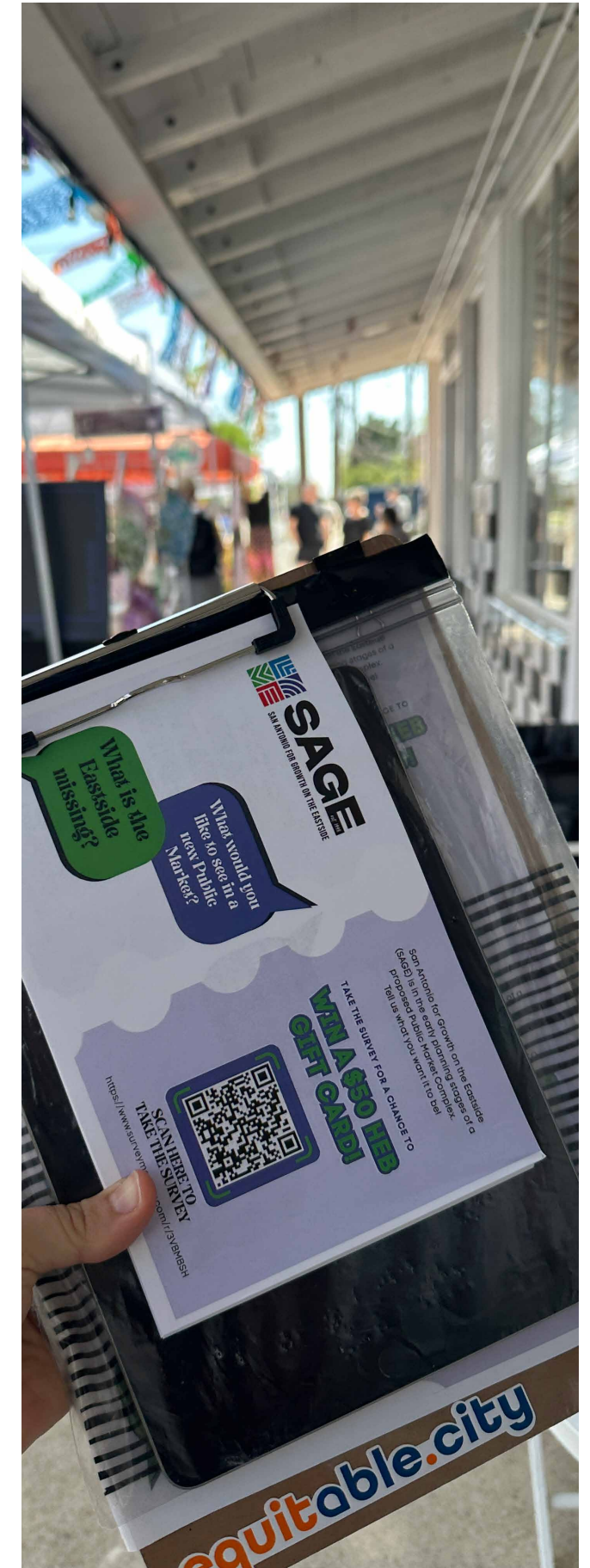
Establishing Guiding Principles

Every concern raised regarding displacement, affordability, and cultural preservation was synthesized into seven “Guiding Principles.” These principles serve as the framework for the development team and future programming stewards, providing a concrete tool for residents to hold decision-makers accountable.

Weighting the Site Selection Matrix

Community input fundamentally reshaped the Comparative Site Evaluation Matrix. Recognizing that this project must serve current residents and legacy business owners to be successful, the team assigned the highest weights to two specific criteria:

- **Community Benefit / Impact (25%):** Reflects community input on the Public Market Complex being a place that supports current small businesses and for current residents to gather and benefit from, reducing impacts of displacement.
- **Connectivity (20%):** Reflects community input on the importance of connecting “pockets of greatness” and bridging the gap between downtown and the Eastside to improve neighborhood vitality.



Engagement Methods

Pop-ups

These events prioritize meeting community members where they already gather, such as at markets, festivals, and local hubs. By utilizing interactive activities, the team can introduce the project to a broad audience and gather immediate feedback on development priorities.

Community-wide Survey

Provides a digital platform for residents who could not attend in-person events to share their input. Captures critical demographic data and open-ended feedback.

One-on-one Partner Interviews

Allows for in-depth discussions with key institutions, organizations, and civic leaders to explore specific concerns. These sessions also allow for setting the foundation of any potential future partnerships.

Focus Groups

Structured feedback sessions with influencers, artists, business owners, and community leaders to discuss the project's vision and programming. These sessions provide a space for deeper, more detailed feedback from interested residents. These sessions are essential for shaping the project's identity and ensuring it resonates with those most invested in the community's future.

Community Engagement by the Numbers

370+ Survey Responses

158 Total Interactions

8 One-on-ones

7 Pop-ups

3 Focus Groups

Pop-ups

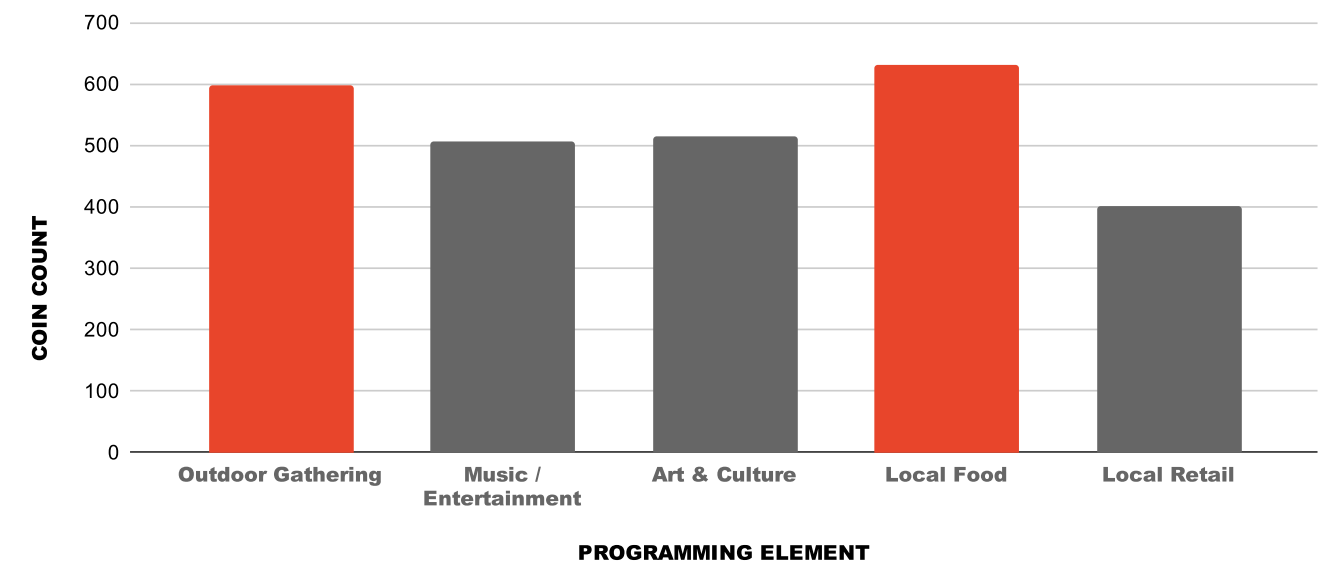
Pop-ups mean meeting the community where they already gather. Employing this strategy allowed this team to cast a wide net and meet people with varied levels of interest in the project. The project team was able to engage in quick five-minute interactions with a large volume of people over the course of a few hours. This strategy was used to quickly introduce the project to residents, get feedback via an interactive “vote with your dollar” activity, and share the survey. Pop-ups for this project included tabling at popular events or places, or navigating crowds on-foot with a clipboard, to share the survey and introduce the project. The pop-ups generated roughly 310 interactions with individuals who came by the table, heard about the project, and participated in the activity.

Vote with your Dollar, Pop-Up Activity

Results from the pop-up activity show that residents wanted to see all programming options in a Public Market Complex on the Eastside, but having local food and outdoor gathering spaces available were top priorities.



Table: Shows results from the “Vote with your Dollar pop-up activity.



List of Pop-ups and their Locations

- Thursday Night - Tank's Pizza
- Sunday afternoon - Tank's Pizza
- Sunday's at the Square - St. Paul Square
- Night Market - St. Paul Square
- Vintage, Makers Market - Nolan & Pine
- Culture Fest - St. Phillips College
- Fiesta East - Comanche Park



Night Market Pop-up at St. Paul Square

Focus Groups

The Project team invited over 60 eastside influencers, artists, business owners, and leaders to the table to discuss the public market complex. We discussed a series of Visioning and Site programming questions. We had a total of seven participants at these focus groups.

The project team extends their gratitude to those who participated in the focus groups, they are listed below:

- Ada M. Babino
- Maria M. Williams
- AcquNETta Hill
- Leroy Adams
- Burgundy Woods
- Shek Vega
- Natalynn Masters

The focus groups were held at the following locations:

- VelocityTX
- Dakota Eastside Ice House
- McCreless Branch Library

At each focus group, participants had the option to complete a "Dream it, Draw it" placemat, where participants could draw their dream for the Eastside Public Market Complex. This activity provided an opportunity to express feedback nonverbally.



Pop-up at St. Phillip's College's CultureFest



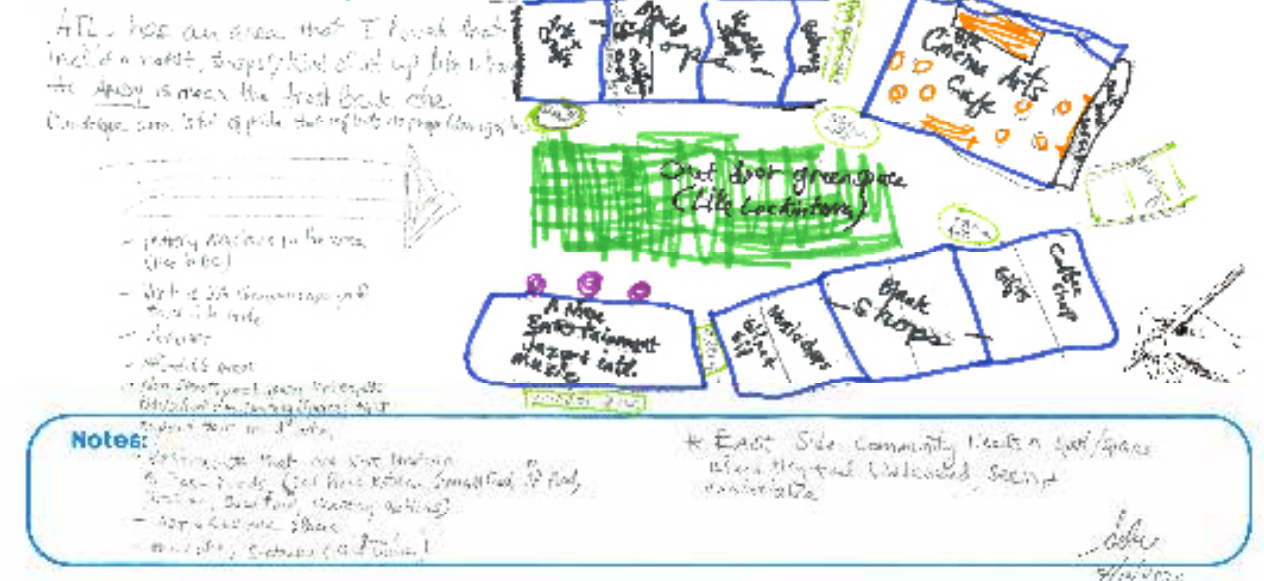
A participant and their dog at Culture Fest

Image: Participant's "Dream it, Draw it" placemat from the focus group.

DREAM IT, DRAW IT

Close your eyes and envision a place where families and people of all ages can gather and vendors can sell their goods in San Antonio's Eastside. What do you see?

Draw and/or describe what you envision here.



On-foot pop-up at Nolan & Pine Market



Fiesta East at Comanche Park

Images portray various participants and materials of the focus group sessions



One-on-one Partner Conversations

One-on-one Eastside Partner interviews were conducted with key institutions and organizations in the Eastside, where we could go more in depth into more specific concerns, and set the foundation for a potential future partnership with the Public Market Complex. These conversations, like all others during the community engagement process, contributed to the findings of the study, and guiding principles. The project team met with the following individuals or entities:

Texas Representative Barbara Gervin-Hawkins, District 120

Bexar County Commissioner Tommy Calvert

City of San Antonio Council Member Jalen McKee Rodriguez

St. Philips College, George H. Johnson, III, Vice President for College Services

San Antonio African American Community Archive and Museum (SAAACAM), Deborah Omowale Jarmon, CEO/Director

Carver Cultural Center, Cassandra Parker-Nowicki, Executive Director

Neighborhood Association President's Luncheon - Aubry Lewis, Cassandra Miller,

Pesha Mabrie, Green-Book Site Researcher and former SAAACAM Education Specialist





Community-Wide Survey

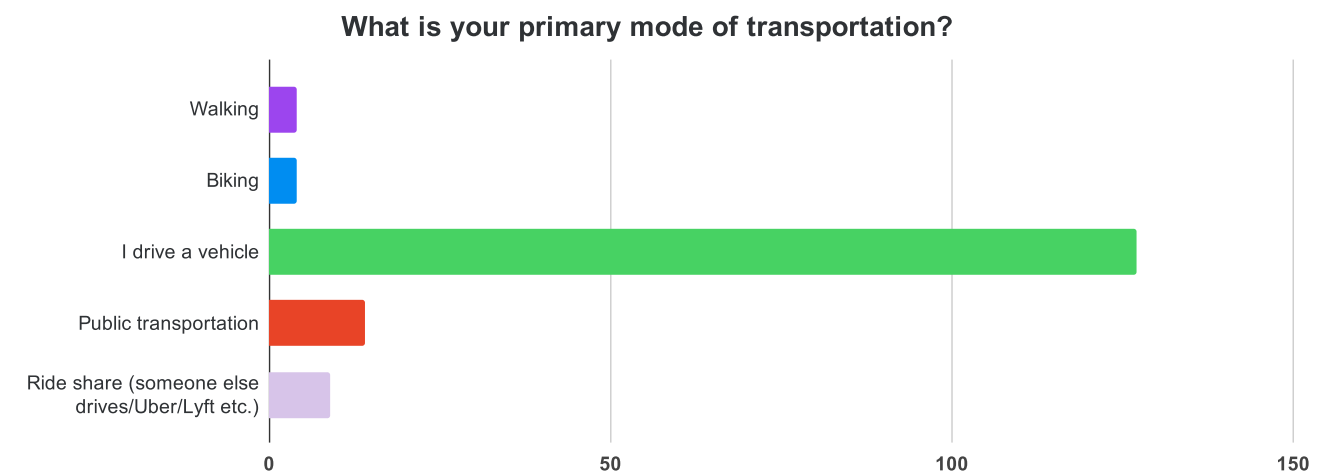
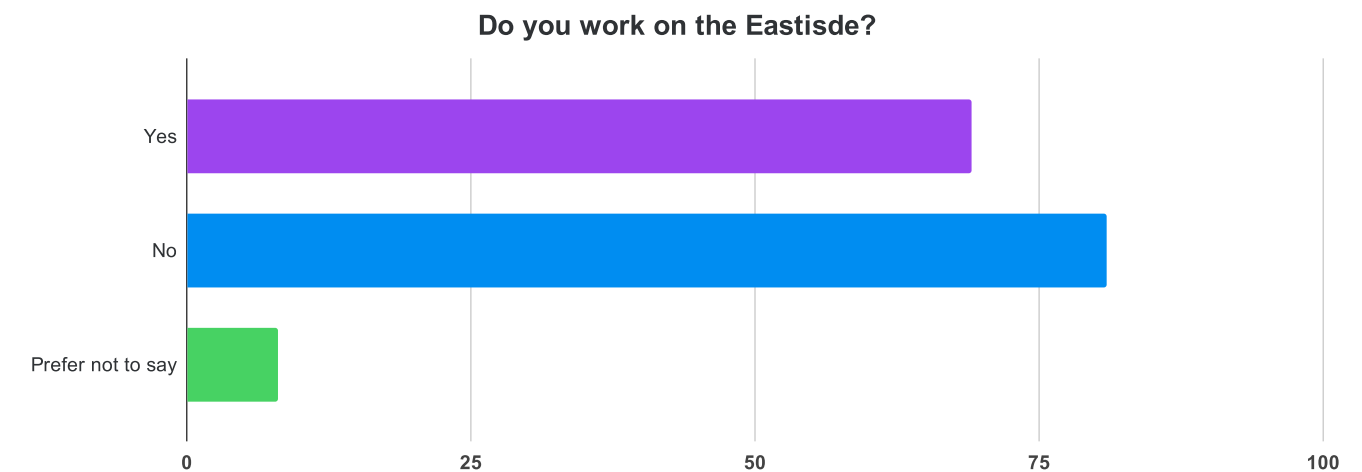
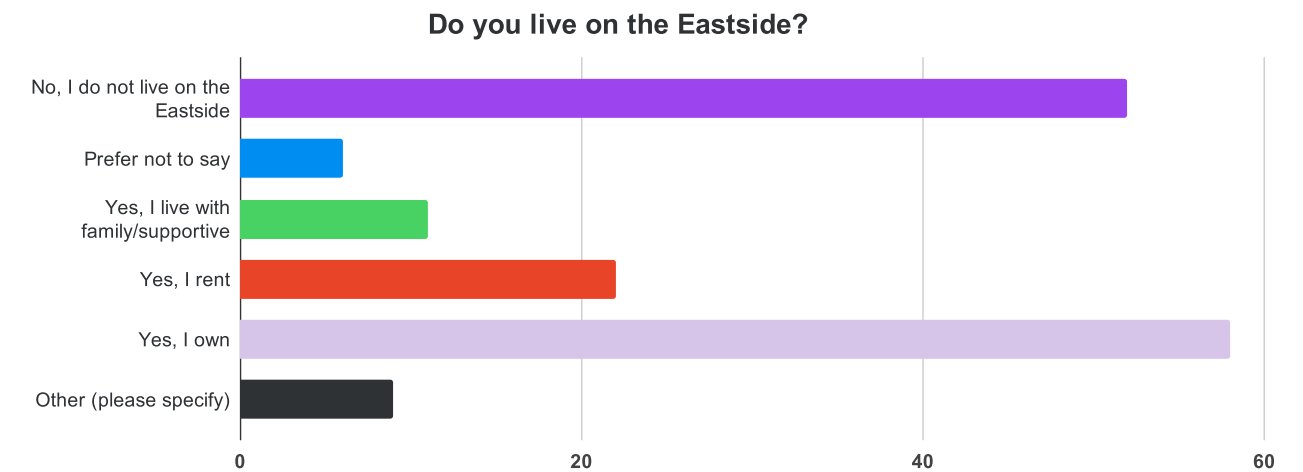
The survey opened March 8th and closed on May 3rd – it was open for 8 weeks. The survey was used to capture demographic data of residents we are engaging with, but also to allow residents to participate digitally and give their feedback digitally if they were unable to join at an in-person feedback opportunity / engagement event. The survey helps capture people with different time availability, allowing them to participate from home. The survey included nine multiple choice questions, and three open-ended questions. The data from the survey was used to inform the site selection, and particularly the open-ended questions informed the guiding principles. The open-ended questions were crafted to glean what Eastside residents and visitors would like to see in a public market place in the eastside. “What deserved more spotlight on the Eastside” was to glean what businesses, places, art, artists could potentially be given more spotlight in the Eastside. The team incentivized participants to take the survey by doing weekly drawings where the winner received a \$50 HEB giftcard.

To ensure adequate survey participation, the project team distributed flyers urging residents to participate in the survey in various

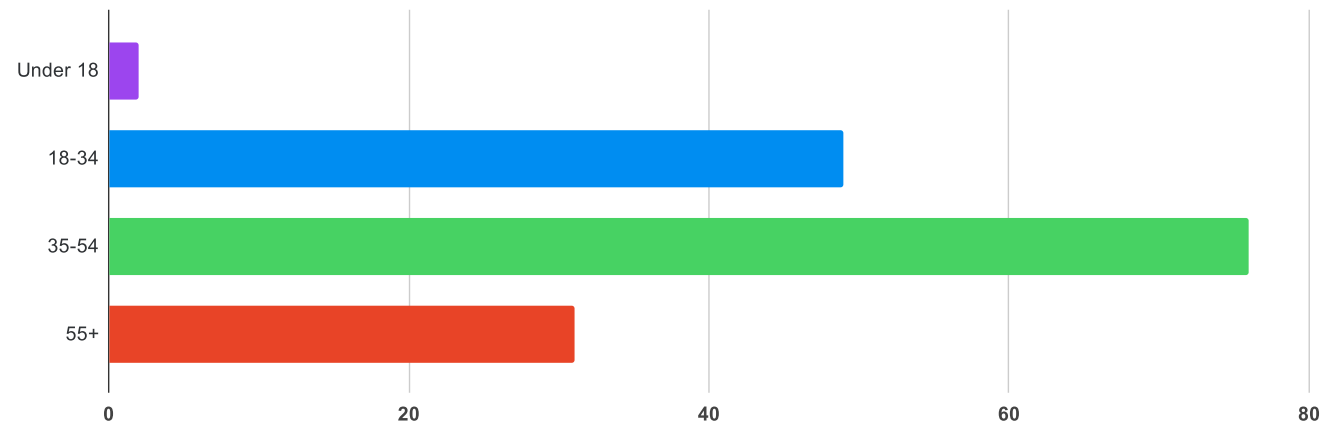
establishments around San Antonio’s Eastside. The project team thanks the following businesses and organizations that allowed a flyer to be posted and held in their place of business:

- Barbara Jordan Community Center
- Con Huevos
- Dakota Ice House
- Davis-Scott Family YMCA
- El Tigre
- Estate Coffee
- In the Eye of the Beholder Art Gallery
- J & I Cafe
- Los Hermanos
- Mother Bakery
- Pancho & Gringos
- Squeezers Juice Bar
- St. Philips College
- VelocityTX Campus
- Wheatley Heights Sports Complex
- Wildcraft General Coffee
- Zen Haus

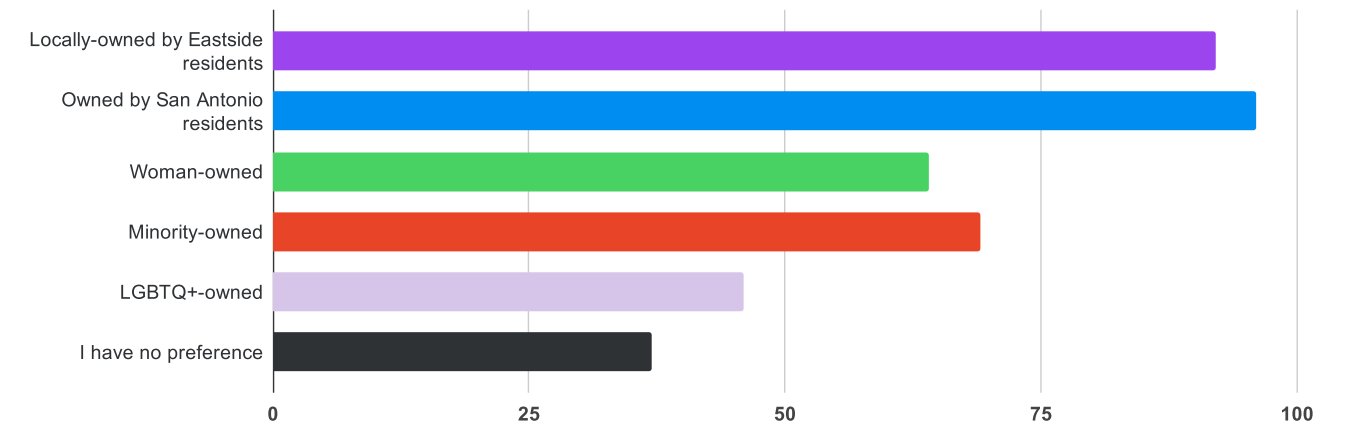
Survey Results



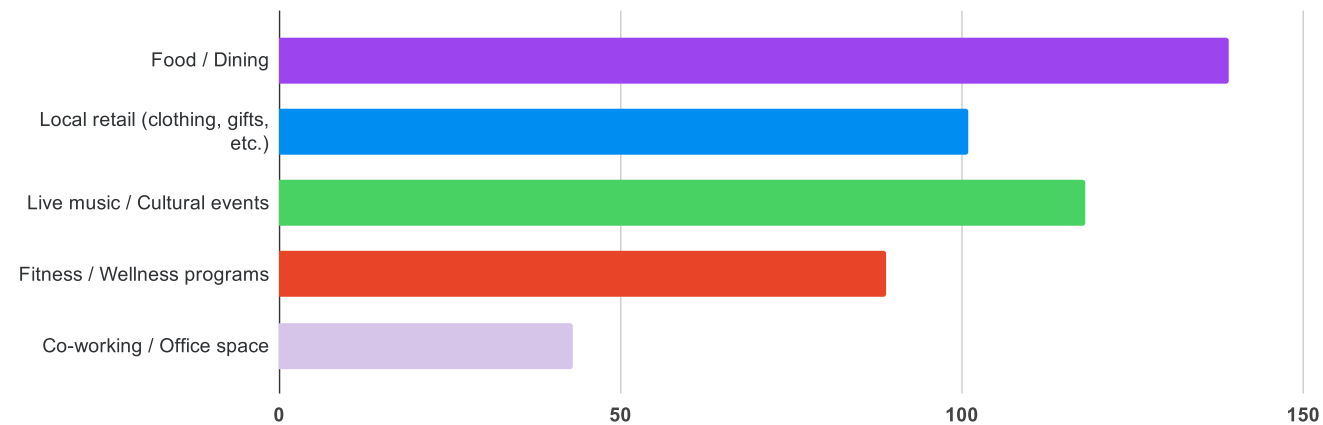
What is your age group?



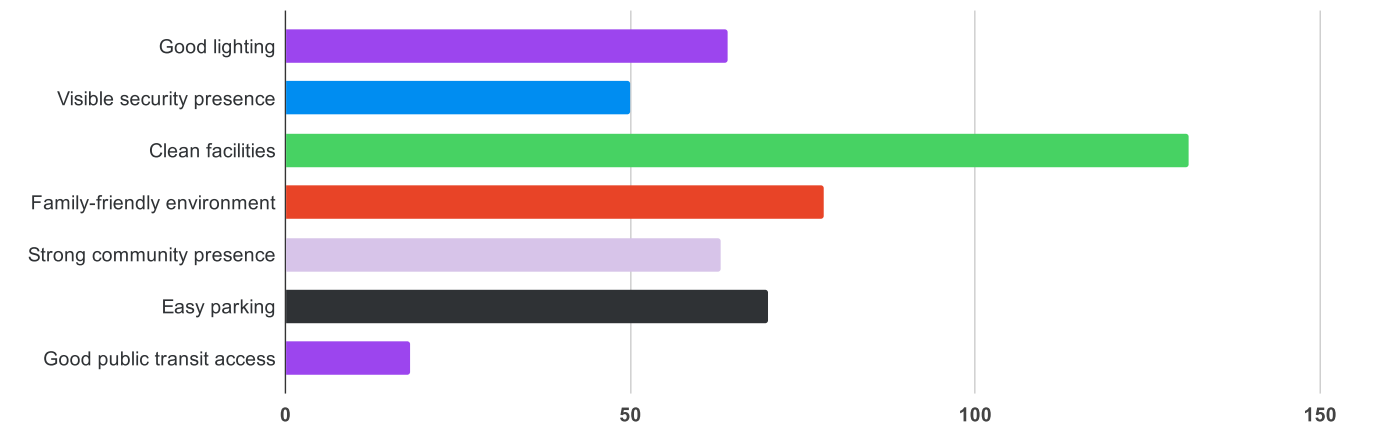
It is important that vendors are _____ (Select all that apply.)



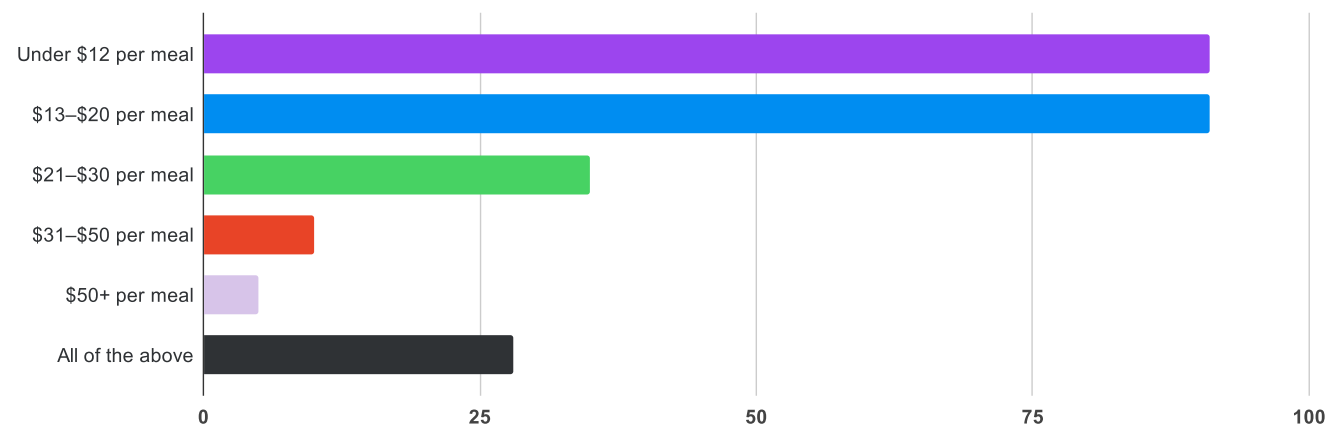
What would you like to see in a Public Market Complex on the Eastside? (Select all that apply.)



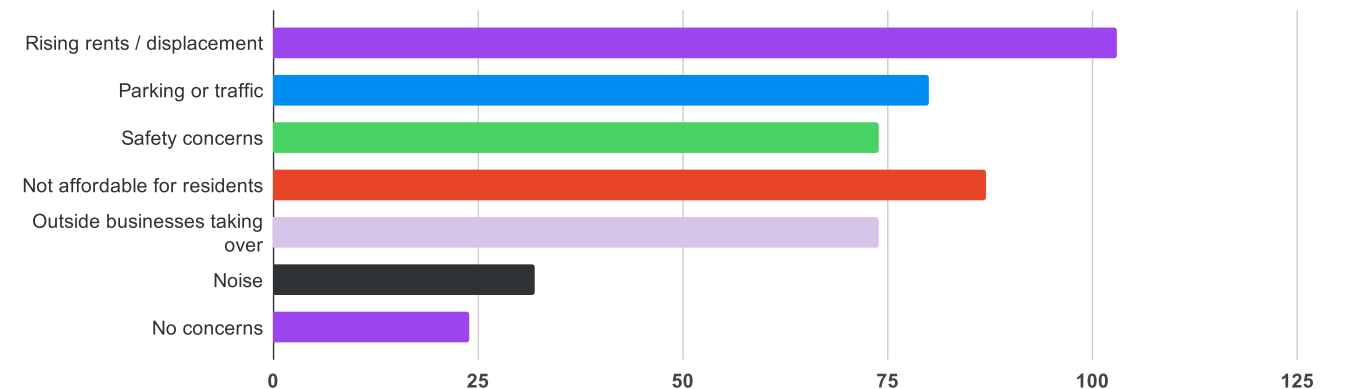
When you visit a public space, what factors are important to you? (Select your top 3.)



What type of food options would you like to see? (Select all that apply.)



What concerns do you have about building a new commercial gathering space on the Eastside? (Select your top 3.)



Open-Ended Survey Results

WHAT ON THE EASTSIDE DESERVES MORE SPOTLIGHT?

Common themes shared by respondents:

- **History and Culture:** Residents recognize and have pride for the rich history and culture of the Eastside.
- **Local & Small Businesses:** A strong desire for the community to support and highlight independently owned shops rather than large franchises.
- **Art and Artists:** Respondents want more visibility for the local art scene, artist spaces, and creative galleries.
- **Existing Local Restaurants:** Residents recognize that there are existing local treasures for dining options.

WHAT HAVE YOU SEEN IN OTHER CITIES/AREAS YOU WANT ON THE EASTSIDE?

Common themes shared by respondents:

- **“The Pearl” Concept:** A recurring benchmark. Residents want a “Mini-Pearl” or a similar mixed-use development but with an “Eastside flavor” and free or more affordable parking.
- **Walkability & Infrastructure:** Requests for “complete streets,” better sidewalks, ADA ramps, and infrastructure that supports walking and biking safely.
- **Community Art & Cultural Hubs:** Examples include open-air markets, murals, and spaces dedicated to Black history and local musicians.
- **Parks with Enhanced Amenities:** Desires for parks with better landscaping, amenities, and family-friendly features like outdoor movie nights.

Quotes from Respondents:

“The amazing history, people, local owned, local talent.”

“Locally owned businesses. Community gardens. Public transit”

“Educating the community and tourists about Eastside businesses. The stories of the historic east side. Black history. Black musicians and singers.”

“Utilize the redeveloped lockwood and Dignowity park for outdoor music, children’s events, outdoor plays, STEM projects, book club review with discussions about various topics, a monthly university lecture etc.”



Open-Ended Survey Results

WHAT DOES THE EASTSIDE HAVE THAT WE NEED MORE OF?

Common themes shared by respondents:

- **Community:** Residents value the existing sense of community and want more organized events and festivities to bring neighbors together.
- **Parks and Green Spaces:** While parks exist, there is a demand for more shade, better seating, and improved maintenance for outdoor recreation.
- **Safety:** Among comments for safety, people expressed wanting safer walking routes, infrastructure, and places to gather.
- **Upgraded Grocery Stores / Healthy Food Options:** A general need for better grocery store options and access to fresh produce, and a specific desire for more fresh produce, “healthy” take-out, and nutritious food hubs.
- **Professional Services:** Needs include essential services like dry cleaning, urgent care clinics, and fitness gyms.
- **Locally-Owned Shops:** Similar to the first question, residents believe the local business ecosystem is a strength that needs further expansion and support.
- **Biking Infrastructure:** Highlighting the need for safer biking environments to encourage exercise and alternative transport.



Quotes from Respondents:

“Town and Community Spirit!”

“More support and infrastructure for micro entrepreneurs, community and family-friendly music/food venues”

“A mixed use area similar to the Pearl but with more affordable options, a sense of community, and easy free parking.”

“I have seen places in ATL that are cool mixed art/culture/business spots Also in Washington, DC too near the Harbor, near universities there too”

“Better grocery stores and safer walking spaces”

Open House

On May 20, 2026, the project team hosted an Open House at the Davis-Scott Family YMCA to provide the community with updates on the proposed Public Market Complex. Residents were invited to stop by at any point within the hours of 5:00 PM to 7:00 PM. Attendees could review architectural renderings of three potential development sites and the community engagement process and results. The project team was available for residents to ask questions and provide any feedback. As an additional layer of feedback, comment cards were provided at the event for attendees to optionally fill out. To encourage attendance, the project team advertised refreshments and a random drawing for gift cards. The Open House hosted 23 attendees.

Residents enjoyed viewing what is possible for a Public Market Complex at the various sites. Residents commented that they enjoyed the sites with copious outdoor gathering space, and a site that is able to host many vendors. Additionally, residents noted that including bike infrastructure, or bike parking would be a good addition to the renderings and eventual design of the project.

Images: Open House attendees reviewing project boards, writing comment cards, and conversing with the project team members.



Business sector interviews

To complement the quantitative analysis, TXP interviewed several real estate stakeholders to gather feedback on the potential for a public market complex on San Antonio's Eastside. TXP also engaged with representatives from two established demand drivers in the area (St. Paul Square and the San Antonio Stock Show & Rodeo). The feedback has been grouped into key themes:

- Several similar concepts already operate within San Antonio, making it critical that an Eastside public market or gathering space offer a clearly differentiated product. While these spaces typically attract both residents and tourists, SAGE will need to balance support for local businesses by generating sufficient revenue to ensure long-term sustainability.
- The active railroad corridor east of St. Paul Square creates access and connectivity challenges. Site selection and design will be important to mitigate potential limitations on customer and tourist activity.
- The presence of nearby anchors such as St. Paul Square, the Alamodome, the San Antonio Stock Show & Rodeo, and VelocityTX present opportunities for an Eastside public market to tap into existing activity through targeted partnerships.
- Given that the Eastside is largely built out, substantial growth in residents or jobs is unlikely. A phased implementation approach aligns with the anticipated pace of capital fundraising and provides a practical strategy for managing financial risk.
- Depending on the physical size of the project, SAGE should consider partnering with an experienced developer or operator. Such a partner could provide both financial resources and operational expertise, helping to reduce risk and support long-term project sustainability.

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Guiding Principles for a Public Market Complex in San Antonio's Eastside

PRINCIPLE 1: CENTERING BLACK HISTORY & EASTSIDE CULTURE

- **Go Beyond Surface-Level Representation:** This can be achieved by intentionally celebrating Black culture with depth, avoiding tokenistic additions like standalone murals. The venue must serve as an inclusive space that unapologetically showcases, highlights, and educates on Black history and other cultures without diluting it for others.
- **Incorporate Truthful Historical Storytelling:** Programming and design must weave in the comprehensive history of the Eastside. This narrative could highlight the legacy of past Green Book sites, historic landmarks like St. Paul Square (“Black Wall Street”), and highlight the stories of Eastside icons. Crucially, it must transparently address how structural displacement occurred, such as the physical separation caused by the construction of Interstate 37 and the development of Hemisfair.
- **Honor Broad Diversity & Multi-Generational Legacy:** Design and program elements must reflect the full, diverse cultural history of the area. The market must bridge the generational gap by honoring both past/older residents and current generations.
- **Activate Culture through Live Programming:** Space layout should actively feature local Black artists and jazz musicians performing live, incorporate public art components, and feature photo walls displaying historical Green Book structures to spark community conversations.

PRINCIPLE 2: MITIGATING DISPLACEMENT AND GUARANTEEING AFFORDABILITY

- **Prioritize Anti-Displacement Strategies:** Economic displacement forcing long-term residents out of the neighborhood stands as the community’s absolute largest concern. Developers must actively work to prevent cascading gentrification effects that artificially spike property values and rents.
- **Adopt a Collaborative Mindset:** Developers must respect community self-determination. Developers must remain willing to pivot or halt components if the community signals an adverse neighborhood impact.
- **Enforce True Economic Affordability:** The entire facility must remain accessible and affordable for all socioeconomic segments of the community. Food pricing should heavily feature options that reflect local survey demands, and organizers must actively combat the high-cost stigma often tied to modern commercial developments or traditional farmers markets.
- **Provide Equitable Parking Solutions:** To maintain accessibility and avoid the pitfalls of trendy hubs, parking should ideally be free or heavily discounted for local residents. If paid models are implemented, they should offer tiered options (such as making the first two hours free) or transparently funnel parking revenues directly back into supporting the complex’s local vendors.

PRINCIPLE 3: DESIGNING FOR BEAUTY, WALKABILITY, AND MOBILITY

- **Foster Pride of Place through Design:** A blend of thoughtful historic preservation/rehabilitation and new creative architectural features. Developers must avoid mediocre design. Beautifully built and intentionally designed spaces establish an inherent pride of place that can be shared by all of the community.
- **Conduct Thorough Site Research Before Demolition:** To protect the physical history of the Eastside, rigorous research must be executed on any potential site before demolition to prevent destruction of historic structural remnants.
- **Enhance Urban Connectivity and Infrastructure:** The complex must break down existing “silos of excellence” by seamlessly integrating into the wider neighborhood via enhanced pedestrian infrastructure. Design requirements must prioritize safe walking routes, complete streets, ADA-compliant ramps, and dedicated bicycle infrastructure to ensure safe, alternative local transit.
- **Evaluate Location for Maximum Access:** Selecting the final site requires balancing the benefits of a central location in the “original” Eastside (Dignowity Hill or Denver Heights) to leverage existing development against placing it further East to directly serve residents who have already been pushed out by gentrification.

PRINCIPLE 4: IMPLEMENTING MICRO-ENTREPRENEURSHIP & LOCAL BUSINESSES

- **Empower Local, Minority, and Micro Creators:** The complex must function primarily as a launching pad for local, independently owned small businesses rather than corporate franchises. Programming should prioritize vendors who are locally owned by Eastside or San Antonio residents, women, and minorities.
- **Build Low-Barrier Operational Business Models:** Incorporate a low-cost incubator model that embeds early-stage micro-businesses within established, larger operations, providing them with immediate market visibility and drastically lower operational overhead.
- **Integrate Collaborative Maker Spaces:** Provide functional studio spaces for local “makers” and creative professionals that are open to the general public. In exchange for utilizing these subsidized spaces, creators must commit to open studio hours to interact with, showcase their work to, and educate curious neighbors.
- **Provide Culturally Relevant Retail Opportunities:** Retail curation must actively fill local retail gaps, such as hosting mobile or brick-and-mortar bookstores or offering customizable cultural products like African clothing with on-site, real-time alterations for inclusive sizing.

PRINCIPLE 5: PRIORITIZING FOOD JUSTICE, HEALTHCARE, AND EDUCATION

- **Address the Food Desert Crisis with Quality:** The complex should directly tackle the neighborhood’s systemic lack of fresh food options and historically sub-par grocery access. It is imperative that the market provides consistent access to high-quality, nutritious, whole, and global foods.
- **Embed Food Equity Assistance Programs:** To guarantee true equity, the food market must accept WIC, SNAP, and other food assistance programs. Furthermore, it must establish formal partnerships with health programs to offer direct financial discounts on fresh produce.
- **Incorporate Intergenerational and Youth Education:** Educational opportunities must be structurally embedded into the space. Special emphasis could be placed on teaching youth about fresh, whole foods to combat the detachment caused by lack of agricultural access at home.
- **Provide Wraparound Healthcare Services:** Partner directly with healthcare organizations to incorporate temporary or permanent medical infrastructure, such as hosting pop-up health clinics and/or integrating professional wellness services directly into the site’s programming.

PRINCIPLE 6: DESIGNING A WELCOMING, COLLABORATIVE “THIRD SPACE”

- **Adopt a Peer-to-Peer Collaborative Ethos:** The Public Market Complex must not feel like an exogenous product imported from another city or a replica of the Pearl District. The framework should emphasize genuine peer-to-peer collaboration and community sharing rather than an attitude of “doing the neighborhood a favor”.
- **Create Multipurpose Community Features:** Programming must deliver an array of flexible “Third Space” layouts, including community kitchen areas, rental event spaces, green spaces, playgrounds, pet-friendly facilities, and traditional social zones like a domino or game area.
- **Design for Holistic Nighttime Safety:** Ensure the environment feels consistently safe and family-friendly by incorporating highly visible, excellent structural lighting. Supplement this infrastructure with hired, security personnel specifically tailored for large, evening gathering events rather than invasive daily enforcement.
- **Dedicate Space for Non-Profit Organizations:** Ensure civic and social advocacy groups have a permanent home within the ecosystem by designing dedicated community booths that local non-profits can apply to utilize on an exclusive basis.

PRINCIPLE 7: COMMITTING TO DIRECT, INCLUSIVE COMMUNITY GOVERNANCE

- **Rely on Grassroots, Individual Feedback Loops:** Traditional, large-scale town hall presentations should be avoided, as they frequently feel hostile, unwelcoming to everyday residents, and easily dominated by a few vocal individuals pushing isolated narratives. Instead, engagement strategies should prioritize direct, individual conversations and broad-reaching, anonymous surveys.
- **Establish Local Decision-Making Power:** To ensure long-term alignment with neighborhood priorities, establish a formal decision-making committee that could be composed entirely of local Eastside residents and business owners. This body must possess direct governance over operational rules, scale, and the ultimate vetting/selection of what vendors are permitted to sell inside the complex.
- **Engage Local Youth in the Process:** Actively cultivate the neighborhood’s future leadership by establishing direct partnerships with local schools. Implement interactive youth engagement programs, such as hosting school design competitions where students create drawings or models to shape the physical project.

03 Goals & Vision

There's No Love,
Like **EASTSIDE** Love.



Vision

The Eastside Public Market is envisioned as a vibrant, culturally authentic destination that serves as the heartbeat of the Eastside community. Rooted deeply in the neighborhood’s rich heritage, the market will champion local businesses and entrepreneurs while directly addressing historical food inequities. By providing consistent access to affordable, healthy, and culturally relevant food options, the market will foster holistic community wellness. More than just a retail space, it will be a welcoming, inclusive gathering place where neighbors connect, culture is celebrated, and the local economy thrives from the inside out.

Goals

To realize this vision, this feasibility study evaluates the project through six core strategic pillars. These goals balance community necessity with economic viability to ensure long-term sustainability.

1. Community Benefit & Food Access Alignment

Objective: Quantify and maximize the market’s impact on local health, social cohesion, and wealth building.

Focus Areas: Designing strategies to eliminate food desert conditions on the Eastside; creating safe, intergenerational public spaces for community programming, art, and education; and establishing measurable benchmarks for local workforce development.

2. Consumer and Community Interest Mapping

Objective: Ensure the market’s offerings directly reflect the desires, budgets, and cultural preferences of Eastside residents.

Focus Areas: Conducting extensive community outreach (surveys, Pop-up events, focus groups) to identify high-demand products, diverse food options, essential services, and preferred spatial layouts.

3. Operator and Vendor Identification

Objective: Explore a robust, equitable pipeline of local merchants, farmers, and artisans.

Focus Areas: Identifying potential anchor tenants, micro-entrepreneurs, and non-profit partners; prioritizing Eastside-native operators to prevent displacement; and establishing criteria for incubator programs to help hyper-local vendors scale.

4. Landscape and Duplication Analysis

Objective: Understand the current regional ecosystem to ensure the public market fills a unique niche rather than competing with existing neighborhood assets.

Focus Areas: Mapping existing grocery stores, corner markets, and nearby commercial hubs

(such as St. Paul Square and the Pearl); identifying service gaps; and positioning the market as a complementary asset to the regional food economy.

5. Infrastructure and Programmatic Assessment

Objective: Define the physical and technical specifications required to support a highly functional, modern public market.

Focus Areas: Assessing site-specific needs including cold storage, commercial kitchen spaces for vendor prep, waste management, parking/transit accessibility, and flexible indoor/outdoor configurations for events and seasonal vending.

6. Financial Feasibility & Cost Considerations

Objective: Develop a realistic financial model that balances vendor affordability with the market’s long-term operational self-sufficiency.

Focus Areas: Establishing equitable, tiered retail rent structures; determining the optimal frequency of vending (e.g., daily vs. weekend-only operations); and projecting pro forma capital costs, ongoing operational expenses, and diversified revenue streams (grants, event rentals, vendor fees).

Image: Kick-off Meeting January 9, 2026 with SAGE and Able City



Demand Analysis

In determining the viability of a public market, understanding the geographic reach of potential customers is critical. A market’s customer base is divided into three distinct catchments: Primary, Secondary, and Tertiary trade areas.

Primary Trade Area (Walkable / Neighborhood-Centric)

Definition: The immediate geographic zone surrounding the property, typically defined by a 0.5 to 1-mile radius or a 5-to-10-minute walk.

Customer Behavior: This area consists of hyper-local residents, neighborhood employees, and daily commuters. They utilize the site frequently, often multiple times a week, for essential goods, daily grocery needs, casual dining, and neighborhood gathering.

Market Role: Forms the foundational, loyal customer base that drives steady weekday traffic and fulfills the core mission of local food access.

Secondary Trade Area (Regional / Short-Drive Catchment)

Definition: The broader district encompassing adjacent neighborhoods and major corridors, typically defined by a 3-to-5-mile radius or a 10-to-15-minute drive.

Customer Behavior: These are regional consumers from the greater Eastside, Near Eastside, and downtown San Antonio. They visit intentionally, driven by convenient vehicular or transit access, and look for specialized retail, weekly grocery shopping, or distinct dining experiences.

Market Role: Bridges the gap between hyper-local community use and major destination tourism, providing the critical volume needed for sustained merchant profitability.

Tertiary Trade Area (Destination Draw / Tourism & Event-Driven)

Definition: The widest catchment zone, extending beyond 5 miles to encompass the entire Bexar County region, commuter suburbs, and the downtown tourist/convention ecosystem.

Customer Behavior: Visitors from this tier treat the location as a weekend or special-event destination. They are drawn by unique cultural programming, large-scale festivals, authentic regional food options, and tourism marketing.

Market Role: Injects external economic capital into the Eastside. Spending from tertiary visitors subsidizes hyper-local community programs and allows vendors to scale.

Site-Specific Trade Area Application

The following table illustrates how the specific geography of each proposed property alters the dynamics of its Primary, Secondary, and Tertiary draw.

Table 2: Tertiary Trade Area Breakdown

Property Site	Primary Trade Area (Walkable / Nearby)	Secondary Trade Area (Regional Catchment)	Tertiary Trade Area (Destination Draw)
1617 E. Commerce St. (Friedrich Building)	High Density / Residential-Led: Captures the dense, incoming residential population from the Friedrich block redevelopment itself and the surrounding historic Denver Heights/ Eastside neighborhood.	Corridor Connectivity: Draws easily from the Commerce Street commercial corridor and Eastside community hubs via direct East/West vehicular and bus routes.	Industrial-Scale Destination: The sheer historic scale and square footage of the Friedrich allows for a massive, multi-use anchor layout that can pull regional weekend shoppers from across Bexar County.
1228 E. Houston St. (The Hugo)	Downtown-Edge Walkability: Ideally positioned to capture immediate foot traffic from the eastern edge of downtown, Near Eastside residents, and nearby office/hospitality workers.	Urban Neighborhood Grid: Seamlessly connects to the highly accessible Houston Street grid, pulling in demographics from the Pearl, Dignowity Hill, and Government Hill within a 5-to-10 minute drive.	Adaptive Reuse Appeal: The building’s architectural nostalgia as the former Spaghetti Warehouse gives it built-in name recognition, making it an easy sell for regional culinary tourists.
220 Chestnut St. (Ellis Alley Enclave / VIA Lot)	Transit-Oriented / Historic: Captures immediate pedestrian traffic from the historic Ellis Alley enclave and the bustling, adjacent St. Paul Square commercial district.	Multi-Modal Hub Access: Uniquely positioned to capture the commuter market. Because it is operated by VIA Transit, it naturally draws regional riders transferring through or utilizing nearby transit assets.	High-Visibility Freeway Magnet: Features an unparalleled line of sight from I-37. This massive freeway visibility acts as a billboard, effortlessly capturing regional commuters and tourists traveling between downtown and the broader San Antonio highway loop.

Demographic Analysis

Population

Since 2010, population levels in the Eastside Study Area have remained relatively stable, increasing from approximately 16,800 residents in 2010 to about 16,900 residents in 2020. This was followed by a modest decline to an estimated 16,300 residents in 2025. Population is projected to remain generally flat through 2030. During the same period, the City of San Antonio experienced sustained and substantial growth, increasing from approximately 1.33 million residents in 2010 to an estimated 1.53 million residents by 2025. The Eastside continues to represent a small share of the city’s overall population base, limiting the extent to which residential demand alone can support a new public market complex.

Household growth within the Eastside has modestly outpaced population trends, increasing from approximately 5,400 households in 2010 to an estimated 6,300 households in 2025. This trend suggests smaller household sizes rather than significant net in-migration. From a feasibility standpoint, this household base supports neighborhood-scaled commercial uses but remains limited in its ability to sustain regionally competitive retail concepts without additional demand sources.

The Eastside’s demographic profile remains slightly younger than the citywide average, with a 2025 median age of 34.7 compared to 35.9 for the City of San Antonio. While the age structure reflects a mix of families, working-age adults, and long-term residents, the overall population size and household base constrain total market depth.

Table 3: Population

	2010	2020	2025	2030
Eastside Study Area	16,801	16,933	16,332	16,581
City of San Antonio	1,326,182	1,434,395	1,526,656	N.A

Source: ESRI; US Census Bureau

Table 4: Households

	2010	2020	2025	2030
Eastside Study Area	5,417	6,093	6,279	6,507
City of San Antonio	479,190	538,191	566,012	588,682

Source: ESRI

Table 5: Median Age

	2010	2020	2025	2030
Eastside Study Area	30.8	33.6	34.7	35.8
City of San Antonio	32.8	34.9	35.9	37.1

Source: ESRI

Housing

In 2025, the Eastside Study Area is characterized by a relatively higher share of renter-occupied housing and elevated vacancy rates compared to the citywide average. Approximately 55.4 percent of Eastside housing units are renter occupied, compared to 46.5 percent citywide. Owner occupancy is lower at 44.6 percent versus 53.5 percent for San Antonio overall. In addition, the Eastside’s vacancy rate of 17.1 percent is nearly double the citywide rate of 9.1 percent. From a feasibility perspective, these conditions align with demand for affordable, accessible, and convenience-oriented neighborhood goods and services.

Table 6: 2025 Housing Characteristics

	Eastside Study Area	City of San Antonio
2025 Housing Units	7,574	622,919
Owner Occupied Housing Units	44.6%	53.5%
Renter Occupied Housing Units	55.4%	46.5%
Vacant Housing Units	17.1%	9.1%

Source: ESRI

Income

In 2025, household incomes in the Eastside Study Area were lower than citywide levels, reflecting more limited discretionary spending capacity. Median household income in the Eastside is estimated at approximately \$41,700 compared to \$65,300 for the City of San Antonio. Per capita income similarly lags the city average. From a feasibility standpoint, a public market or catalytic commercial project on the Eastside would need to be carefully positioned and priced, with success dependent on attracting a diversified customer base that includes visitors in addition to nearby residents.

Table 7: Income Characteristics 2025

	Eastside Study Area	City of San Antonio
Median Household Income	\$41,698	\$65,316
Average Household Income	\$67,739	\$88,746
Per Capita Income	\$26,351	\$34,767

Source: ESRI

Employment Base

Employment within the Eastside Study Area has remained relatively flat over the past two decades, with recent gains concentrated between 2020 and 2023 in the Administrative and Support Services sector. Other major employment sectors in the study area include Construction, Manufacturing, and Accommodation and Food Services. This employment base reflects a mix of industrial activity and neighborhood-serving uses. Total employment at businesses located within the Eastside is estimated at approximately 6,900 workers. Employment statistics can be somewhat misleading; a firm located in the Eastside might have satellite locations and employees can be spread out within a community, but all employees are counted at the headquarters location (ex: school district central office).

Table 8: Jobs by NAICS Industry Sector

Sector	2005	2010	2015	2020	2023
Agriculture, Forestry, Fishing and Hunting	2	1	0	0	0
Mining, Quarrying, and Oil and Gas Extraction	0	0	0	0	0
Utilities	0	0	0	0	1
Construction	466	301	521	627	451
Manufacturing	351	400	386	452	910
Wholesale Trade	392	359	353	228	193
Retail Trade	569	386	408	394	348
Transportation and Warehousing	414	256	192	160	205
Information	60	47	28	27	71
Finance and Insurance	27	46	47	60	73
Real Estate and Rental and Leasing	33	21	85	44	98
Professional, Scientific, and Technical Services	108	160	167	121	194
Management of Companies and Enterprises	0	0	0	1	0
Administrative and Support and Waste Management and Remediation Services	234	72	421	212	2,673
Educational Services	149	117	97	543	311
Health Care and Social Assistance	620	574	510	615	261
Arts, Entertainment, and Recreation	348	366	67	28	96
Accommodation and Food Services	920	938	906	548	702
Other Services	74	89	97	84	159
Public Administration	30	30	0	0	0
Total	4,797	4,163	4,285	4,144	6746

Source: U.S. Census Bureau On The Map LEHD

Employment patterns indicate that the area functions primarily as a work destination rather than a live-work district. Of the approximately 6,900 jobs located in the study area in 2023, an estimated 98 percent are held by workers who live outside the area. While this external workforce represents an opportunity to support weekday demand, the feasibility of a public market will depend on its ability to intentionally capture spending from these commuters in addition to serving nearby residents.

Table 9: Eastside Study Area Inflow/Outflow Job Counts (2023)

Workers	Count	Share
Employed in the Selection Area	6,895	100.00%
Employed in the Selection Area but Living Outside	6,758	98.0%
Employed and Living in the Selection Area	137	2.0%

Retail Demand

The table below represents the estimated amount households in the Eastside Study Area spend on several product and service categories. This dataset provides a picture of demand based on current income levels and household characteristics. ESRI’s retail demand outlook indicates moderate, steady growth in consumer spending potential between 2025 and 2030 across key categories. Total demand across the three major groupings shown increases from approximately \$70.6 million in 2025 to \$78.9 million by 2030. Food demand is projected to rise by \$5.4 million through 2030, including \$3.5 million in Food at Home (grocery-oriented spending) and \$1.9 million in Food Away from Home (restaurants/ready-to-eat). Entertainment and recreation demand grows by \$1.8 million. From a public market feasibility perspective, this outlook suggests the most demand is food-oriented that aligns with everyday needs (e.g., small-format grocery, produce, prepared foods, and value-oriented offerings).

Table 10: Retail Demand Outlook - Eastside Study Area

	2025	2030	Projected
Apparel and Services	\$9,699,082	\$10,843,435	\$1,144,353
Men’s	\$1,930,293	\$2,157,107	\$226,814
Women’s	\$3,276,826	\$3,664,966	\$388,140
Children’s	\$1,366,073	\$1,526,969	\$160,896
Footwear	\$2,193,639	\$2,452,557	\$258,918
Watches & Jewelry	\$742,084	\$829,410	\$87,326
Apparel Products and Services	\$190,167	\$212,425	\$22,258
Food	\$45,917,234	\$51,332,065	\$5,414,831
Food at Home	\$29,900,431	\$33,416,497	\$3,516,066
Food Away from Home	\$16,016,803	\$17,915,568	\$1,898,765
Entertainment & Recreation	\$14,987,828	\$16,751,008	\$1,763,180

Source: ESRI

Arts & Culture Demand

ESRI’s Market Potential Index (MPI) results show that the Eastside Study Area has strengths in several arts and culture engagement categories. An MPI (Market Potential Index) measures the relative likelihood that adults or households in a defined trade area will exhibit specific consumer behaviors or purchasing patterns compared to the U.S. overall. An MPI score of 100 represents the national average, with values above 100 indicating higher-than-average propensity and values below 100 indicating lower-than-average propensity.

For a public market complex, this data suggests a programming framework that emphasizes live music, community performances, culturally relevant events, and participatory experiences that complement food, gathering, and everyday use. When positioned as a supportive element (ex. enhancing dwell time, reinforcing identity, and encouraging repeat visitation) arts and cultural programming can play a meaningful role in building place-based demand, even as food access and affordability remain the primary economic drivers of the project.

The Power of 10+ is a placemaking framework developed by Project for Public Spaces to evaluate and strengthen places at multiple scales. At its core, the Power of 10+ suggests that successful places offer a diverse range of reasons (10 or more) for people to visit and stay, such as spaces to sit, opportunities to play, local food options, art and cultural experiences, music, history, and social interaction. The most effective places reflect the unique character and culture of their surrounding communities. The MPI scores for the Eastside are consistent with the Power of 10+ concept.

Table 11: Attended Arts & Culture

Product/Consumer Behavior	Eastside Study Area	City of San Antonio
Went to Museum	78	94
Attended Classical Music or Opera Performance	87	98
Attended Country Music Performance	71	92
Attended Rock Music Performance	69	93
Attended R&B/Rap/Hip-Hop Music Performance	157	114
Attended Music Festival	103	109
Went to Live Theater	70	85
Visited Theme Park	102	107
Attended Dance Performance	103	114

Source: ESRI

Table 12: Participated in Arts & Culture

Product/Consumer Behavior	Eastside Study Area	City of San Antonio
Participated in Local Theater	132	114
Played Musical Instrument	80	93
Did Painting/Drawing/Sculpting	99	98
Attended Adult Education Course	102	107
Did Photography	88	94
Sang in Choir or Band	113	103
Danced or Went Dancing Last	119	114

Source: ESRI

Longer-Term Growth Forecasts

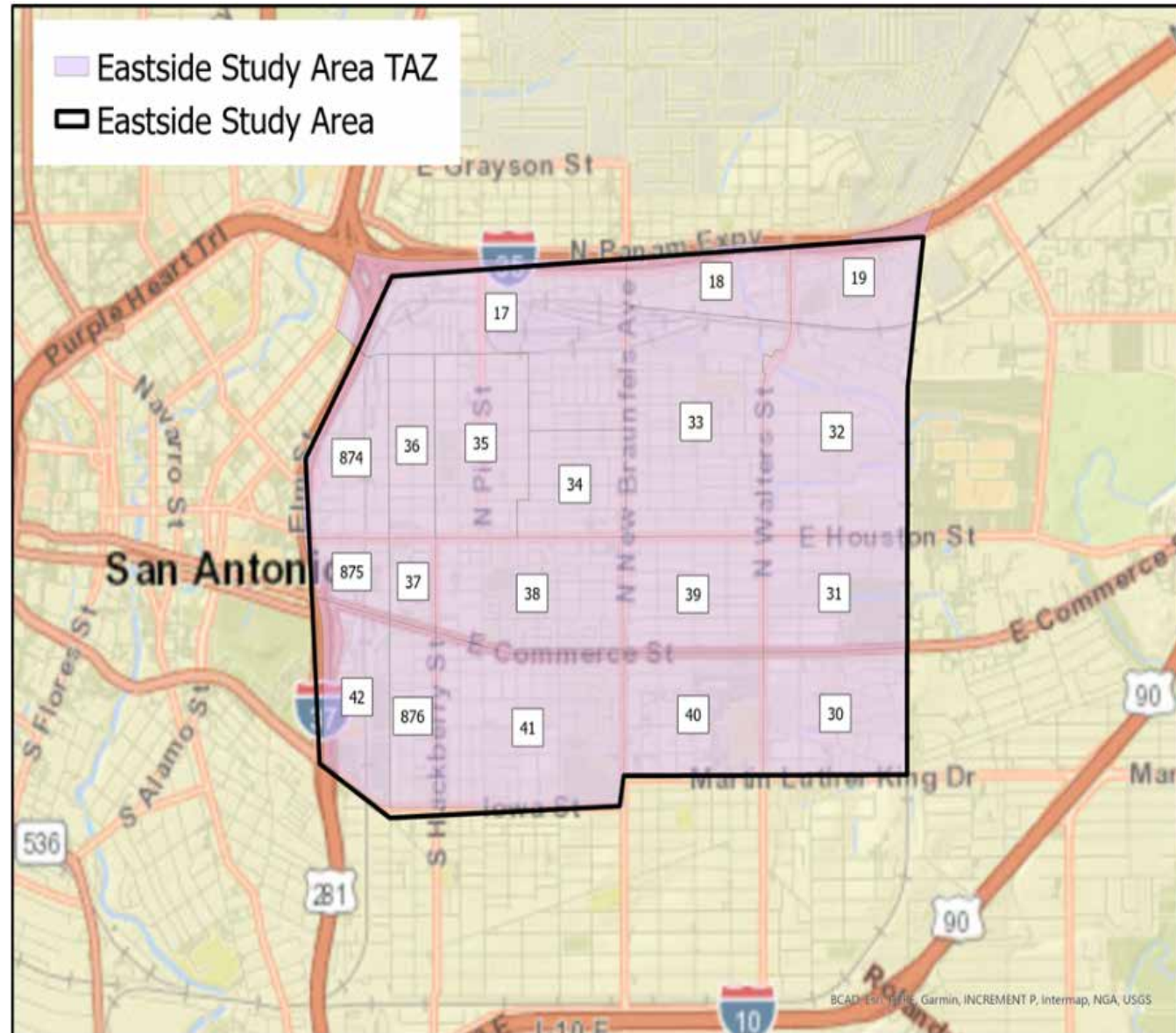
Growth forecasts for the Eastside vary by source, highlighting a tension between near-term market conditions and longer-term potential. While ESRI’s near-term projections suggest relatively modest population change, the Alamo Area Metropolitan Planning Organization’s (AAMPO) Traffic Analysis Zone (TAZ) forecasts indicate stronger long-term growth. Current population, income, and retail demand levels support only neighborhood-scaled, food-oriented uses in the near term. However, AAMPO projects substantial increases in both households and employment through 2050. This anticipated growth suggests that the Eastside’s customer base could expand meaningfully over time. A right-sized initial development, designed with flexibility and the ability to expand, would allow a public market to function as an early catalytic investment while remaining positioned to capture incremental demand as projected population and employment growth materializes.

Table 13: TAZ Population & Employment Forecast

Year	Pop	HH	Emp
2020	16,322	5,357	10,952
2030	18,612	6,364	13,628
2040	20,229	7,097	15,530
2050	22,344	8,069	17,804

Source: Alamo Area Metropolitan Planning Organization

Figure Eastside TAZ Study Area Map



COMPETITIVE ANALYSIS

National Trends & State Benchmarks

1. Local Food Movement (Locavores)

The Trend: The “locavore” movement has shifted from a niche lifestyle choice to a major economic driver. Consumers increasingly demand transparency, preferring to purchase directly from regional agricultural producers and local culinary makers.

The Data: National: According to the USDA Economic Research Service, direct-to-consumer (DTC) food sales nationwide have surpassed \$10 billion annually, with over 78% of consumers stating they prefer buying local food to support their regional economy.

Texas Baseline: The Texas Department of Agriculture (GO TEXAN program) reports that over 82% of Texans actively seek out Texas-produced food and goods when shopping, driven by a strong sense of state pride and a preference for freshness.

Eastside Application: While affluent markets capitalize on this through high-priced organic goods, the Eastside Public Market can leverage this trend to establish an affordable, community-centric local supply chain. Partnering with regional Black-owned farms and Eastside community gardens ensures that “local food” remains a tool for neighborhood health equity rather than luxury consumption.

2. Experiential Retail

The Trend: Traditional commodity brick-and-mortar retail continues to decline as e-commerce dominates. To survive, physical storefronts must offer “experiential retail”, spaces where consumers buy an experience, connection, or education rather than just a physical product.

The Data: 10 National: The International Council of Shopping Centers (ICSC) notes that 73% of Millennials and Gen Z shoppers prioritize spending money on experiences over physical goods. Furthermore, retail spaces that integrate food, beverage, and live entertainment see a 22% higher dwell time (the amount of time a customer stays on site) than traditional shopping spaces.

Texas Baseline: Major metropolitan areas in Texas have seen a massive surge in mixed-use cultural developments. Consumers are increasingly drawn to outdoor-indoor hybrid spaces that mirror the state’s social gatherings and pleasant patio culture.

Eastside Application: By integrating live jazz, blues, historical exhibitions, and interactive storytelling surrounding Black heritage, the Eastside Public Market naturally embodies experiential retail. It becomes a cultural destination where visitors do not just buy goods, they participate in a community legacy.

3. Food Halls vs. Public Markets

The Data: The Project for Public Spaces (PPS) State of Public Space Report indicates that while food halls are highly sensitive to economic downturns and changing consumer spending, traditional public markets see incredibly stable traffic because they provide dual utility: a place to buy everyday food staples and a communal space to gather.

Eastside Application: The Eastside cannot support, nor does it need, another expensive food hall. It requires a hybrid public market that offers affordable, raw food access during the week while leveraging ready-to-eat food stalls and retail on the weekends to generate tourism revenue.

4. Health & Sustainability Trends

The Trend: Diet-related health awareness (preventative healthcare, organic eating, clean labels, and plant-based options) has accelerated heavily.

The Data: 7 National: The Centers for Disease Control and Prevention (CDC) and the Organic Trade Association track a steady, annual 5% to 7% increase in consumer spending on fresh produce and clean food initiatives. However, access to these options remains heavily skewed toward wealthy zip codes.

Texas/Local Context: According to the San Antonio Metropolitan Health District, parts of the Eastside face significantly higher rates of diabetes and cardiovascular issues compared to wealthier areas of Bexar County, heavily correlated with a lack of fresh grocery options (food desert conditions).

Eastside Application: The Eastside Public Market directly acts as a solution to this trend. By accepting SNAP/EBT benefits and matching programs like Double Up Food Bucks (a major initiative across Texas farmers markets), the market bridges the gap between the national health trend and local affordability, ensuring wellness is accessible to Eastside families.

Key Findings

1. Near-term market conditions support a neighborhood-scaled concept. Current population size, household incomes, housing characteristics, and retail demand levels on the Eastside support food-oriented uses rather than a destination or entertainment project. Neighborhood demand alone is insufficient to sustain a large or highly discretionary market without additional customer segments.
2. Food-oriented demand represents the strongest and most defensible market foundation. Retail demand data consistently indicate that food accounts for most of the local spending potential. This supports a public market model centered on grocery access, prepared foods, and culturally relevant offerings rather than apparel or higher-end retail.
3. Arts and culture programming can support activation but are not standalone demand drivers. The Market Potential Index results suggest selective strengths in music, festivals,

dance, and participatory arts rather than traditional institutional arts. Programming should be treated as a demand-support tool enhancing dwell time and identity rather than a primary revenue generator.

4. Long-term forecasts indicate meaningful potential upside. While near-term demographic projections are modest, AAMPO's TAZ forecasts project significant long-term growth in households and employment through 2050. Employment growth suggests expanding weekday demand that could materially improve market performance over time.
5. Feasibility improves when the project is framed as catalytic rather than self-sustaining. A public market on the Eastside is most feasible as a catalytic investment supported by intentional programming, and public-sector partnership. Long-term success will depend on capturing incremental demand from workers, students, and visitors while neighborhood conditions continue to strengthen.

Competitive Landscape Analysis

To position a new public market for long-term viability, the project must navigate San Antonio's established food, beverage, and retail ecosystem. While the Eastside has historically been underserved in terms of fresh food access, surrounding regional developments present distinct forms of market competition.

Categories of Local Competition

Traditional Grocery Stores

The Landscape: H-E-B holds a dominant market share in San Antonio. The primary grocery competitors impacting the Eastside are the H-E-B on S. New Braunfels Ave. (serving the immediate Eastside neighborhood) and the H-E-B South Flores Market (serving the downtown core).

Market Interaction: Traditional grocers compete directly on price point, convenience, and commodity household staples.

The Opportunity: A public market cannot compete with H-E-B on wholesale volume; instead, it must differentiate by offering hyper-local products, specialty heirloom produce, cultural foods, and an experiential shopping environment that corporate grocery stores lack.

Specialty Food Retailers & Artisanal Markets

The Landscape: This includes higher-end gourmet grocers and cultural specialty shops closer to the urban center, such as boutique meat markets, panaderías, and independent tortillerías.

Market Interaction: These retailers capture consumers looking for high-quality, authentic, or niche ingredients.

The Opportunity: Rather than treating specialty retailers as competitors, the public market can serve as an incubator framework, inviting these very vendors to host satellite booths or micro-stalls within the market to expand their reach.

Established Farmers Markets

The Landscape: The Pearl Farmers Market (located less than 2.5 miles northwest) is one of the most successful open-air markets in Texas, drawing massive weekend crowds on Saturdays and Sundays. Smaller neighborhood pop-ups also occur seasonally in Southtown as well as at St. Paul Square.

Market Interaction: The Pearl captures the premium, organic, artisan-seeking demographic, pulling regional and tourist dollars heavily on weekends.

The Opportunity: The Pearl operates primarily as a high-end producer-only weekend market. An Eastside public market can differentiate by being a permanent, indoor/outdoor, daily or multi-day hub that balances regional draw with explicit, affordable food access and cultural programming specific to Eastside heritage.

Local Restaurants & Nightlife Hubs

The Landscape: The thriving culinary scenes in adjacent St. Paul Square, Dignowity Hill, and the nearby Near Eastside feature established eateries, bars, and coffee shops.

Market Interaction: These businesses compete for consumer “share of stomach” during lunch, dinner, and weekend brunch hours.

The Opportunity: The public market can position itself as a complementary day-part asset. By focusing on ready-to-eat street food, quick-service stalls, and micro-café, it captures casual daytime spending without cannibalizing the formal sit-down dinner traffic of neighboring restaurants.

Food Halls

The Landscape: Major food halls in the urban core include the Bottling Department at the Pearl, the newly opened Mexico Ceaty at Rivercenter Mall, and the Southtown Food Hall on Alamo Street.

Market Interaction: Food halls compete fiercely for the experiential diner, tourists, and downtown lunch crowds looking for curated, chef-driven multi-vendor spaces.

The Opportunity: Standard food halls are purely consumption-driven (restaurants and bars). The Eastside Public Market will distinguish itself by being a hybrid model that merges raw food retail (produce, meats, bulk goods) with community gathering spaces and small-scale food stalls, prioritizing neighborhood utility over pure commercial entertainment.

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Site-Specific Competitive Vulnerabilities & Advantages

The table below maps out how each category of competition specifically impacts the three proposed site locations.

Table 14: Competitive threats and Strategic Advantages

Property Site	Primary Competitive Threats	Site-Specific Strategic Advantage
1617 E. Commerce St. (Friedrich Building)	High competition from the S. New Braunfels H-E-B for everyday grocery spend. Farthest from the downtown tourist loop, requiring a stronger local hook.	The Shield: The built-in consumer base from the Friedrich’s own massive residential redevelopment creates an insulated market. The Niche: Excellent opportunity to establish a true neighborhood hub focused on local food access, day-to-day community spaces, and neighborhood-serving retail.
1228 E. Houston St. (The Hugo)	High vulnerability to The Pearl (Bottling Department & Farmers Market) due to its close geographical proximity. Competes directly with downtown food halls for lunch traffic.	The Shield: Features unique historic architecture with deep name recognition, lowering the marketing barrier. The Niche: Ideally suited to capture the daytime urban workforce, office commuters, and cultural culinary tourists looking for an alternative to the highly-commercialized Riverwalk options.
220 Chestnut St. (Ellis Alley Enclave / VIA Lot)	Direct overlap with the immediate restaurant and entertainment offerings of St. Paul Square. High traffic from Mexico Ceaty (Rivercenter) just blocks away via the highway underpass.	The Shield: Unparalleled visibility from I-37 and a direct connection to a major VIA Transit multi-modal hub. The Niche: Positioned perfectly as a highly accessible transit-oriented market. It can effortlessly intercept regional commuters and tourists, capturing external spending to subsidize hyper-local vendor rents and community initiatives.

Eastside Market Demand Study Area

While San Antonio possesses a thriving market and culinary scene, the proposed Public Market could occupy an entirely unique position in the regional ecosystem. Rather than replicating existing commercial models, this market fills a distinct cultural and socio-economic void. SAGE has used multiple study area boundaries in prior analyses. This assessment focuses on 4.0 square miles immediately east of Downtown San Antonio. The boundary includes key anchor institutions including St. Paul Square, the Alamodome, St. Philip’s College, and VelocityTX. While several sites within this area are under consideration for a public market complex, the study boundary centers on the Eastside’s primary commercial corridors of East Commerce Street and East Houston Street. The study area was also selected for its walkability potential. Locations within a quarter-mile walking distance of housing, retail, employment, schools, parks, and entertainment venues are more likely to support frequent, everyday use by local residents. Finally, a substantial portion of the study area lies within the City of San Antonio’s Inner City Tax Increment Reinvestment Zone (TIRZ), representing a potential funding and implementation tool to support the catalytic investment.

The Market Niche: Cultural Authenticity & Community Wealth

The primary market niche of the Eastside Public Market is its focus as a culturally specific, community-first incubator.

While the majority of San Antonio’s public markets and retail spaces naturally reflect the city’s dominant Hispanic heritage, the Eastside Public Market will intentionally highlight, celebrate, and preserve Black Culture. During community engagement phases, this cultural focus was overwhelmingly well-received by local residents, signaling a deep, unmet demand for a space that honors the

historic roots of the Eastside.

Core Competitive Advantages Culturally Defined Tenant Mix

The Contrast: Most local artisanal markets feature a homogenized blend of regional goods or skew heavily toward standard Euro-centric or Hispanic-centric offerings.

The Advantage: By actively recruiting, training, and prioritizing Black-owned businesses and operators who specialize in Black culture, the market introduces an entirely distinct tenant mix to the San Antonio landscape. This includes:

- Culinary: Authentic soul food, Creole/Cajun fusions, Southern baking, and historical African diaspora cuisines.
- Retail & Services: Afrocentric apparel and textiles, local Black-authored literature, and neighborhood-rooted art galleries.
- Entertainment: Live jazz, blues, gospel, and spoken-word programming that transforms the market into a cultural epicenter.

Strategic Cross-Subsidization (The “Value-to-Community” Engine)

The Contrast: Standard markets require all vendors to hit aggressive commercial margins to survive high rents.

The Advantage: The market can leverage its unique cultural niche to draw tourism and regional dollars (especially at highly visible sites like 220 Chestnut St. or historic footprints like 1228 E. Houston St.). Capital generated from weekend destination tourists and event rentals can be directly reinvested to subsidize weekdays, ensuring that fresh produce, healthy food options, and essential services remain highly affordable for the immediate, walkable primary trade area.

Table 15: Summary of Market Positioning

Feature	Traditional Food Halls / Markets (e.g., The Pearl, Rivercenter)	The Proposed Eastside Public Market
Primary Goal	High-end real estate yields, tourism profit, luxury consumer experience.	Community health, food equity, local wealth creation, and cultural preservation.
Cultural Identity	Broadly commercialized; largely reflective of Euro-centric or mainstream Hispanic demographics.	Deeply rooted in Black heritage, offering a unique, underserved cultural niche in San Antonio.
Barrier to Entry	High rents, strict capital requirements, corporate vetting.	Low-barrier vendor incubation, business development support, and accessible booth rates.
Price Point	Premium / Luxury pricing.	Mixed/Accessible pricing models with a commitment to affordable everyday essentials.



04 SITE SELECTION

There's No Love,
Like **EASTSIDE** Love.



SITE SELECTION

For public market and food hall projects, developers focus on whether a location can support consistent, everyday activity rather than relying solely on destination traffic. Successful sites typically demonstrate a strong mix of nearby residents, workers, students, and visitors within a short walk. Walkability, public transit, accessible parking, and the absence of physical barriers are also critical factors.

Able City, in collaborative partnership with SAGE (San Antonio for Growth on the Eastside), has conducted an extensive site selection analysis within the **Inner City Tax Increment Reinvestment Zone (TIRZ) No. 11**. Our team identified numerous high-potential locations for a central Public Market, specifically targeting sites that can leverage TIRZ benefits such as captured tax increments for public infrastructure and façade improvements to ensure long-term project viability and community reinvestment.

Key TIRZ benefits considered in this identification include:

- **Infrastructure Financing:** Utilizing tax increments to fund streetscaping, lighting, and utility upgrades.
- **Historic Preservation:** Accessing specialized funds for the adaptive reuse of the Eastside’s industrial heritage.
- **Community Equity:** Aligning with TIRZ 11’s priority for projects that address food security and local entrepreneurship without displacing existing residents.

Site visits were conducted on February 5 & 26, 2026 to experience existing conditions first hand which included a tour of the Friedrich building by John Miller (on February 26, 2026). The list of ten (10) initial sites include various existing conditions ranging from vacant sites and parking lots to historic designated buildings. The following list of sites would be increased with two (2) additional sites to bring a total of twelve (12) total sites.

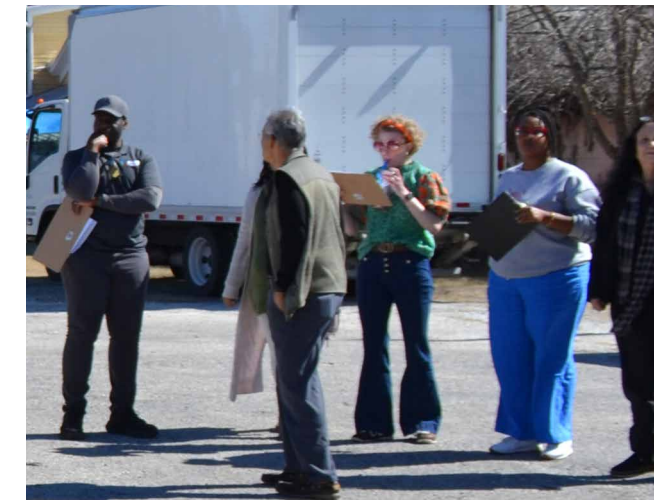
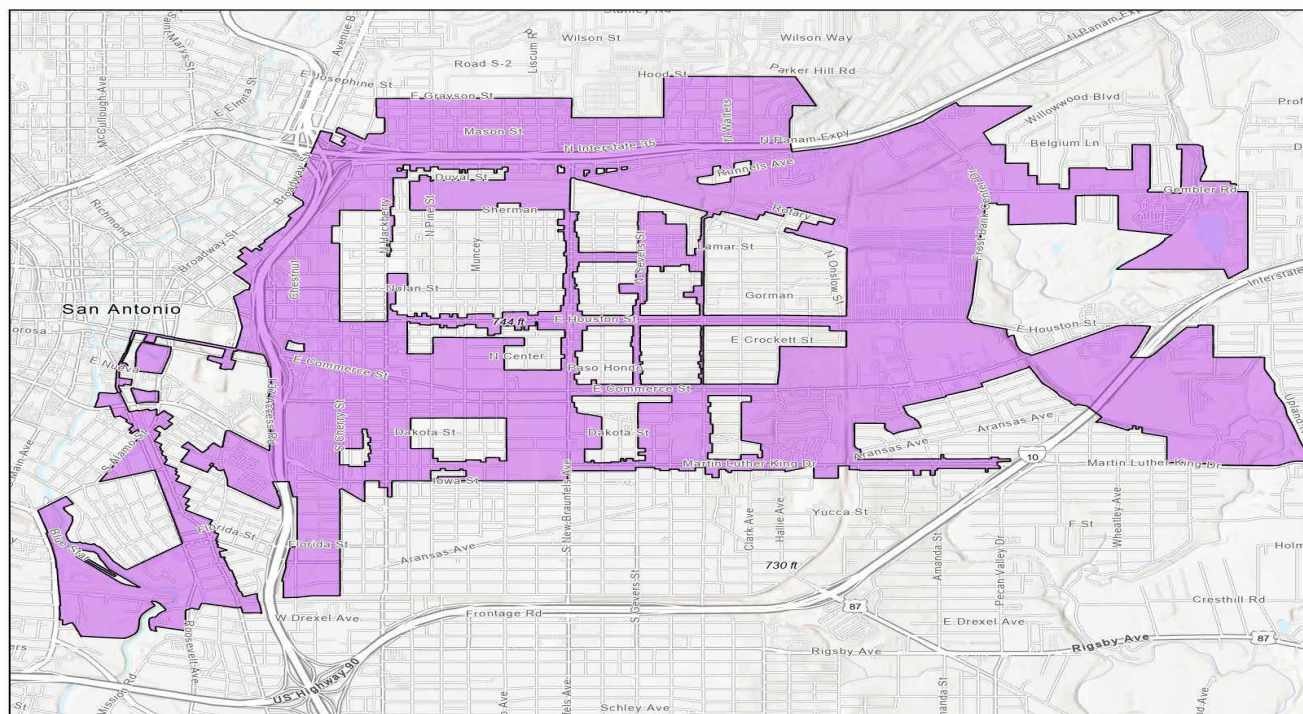


Image Site Visit to 107 S Mesquite St

INITIAL SITE LOCATIONS

1. 2200 E Houston St
2. 1617 E Commerce St
3. 929 N New Braunfels Ave
4. 733 N New Braunfels Ave
5. 2602 E Commerce St
6. 1605 E Houston St
7. 107 S Mesquite St
8. 202 Lamar St
9. 2803 E Houston St
10. 1228 E Houston St
11. 220 Chestnut St
12. 1305 E Houston St
13. 215 Coca-Cola Pl

Map 1: City of San Antonio TIRZ 11 Boundary Map



Map 2: Initial Site Selections within the City of San Antonio TIRZ 11 Boundary Map

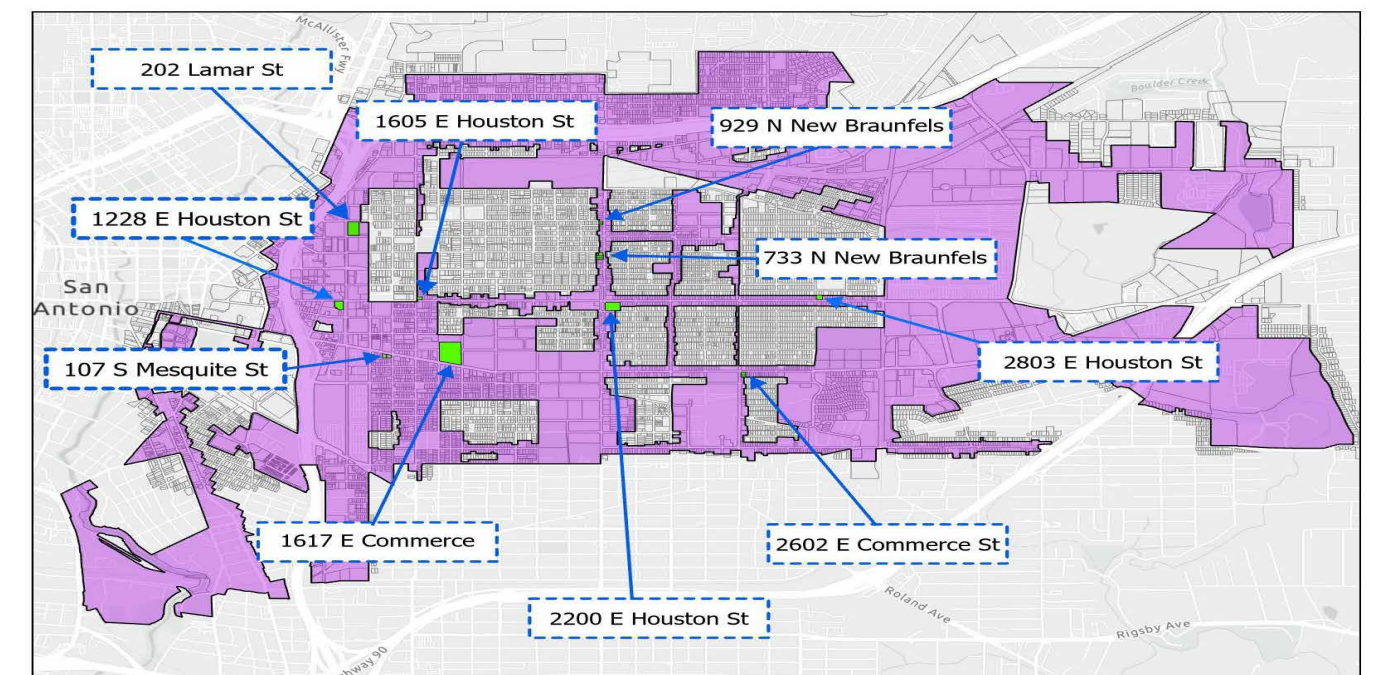




Image: 107 S Mesquite Vacant Land Area



Image: 202 Lamar St Parking Lot

The two additional sites (the Andy at 215 Coca-Cola Place and VelocityTX located at 1305 E Houston St) provided opportunities for partnership within an existing mixed-use development (the Andy) and a future development (VelocityTX). This initial site list would eventually be reduced to three final sites.



Image: 107 S Mesquite Vacant Dwelling Onsite



Image: 2803 E Houston St Building Frontage



Image: 215 Coca-Cola Pl Building Frontage

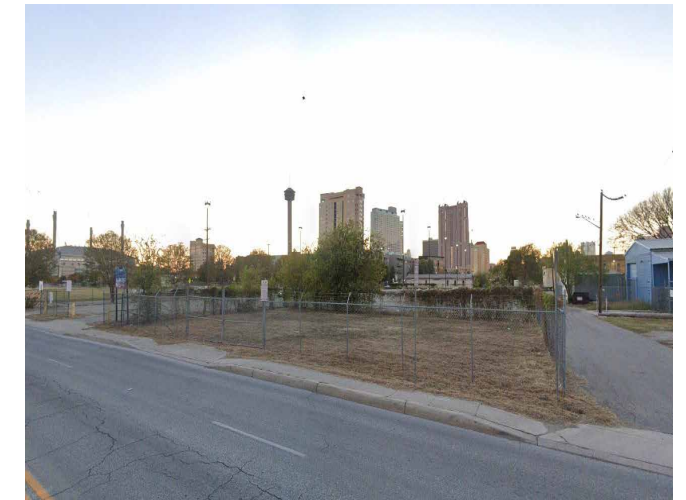


Image: 1305 E Houston St Vacant Lot



Image: 929 N New Braunfels Ave Exterior



Image: 2200 E Houston St Building Frontage



Image: 215 Coca-Cola Pl Common Shared Space

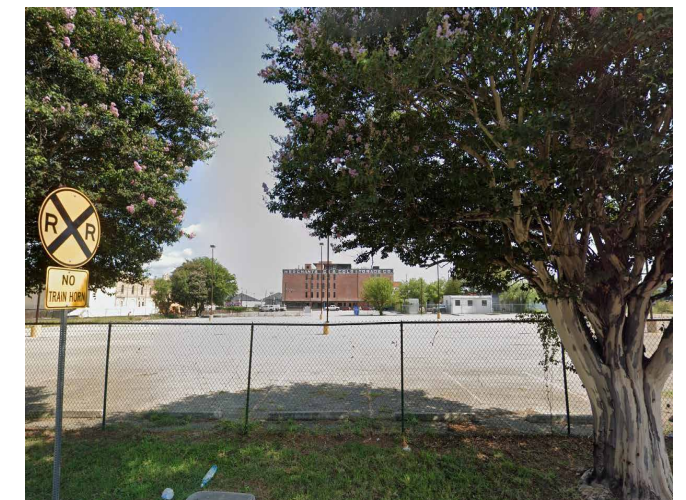


Image: 1305 E Houston St Parking Lot

SITE 1

PROPERTY OVERVIEW



1617 E Commerce
The Friedrich Air Conditioning Complex

Assessor & Ownership Information

Geographic ID / Parcel ID: 1418167

Current Owner: FRIEDRICH LOFTS LTD

Zoning: IDZ HS AHOD (Infill Development Zone, Historic Significant, Airport Hazard Overlay District).

→ The IDZ designation is critical for your “public market” evaluation as it waives standard parking minimums and setback requirements, allowing for maximum site density.

Note: The property adjacent to the “Friedrich Building” at the corner (with the iconic sign) is under separate ownership (SAHT Friedrich LP LLC (San Antonio Housing Trust) in partnership with Provident Realty Advisors).

Site & Structure Specifications

Lot Size: Approximately 0.77 acres.

Building Size: 3-story existing vacant building, includes: 1st floor - 24,624 square feet, 2nd floor -21,767 square feet, 3rd floor- 21,767 square feet.

Status: Vacant and unoccupied tenant space.

Historic Status: Built in 1923. During the 1950s and 1960s, the plant employed over 600 people and was one of the largest manufacturers of commercial refrigeration and air conditioning units in the United States. San Antonio City Council voted in 2015 to strip local historic protections from the non-original structures, preserving only the street-facing original facades and the iconic neon sign.

Existing Conditions & Infrastructure

State of Site: Currently a highly active construction zone. Most of the old “secondary” industrial shells have been demolished.

Hazardous Materials: The site has undergone extensive environmental remediation. As of 2025, asbestos abatement is largely complete, but ongoing soil monitoring via the TCEQ (Texas Commission on Environmental Quality) is a requirement due to its century-long industrial use.

Access: The site occupies a full city block, providing four-sided street access (Commerce, Olive, Pine, and Willow Streets).

Development Considerations & Potential Issues

Environmental Legacy: For a public market (especially one involving fresh food), the “Industrial Legacy” is the primary risk. Any future tenant would need to ensure all TCEQ “Certificate of Completion” records are finalized regarding soil vapor and heavy metals.

Proximity to Education: The site is directly adjacent to IDEA Carver Academy. Future market operations would need to account for school-zone traffic patterns and student safety.

Gentrification Sensitivity: This project has been a lightning rod for community discussions regarding “affordable vs. market-rate” housing. A public market at this location would be expected to demonstrate a high degree of community benefit and local vendor inclusion to gain neighborhood support.

Construction Timelines: The area will be a high-density “construction zone” for the immediate future, which may impact foot traffic for a nearby market in the short term.

Strengths

- **Architectural Grandeur & Footprint**
- **Iconic Rooftop Identity**
- **Separation of Property Liability**

Weaknesses

- **Severe Interior Structural Blight**
- **The “Property Line” Trap (Zero Laydown/Loading Area)**
- **Historical Preservation Restraints**

SITE 1

PROPERTY OVERVIEW



1617 E Commerce
The Friedrich Air Conditioning Complex

It is estimated to take approximately 18 to 24 months to complete.



Image: Aerial image of 1617 E Commerce St with Property lines



Image: 1617 E Commerce Friedrich Building Exterior Along E Commerce St

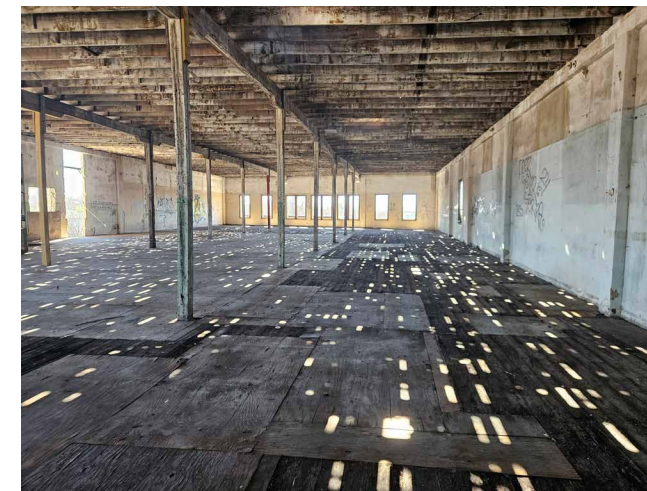


Image: 1617 E Commerce Friedrich Building 2nd Floor

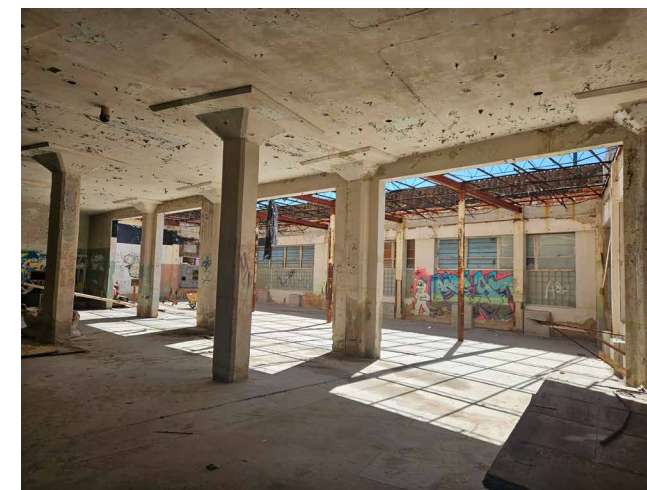


Image: 1617 E Commerce Friedrich Building Uncovered Space Along Southern Exterior Wall Facing E Commerce St

Opportunities

- Symbiotic Residential Integration
- Unlocking Historic Tax Credits (HTCs)
- Public & Federal Grant Alignment

Threats

- The Parking & Access Bottleneck
- Acquisition/Lease Cost vs. Non-Profit Proforma

Strengths (Site-Specific Structure)

Architectural Grandeur & Footprint: Boasting approximately 68,000 square feet of interior space, the structure offers the perfect scale for a multi-vendor public market. Its industrial layout (high ceilings, broad columns, historic brick) mirrors highly successful public markets nationwide like Seattle’s Pike Place or LA’s Grand Central Market.

Iconic Rooftop Identity: The building acts as the literal visual anchor for the East Commerce corridor. The historic designation protects its facade, giving a non-profit operator immediate civic branding, nostalgia, and community recognition that money cannot buy.

Separation of Property Liability: Because this is a separate parcel from the Friedrich Lofts tract, a non-profit can negotiate directly with the building’s distinct ownership entity without getting bogged down in the complex HUD 221(d)(4) residential financing or the San Antonio Housing Trust’s multifamily operational requirements.

Weaknesses (Site-Specific Structure)

Severe Interior Structural Blight: Decades of abandonment have left the interior heavily degraded. The owner was tasked with basic structural stabilization to prevent collapse during the adjacent lofts’ demolition, meaning the building is an empty shell requiring massive, capital-intensive core-and-shell rehabilitation (HVAC, structural retrofitting, ADA compliance).

The “Property Line” Trap (Zero Laydown/ Loading Area)

Because the property lines are tightly drawn around the building footprint, the site lacks independent surface parking, a dedicated parking lot, or a sprawling exterior layout. Public markets require immense operational support: heavy loading docks for food distributors, waste/dumpster management for organic waste, and space for outdoor

market stalls.

Historical Preservation Restraints: Because the building is historically protected, any interior or exterior modifications—such as installing commercial kitchen ventilation, hoods, walk-in freezers, or new utility entry points—must go through rigorous approval from San Antonio’s Historic and Design Review Commission (HDFRC) and the Texas Historical Commission (THC). This adds substantial time and cost to the build-out.

Opportunities (External Market & Partnerships)

Symbiotic Residential Integration: The adjacent Friedrich Lofts will bring hundreds of mixed-income residents directly to the market’s doorstep. The market becomes the “third space” and primary food hub for the new residential ecosystem.

Unlocking Historic Tax Credits (HTCs)

Because the building is a recognized historic landmark, a non-profit can leverage a “twinned” tax credit structure (combining Federal and Texas State Historic Tax Credits) by partnering with an equity investor. This can fund up to 45% of eligible rehabilitation costs, heavily mitigating the financial weakness of the building’s blighted state.

Public & Federal Grant Alignment: A non-profit can tap into federal economic development funds, healthy food financing initiatives, and local City Council District 2 equity funds.

Threats (External Market & Property Dynamics)

The Parking & Access Bottleneck: With no on-site parking lot within the parcel lines, the market will be entirely dependent on negotiating cross-access parking agreements with the adjacent residential garage or relying heavily on street parking and VIA transit. If the adjacent residential development re-

stricts parking access, it could choke off the market’s regional commuter customer base.

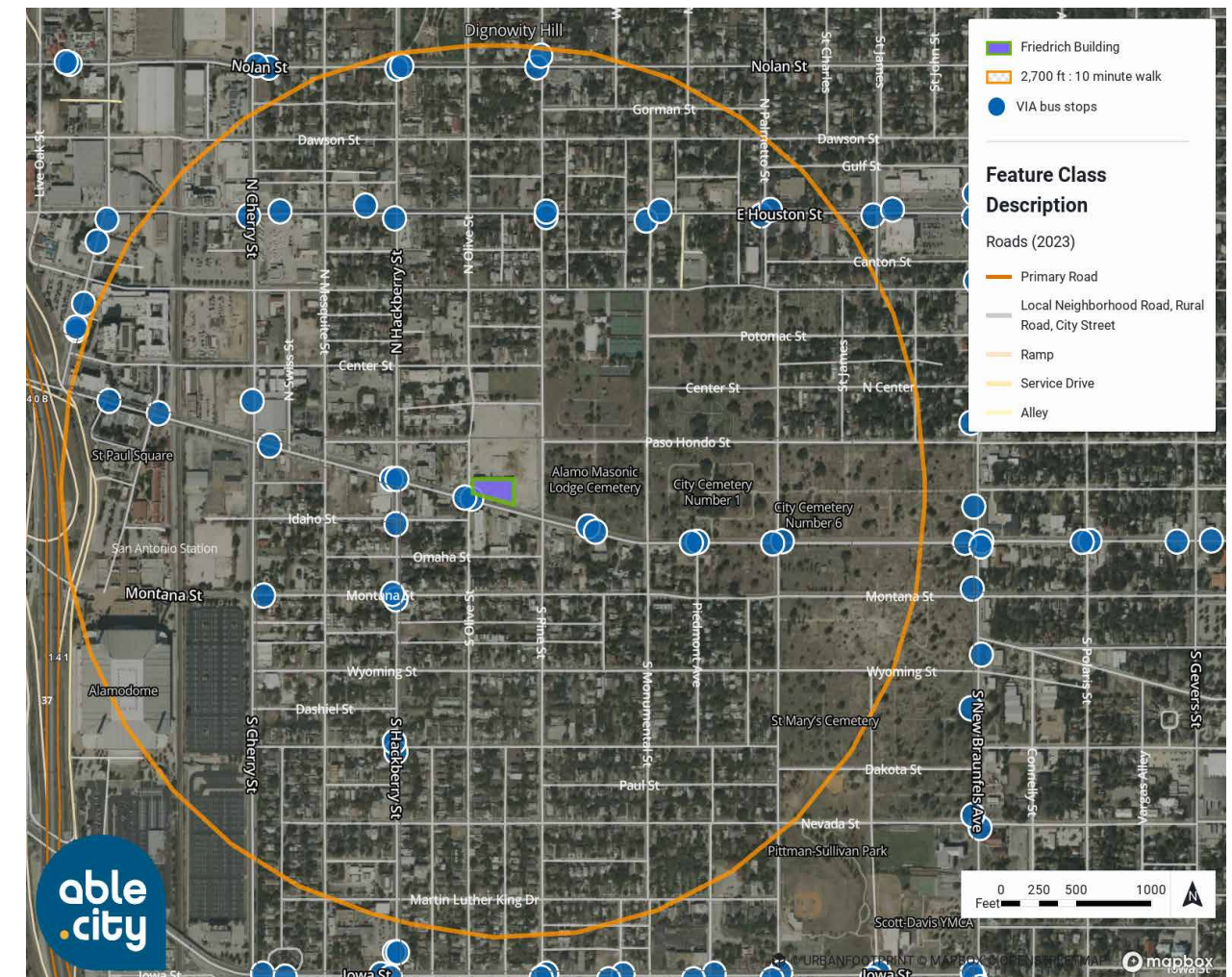
Acquisition/Lease Cost vs. Non-Profit Proforma

The standalone building remains in private hands. If the owner’s valuation reflects speculative “downtown-adjacent” commercial real estate prices, the acquisition cost or master-lease rent might be too high for a non-profit business model that relies on keeping vendor stalls affordable for local Eastside business owners.

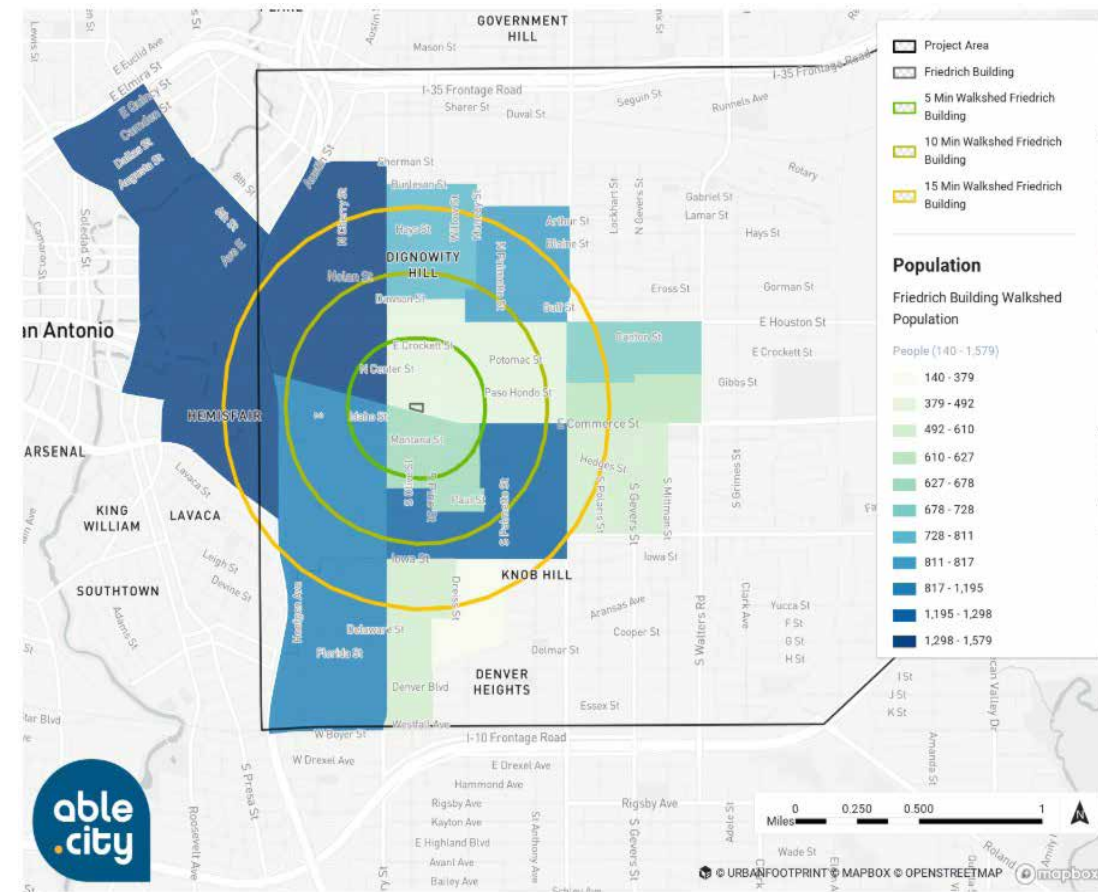
What’s Within a 10 Minute Walk?

Evaluating a site’s pedestrian-scale infrastructure is critical when determining its viability for a mission-driven public market, as true food equity relies heavily on multi-modal accessibility. A geospatial walkshed analysis of 1617 E. Commerce Street (The Friedrich Building) reveals a highly active urban grid with substantial transit density. Within a comfortable 10-minute walk—the property connects seamlessly to the surrounding residential fabric of historic Denver Heights and Dignowity Hill, as well as to essential

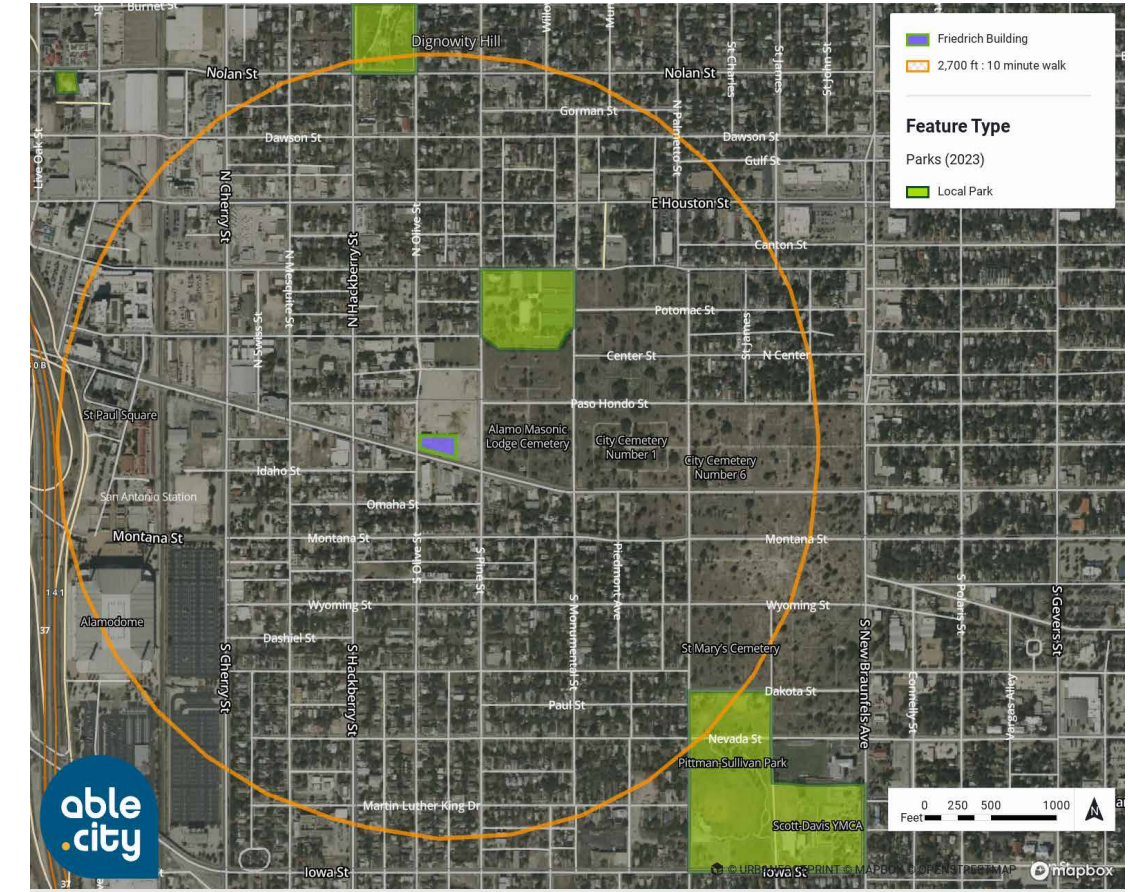
Map 3: VIA Bus Stops Within a 10 Minute Walk Map



Map 4: Walkshed within 15 minutes of the Friedrich Building



Map 5: Nearby Parks of the Friedrich Building



local recreational assets like Fairchild Park, Dignowity Park, and Pittman-Sullivan Park. This localized walkability provides an immediate pedestrian customer pipeline from the primary trade area.

Beyond standard sidewalk connectivity, the defining strength of the Friedrich site’s walkability footprint is its dense integration with municipal transit. There are 34 active VIA Metropolitan Transit bus stops located within a 10-minute walk of the property, including a high-visibility transit stop positioned directly in front of the building’s main Commerce Street facade. For a community-centric public market, these 34 bus stops serve a vital public purpose. They offer an affordable, reliable transit pipeline for low-access, transit-dependent residents who lack independent vehicle access, allowing them to travel safely and directly to the market hub from



Image: VIA Bus Stop Along E Commerce St, In Front of Friedrich Building at 1617 E Commerce St

across the Eastside. Furthermore, this robust bus stop infrastructure helps mitigate the site’s physical “Property Line Trap” by intercepting thousands of daily commuters via public transit, drastically reducing the market’s dependence on traditional, high-cost surface parking lots.

SITE 2

PROPERTY OVERVIEW



1228 E Houston St
The Hugo

Assessor & Ownership Information

Geographic ID / Parcel ID: 105859 & 105751 & 105754.

Current Owner: VCSH BOOTS LLC

Zoning: D (Downtown). This allows for the high-intensity commercial use essential for a public market without the typical suburban zoning hurdles.

→ While VelocityTX (TRTF) owns the nearby campus, this specific building was acquired for a full historic restoration to complement the Innovation District.

Note: Often cited as 1226 E Houston St in historical and sales records.

Site & Structure Specifications

Lot Size: Approximately 1.7 acres in total, includes 3 parcels. 1st parcel includes existing building is 0.9 acres (40,615 sq ft), 2nd parcel (parking lot entrance along E Houston St) is 0.3 acres (16,575 sq ft), 3rd parcel adjacent to the 2nd parcel (to the north) is 0.3 acres (17,065 sq ft).

Building Size: Approximately 29,000 SF across three levels (including a functional basement).

Status: Vacant and unoccupied tenant space.

Historic Status: Originally built by wholesale grocers Charles Hugo and Gustav Schmelzner, the building is a 1907 Richardsonian Romanesque and Mission Revival masterpiece whose very architecture honors its legendary origins. The building features unique, Ala-

mo-esque shaped parapets and decorative quatrefoils on its outer bays. The building served as a vital commerce hub for early San Antonio distribution, later pivoting in 1975 to house the manufacturing operations of the iconic Lucchese Bootmaker Co. and subsequently serving for 44 years as the beloved Spaghetti Warehouse restaurant until its closure in 2020. Listing on the National Register of Historic Places cemented its role as an enduring cultural anchor on the western edge of the Eastside, transitioning from an industrial powerhouse to a generational community gathering space that bridges San Antonio's commercial frontier history with modern urban revitalization.

Existing Conditions & Infrastructure

Interior Features: The building retains significant character-rich elements, including high ceilings, exposed brick, original heavy-timber columns, and the famous (though perhaps decorative) trolley car from its restaurant days.

Structural State: Described by developers as “structurally sound” but requiring a full modernization of MEP (Mechanical, Electrical, and Plumbing) systems.

The Basement: Unlike many downtown buildings, it features a ~10,000 SF basement that is dry and usable, offering unique potential for “back-of-house” market operations, cold storage, or a “speakeasy” style vendor space.

Development Considerations & Potential Issues

The “Restaurant Legacy” Advantage: Because the building was a high-volume restaurant for 44 years, it may already have some foundational plumbing and ventilation paths that make it easier to convert into a food-cen-

Strengths

- **Pre-Existing Restaurant Infrastructure**
- **Included Parking Lot and Logistics**
- **Manageable “Human Scale” Square Footage**
- **National Register Deservedness**

Weaknesses

- **The Three-Story Dilemma**
- **Deferred Maintenance**
- **Proximity to Active Rail Infrastructure**

SITE 2

tric public market compared to a raw warehouse.

Historic Preservation: As a landmark structure, all renovations must adhere to Office of Historic Preservation (OHP) standards. This can increase costs and limit external signage or window modifications.

Vertical Logistics: To function as a modern market, the existing elevator systems will likely need a complete overhaul to meet ADA compliance and the high-frequency use of a public venue.

Economic Headwinds: Recent reports suggest that while the vision for “The Hugo” is strong, the developer has faced the same rising interest rates and construction costs affecting the broader Eastside, which may offer an opening for a public-private partnership (like a Public Market).



Image of Parking lot of the Hugo from the Second Floor

PROPERTY OVERVIEW



Image: Front of the Hugo Building along E Houston St



Image: North View of the Rear of the Hugo Building from the South of the Property

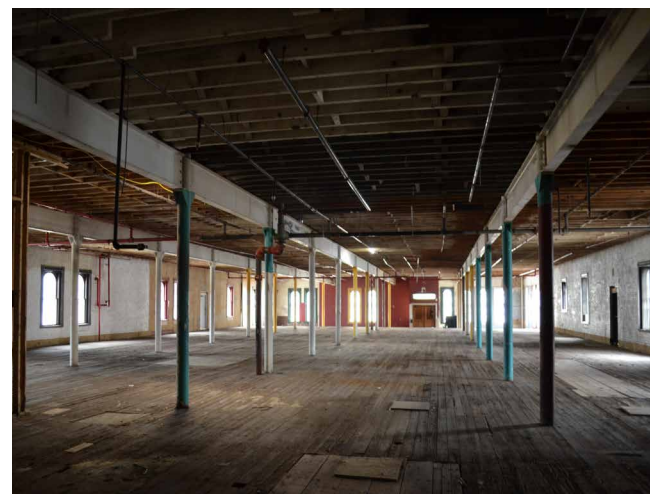


Image: First Floor of the Hugo Looking Toward the Front Entrance

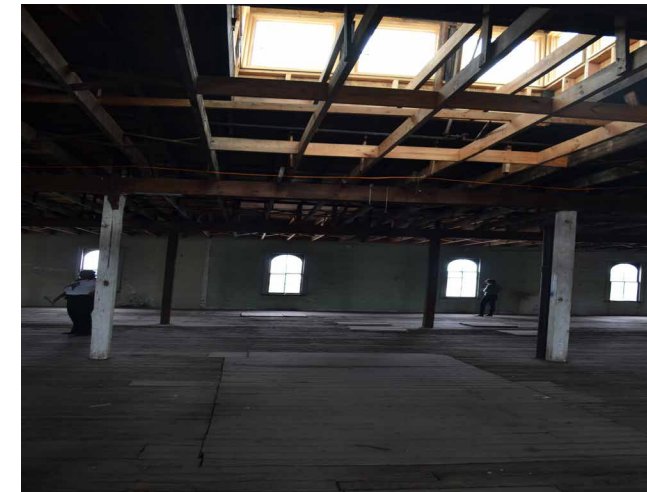


Image: Second Floor of the Hugo

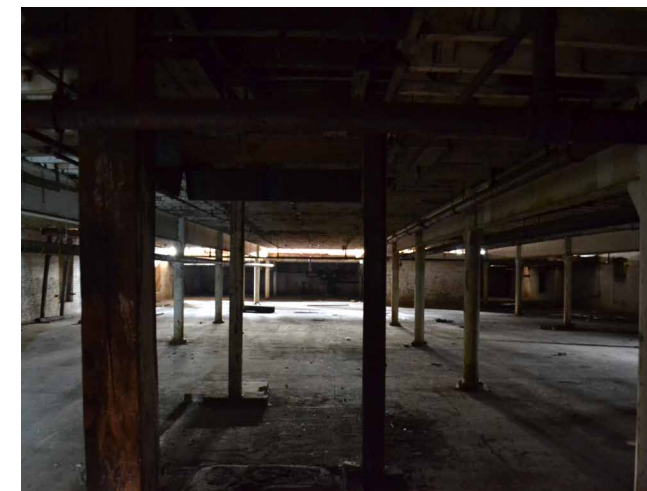


Image: Basement of the Hugo

Opportunities

- Transit & Tourism Gateway
- Phased Activation Strategy

Threats

- Private Ownership Acquisition Barriers
- Macro-Economic Pressures
- Encroaching High-End Gentrification

Strengths (Site-Specific Structure)

Pre-Existing Restaurant Infrastructure:

Because the building operated for decades as a high-volume restaurant (Spaghetti Warehouse), it already possesses heavy-duty commercial utility tie-ins, grease traps, and venting capacity. Retrofitting this structure for food stalls is substantially cheaper than starting with raw industrial real estate.

Included Parking Lot and Logistics:

Unlike many dense urban parcels, the property line for The Hugo includes its own adjacent 125-space surface parking lot. This provides immediate, non-negotiable real estate for an outdoor weekend farmers' market, guest parking, and vendor loading zones without relying on external entities.

Manageable "Human Scale" Square Footage:

At roughly 29,000 square feet (plus a usable basement), it is half the size of the Friedrich building. This makes it far more realistic for a non-profit to phase, lease out, heat/cool, and financially manage without facing massive vacancy risk.

National Register Deservedness:

Having its historic status officially secured unlocks a clear path to Federal and State Historic Tax Credits (HTCs), allowing a non-profit to attract.

Weaknesses (Site-Specific Structure)

The Three-Story Dilemma:

Public markets thrive on contiguous ground-floor foot traffic. The Hugo's square footage is vertically stacked across three stories. Activating the second and third floors for a public market requires heavy reliance on elevators, complex ADA compliance, and careful programming (e.g., reserving upper floors for non-profit offices, community commercial kitchens, or wholesale storage rather than retail vendors).

Deferred Maintenance: While structurally intact, the building sat mostly vacant after

its 2020 closure. Its current private owners have noted that bringing the core-and-shell elements back to modern commercial code requires intense capital deployment before a single stall can open.

Proximity to Active Rail Infrastructure:

The site sits directly along the active Southern Pacific Railroad corridor. While aesthetically "historic," the proximity to heavy rail introduces noise, vibrations, and specific environmental/safety considerations for outdoor patio dining or open-air market stalls.

Opportunities (External Market & Partnerships)

Transit & Tourism Gateway: The site is positioned beautifully on the western edge of the Eastside—right near St. Paul Square, the Alamodome, and minutes from Downtown. This allows a non-profit operator to pull both low-access Eastside residents using the nearby VIA transit lines and downtown tourists looking for an authentic cultural food experience.

Phased Activation Strategy:

Because of the outdoor lot, a non-profit does not need to wait for a \$7M indoor renovation to begin operations. The project can launch immediately as a weekend outdoor parking-lot farmers' market to build brand equity, establish the vendor network, and generate early revenue while capital campaigns fund the interior buildout.

Threats (External Market & Property Dynamics)

Private Ownership Acquisition Barriers: The building is owned by an Austin-based private real estate investment firm (Value Creation Strategies) that bought it with commercial intentions. A non-profit must either raise substantial capital to buy them out or negotiate a highly favorable long-term master lease that allows for subsidized vendor rents.

Macro-Economic Pressures: The current real estate climate has slowed progress on the site. If construction costs or interest rates remain high, the gap between what a non-profit can afford to raise via philanthropy/grants and the true cost of historic preservation could stall the project indefinitely.

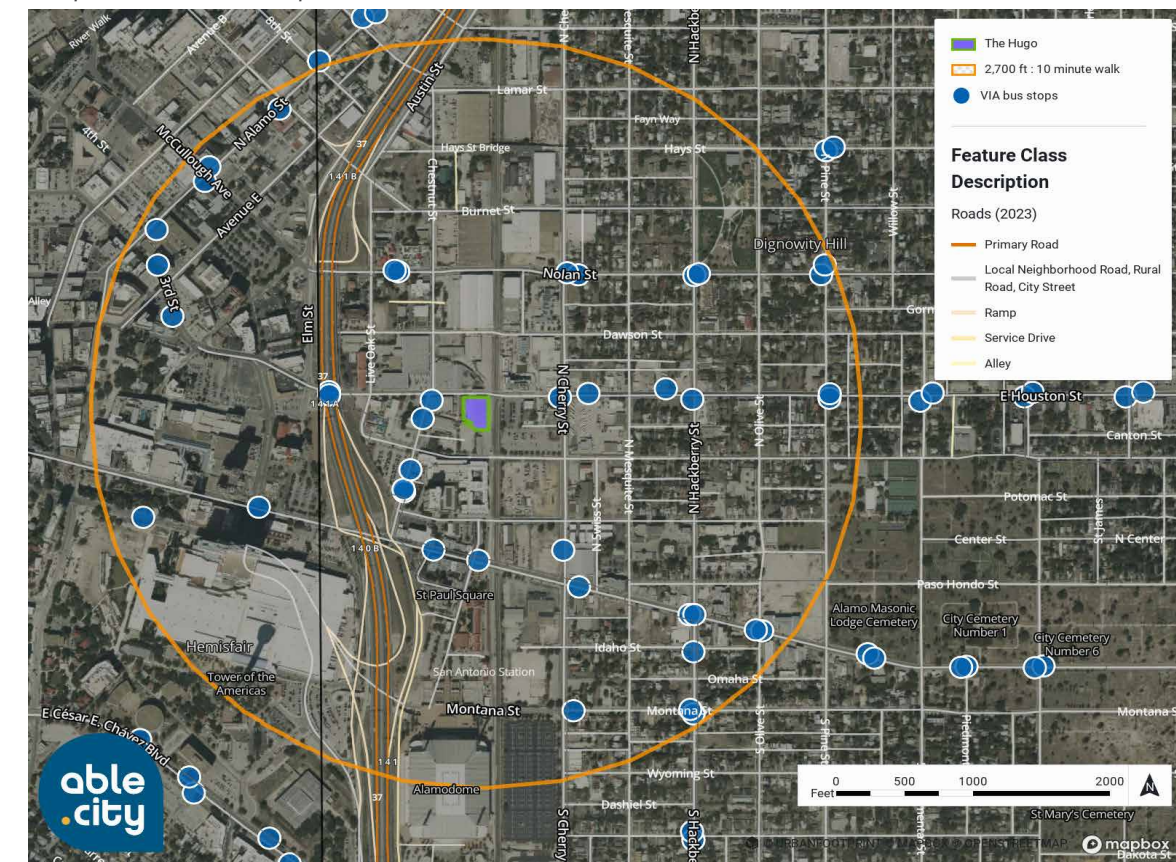
Encroaching High-End Gentrification:

As the downtown fringe expands eastward toward St. Paul Square, a public market could be swept up in gentrification forces. If not explicitly managed by the non-profit's mission charter, it risks transforming into an upscale food hall for tourists rather than an affordable food access point for the neighborhood.

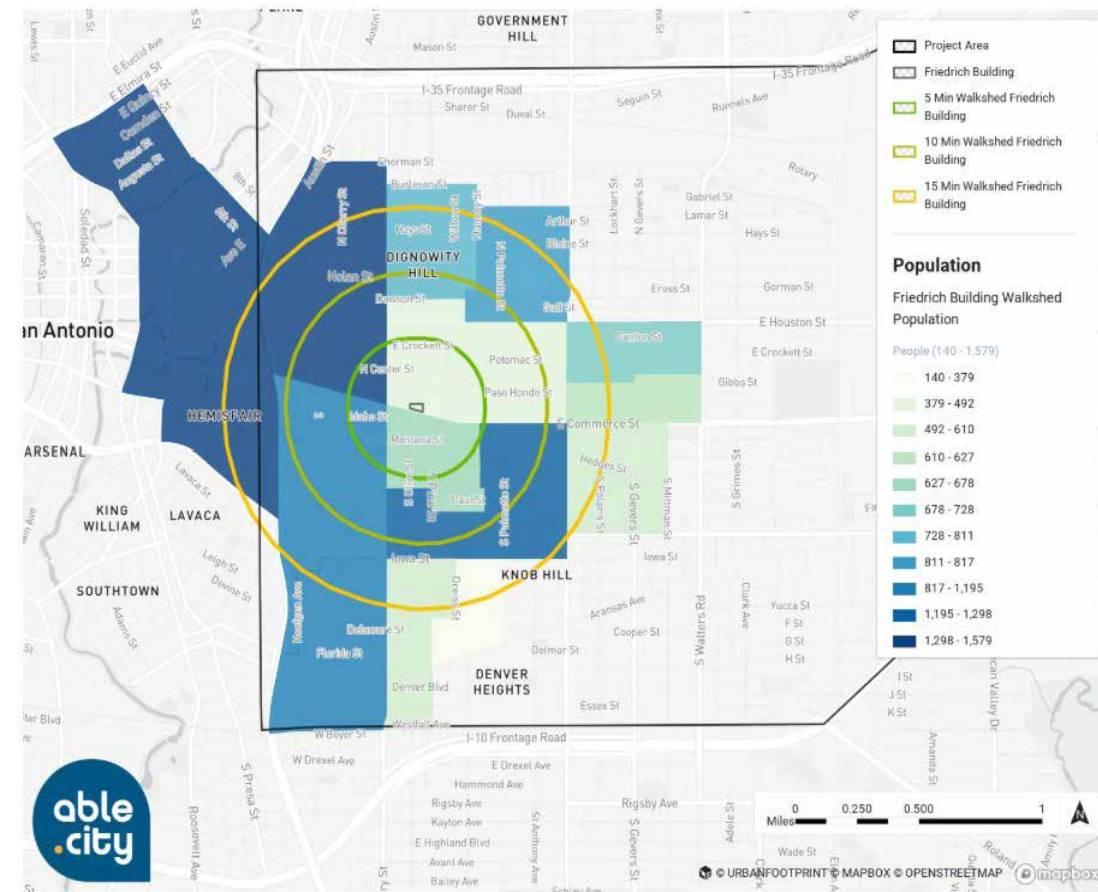
What's Within a 10 Minute Walk?

Evaluating the pedestrian-scale infrastructure of 1228 E. Houston Street highlights its unique position as a highly accessible transit and tourism gateway. A geospatial walkshed analysis utilizing a 2,700-foot radius—the national benchmark for a comfortable 10-minute walk—reveals that the property features exceptional multi-modal connectivity along the western fringe of the Eastside. Within this immediate walkshed, the property offers direct pedestrian access to major downtown activity anchors and neighborhood recreational assets, connecting seamlessly to Lockwood/Dignowity Park, Fairchild Park, and Hemisfair Park. This tight urban integration creates a reliable, built-in pedestrian pipeline consisting of Near Eastside residents, downtown office employees, and passing cultural culinary tourists

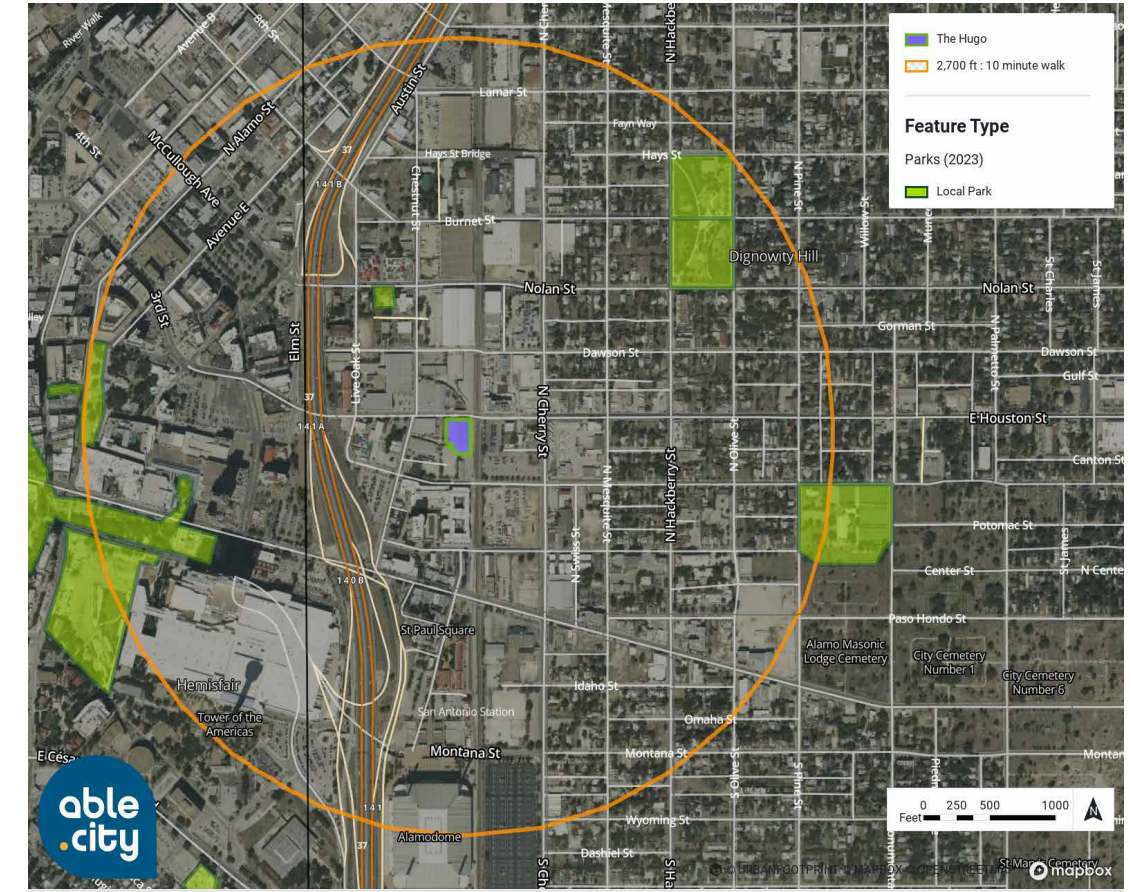
Map 6: VIA Bus Stops within a 10 Minute Walk



Map 7: Walkshed within 15 minutes of the Hugo Building



Map 8: Nearby Parks of the Hugo Building



The foundational pillar of the site’s walkability infrastructure is its exceptional integration with public transportation, boasting 43 active VIA Metropolitan Transit bus stops within a 10-minute walk of the building. This dense network of 43 bus stops plays an invaluable role in advancing the public market’s mission of health equity and food justice. By providing straightforward, high-frequency transit access, these bus lines enable low-income and transit-dependent families from across the broader Eastside grid to easily reach the market for fresh, nutritious groceries without relying on personal vehicle ownership. Since the property already includes its own 125-space adjacent surface parking lot, this robust public transit network creates an ideal hybrid access model. This allows the market to intercept thousands of daily commuters effortlessly via public bus routes while simultaneously preserving vehicle parking spaces for destination shoppers and merchant logistics.



Image: View of E Houston Toward The Additional Parking Parcel.

SITE 3

PROPERTY OVERVIEW



220 Chestnut St
Ellis Alley and VIA Transportation Parking Lot

Assessor & Ownership Information

Geographic ID / Parcel ID: 1128592, 101926, 101927, 101928, 101929, 101930, 101931, 101932

Current Owner: VIA Metropolitan Transit.

Zoning: D (Downtown). This allows for the high-intensity commercial use essential for a public market without the typical suburban zoning hurdles.

→ The site of the current SAGE office, this property includes existing historical detached buildings and a surface parking lot to the west (across Chestnut st).

Note: 1860-1870s.

Site & Structure Specifications

Lot Size: Approximately 2.43 acres (Ellis Alley Enclave is approx 0.70 acres, and parking lot is approx 1.73 acres)

Building Size: Approximately 10,000 – 11,000 SF between 6 detached buildings. The primary building (The Beacon Light Lodge) is approx 5,000-6,000 sq ft. The other (5) buildings are smaller in size and range from 800-1,200 sq ft each.

Status: Office use tenant (SAGE) occupies *Beacon Light Lodge Hall, surface parking lot managed by VIA Transportation.*

Historic Status: Originally established as a central hub within Ellis Alley, one of the first Black settlements in post-Civil War San Antonio. The site is anchored by the Beacon Light

Lodge, a historic Masonic temple that served as a cornerstone for community leadership and social organization for over a century.

Existing Conditions & Infrastructure

Interior Features: The structure maintains its historic integrity with high ceilings, original wood framing, and expansive floor plates. As a preserved Masonic hall, the interior offers a clean, open layout that retains the formal dignity of its original social and civic functions.

Structural State: The building is fully restored and structurally stable following a major rehabilitation in 2014. It features modern structural reinforcements that seamlessly integrate with the historic masonry and timber skeleton.

Site Integration: Unlike isolated warehouses, this property is part of a cohesive “enclave” design. The ground-level infrastructure is optimized for pedestrian flow, connecting the building to a shared courtyard and the adjacent historic cottages within Ellis Alley.

Development Considerations & Potential Issues

The “Professional Ready” Advantage: Because the site was recently renovated for professional office use, the core Mechanical, Electrical, and Plumbing (MEP) systems are modern and efficient, significantly lowering the barrier for immediate occupancy compared to unrefined industrial shells.

Historic Preservation: The property is a designated local landmark and part of a historic district. Any future alterations to the facade or site footprint must strictly adhere to the Office of Historic Preservation (OHP) guidelines to maintain the character of the Ellis Alley settlement.

Strengths

- Unified Public Land Ownership
- Low-Risk Preservation Strategy
- Blank-Slate Ground-Up Development
- Immediate Transit Integration

Weaknesses

- The Chestnut Street Divide (Pedestrian Vulnerability)
- Elimination of Existing Transit Parking
- High Initial Capital Expenditure

SITE 3

Urban Connectivity: While the site offers excellent proximity to the Alamodome and VIA’s Robert Thompson Transit Center, its operation is closely tied to the surrounding transit infrastructure. This necessitates careful coordination regarding parking and high-volume pedestrian access during major downtown events.

Market Positioning: While the building is a premier example of adaptive reuse, its smaller, specialized footprint requires a tenant or operator who values the “boutique” historic aesthetic over the massive, scalable square footage found in newer suburban developments.

PROPERTY OVERVIEW

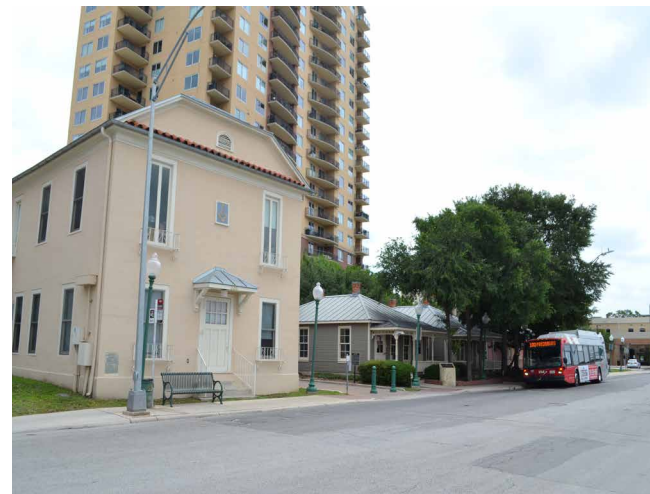


Image: Front of the Beacon Light Lodge Hall



Image: Walkway Between Two Ellis Alley Buildings

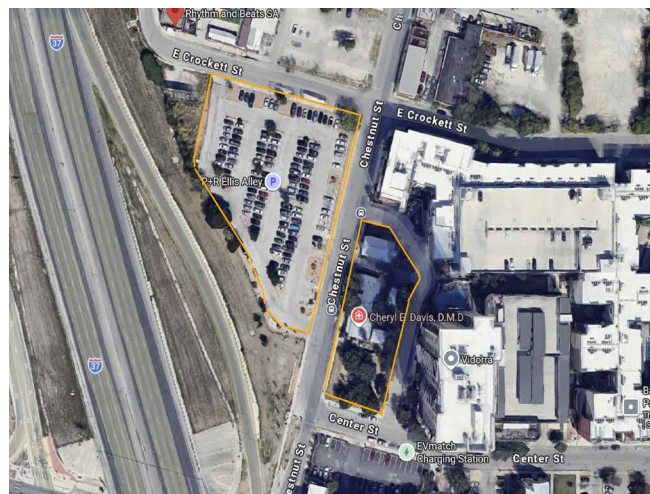


Image: Aerial View of the Ellis Alley Site

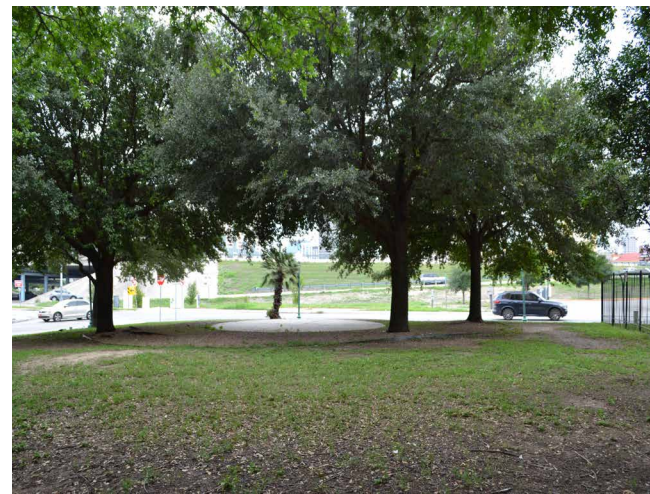


Image: Open Space Area At the Corner of Chestnut and Center St



Image: Parking Lot Located to the West of Ellis Alley



Image: View from the I-37 Looking East towards Ellis Alley

Opportunities

- VIA’s Transit-Oriented Development (TOD) Mandate
- Federal Civil Rights & Heritage Funding
- The “Gateway” Urban Design Play

Threats

- Bureaucratic Timelines & FTA Red Tape
- Gentrification Friction at the Border
- Pedestrian Choke Points

Strengths (Site-Specific Structure)

Unified Public Land Ownership: Negotiating a long-term ground lease or joint-development agreement is highly streamlined because a single entity (VIA Transit) owns both the historic buildings and the western parking lot.

Low-Risk Preservation Strategy: Housing offices (such as a non-profit headquarters, small businesses, or tech incubators) inside the historic Ellis Alley buildings creates a steady, predictable baseline rental income. It completely avoids the high-cost utility overhauls (like commercial hood vents or massive grease traps) that typically degrade historic interior envelopes.

Blank-Slate Ground-Up Development: Constructing a brand-new, 3-story building on the western parking lot allows to design exactly what a public market needs from day one: modern loading docks, heavy-duty electrical matrices, concrete slab plumbing, multi-zoned HVAC, and clear ADA elevator access across all three floors.

Immediate Transit Integration: The site functions as an active Park & Ride hub. This gives the market an immediate competitive advantage over every other site on the Eastside, positioning it directly at a multi-modal transit gateway where commuters naturally pool.

Weaknesses (Site-Specific Structure)

The Chestnut Street Divide (Pedestrian Vulnerability): Relying on a painted crosswalk to connect the historic office campus to the new public market/open space creates a physical and psychological barrier. Chestnut Street acts as a divider; heavy pedestrian traffic crossing a public street to access the community space introduces lingering traffic safety and pedestrian-flow concerns.

Elimination of Existing Transit Parking: Building a 3-story structure on the western lot entirely displaces the existing paved parking

used by VIA Transit riders or nearby St. Paul Square patrons. The project must figure out how to absorb that parking deficit—either by engineering an expensive first-floor parking podium inside the new building or negotiating shared use elsewhere.

High Initial Capital Expenditure: Ground-up construction of a modern 3-story public market facility, paired with open-space community landscaping, requires exponentially more upfront capital than retrofitting a standing building like The Hugo. The fundraising and grant-writing phase will take years before breaking ground.

Opportunities (External Market & Partnerships)

VIA’s Transit-Oriented Development (TOD)

Mandate: Public transit authorities love projects that increase ridership and turn parking lots into community hubs. This project perfectly qualifies for Federal Transit Administration (FTA) joint-development programs, allowing VIA to potentially contribute federal transit dollars toward the civic plaza and streetscape components.

Federal Civil Rights & Heritage Funding:

Because Ellis Alley is a culturally significant African American landmark, a non-profit can tap into unique funding pools, including the National Trust for Historic Preservation’s African American Cultural Heritage Action Fund, alongside local Inner City TIRZ grants.

The “Gateway” Urban Design Play: This site forms the literal bridge between downtown’s St. Paul Square and the residential Eastside. The dedicated community open space creates a highly marketable “front porch” for the neighborhood, capable of hosting evening outdoor markets, live music, and cultural education events.

Threats (External Market & Property Dynamics)

Bureaucratic Timelines & FTA Red Tape:

Dealing with public transit agencies and federal land use regulations can cause project delays. If the Federal Transit Administration determines that changing the parking lot into a market interferes with transit operations, the approval process could stall for years.

Gentrification Friction at the Border: Because this site sits right on the western boundary closest to downtown, it is highly susceptible to speculative commercial pressures. Hard work is required to ensure the programming on the new site serves low-access Eastside residents rather than transforming exclusively into an upscale extension of St. Paul Square nightlife.

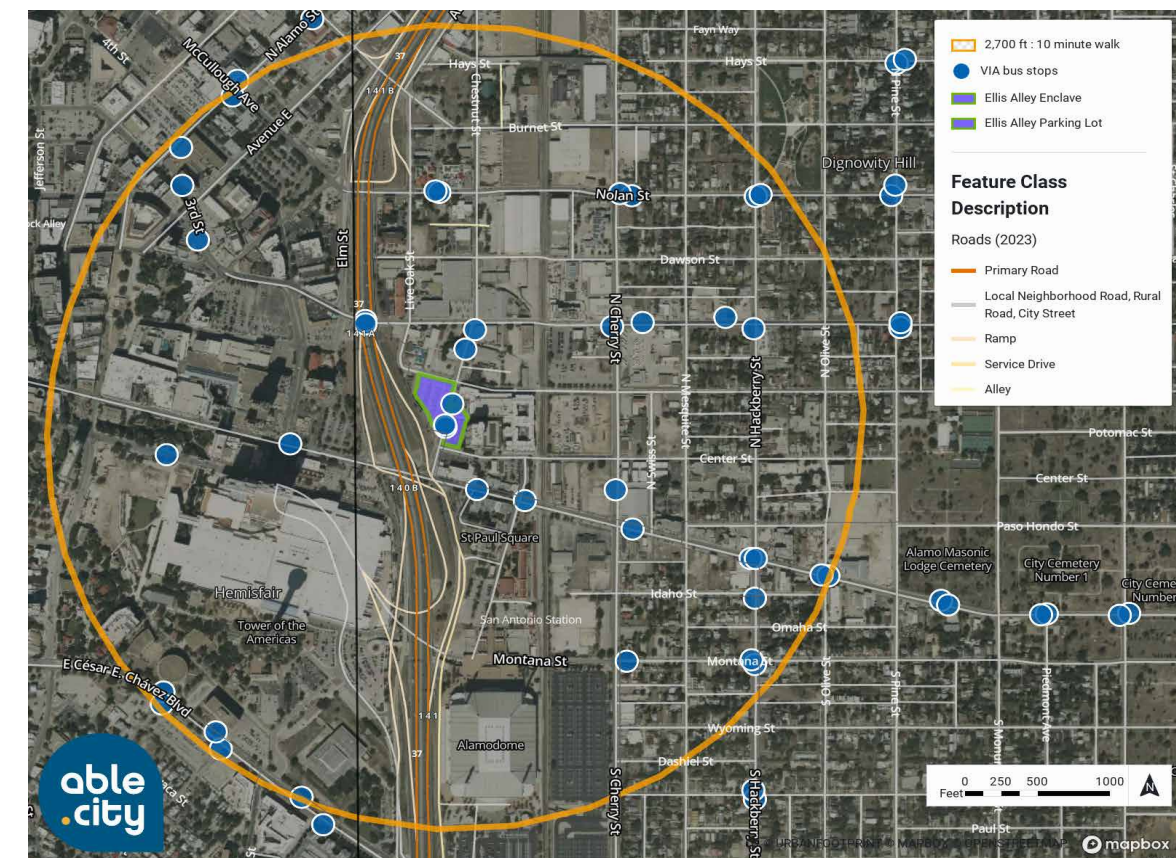
Pedestrian Choke Points: If the painted crosswalk across Chestnut Street isn’t heavily

enhanced with pedestrian-activated signal lights, bulb-outs, or structural traffic-calming measures, the street could separate the development into two disconnected projects rather than a unified campus.

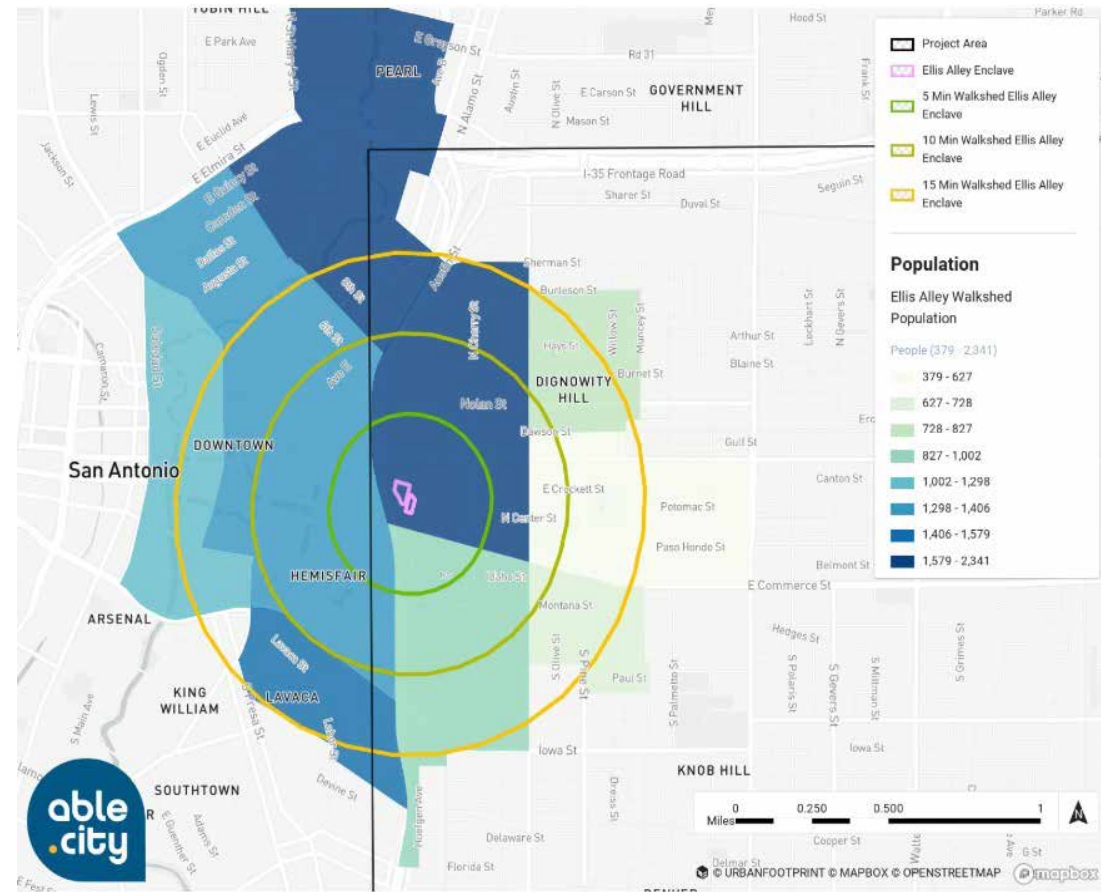
What’s Within a 10 Minute Walk?

Analyzing the pedestrian-scale infrastructure of 220 Chestnut Street underscores its status as the most transit-oriented candidate property evaluated in this study. A geospatial walkshed for a comfortable 10-minute walk reveals that the property occupies a critical gateway position directly bridging downtown San Antonio with the historic Eastside. Within this immediate 10-minute pedestrian catchment, the site connects directly to major regional activity nodes, including St. Paul Square, the Alamedome, Dignowity Park, and Hemisfair Park. This unique urban framing provides an effortless, high-volume pedestrian stream composed of daily multi-modal

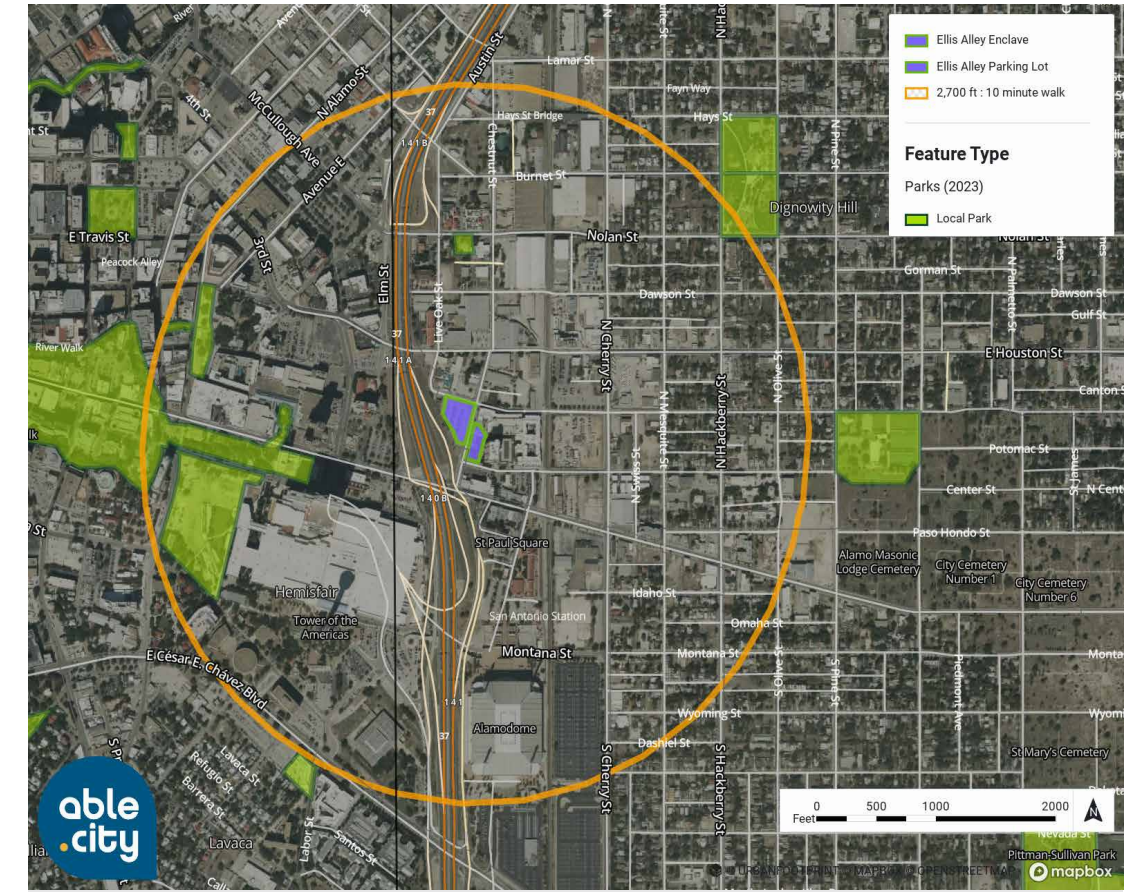
Map 9: VIA Bus Stops within a 10 Minute Walk



Map 10: Walkshed within 15 miles of Ellis Alley



Map 11: Nearby Parks of Ellis Alley



commuters, event attendees, and local neighborhood residents.

The core structural advantage of this site’s walkability matrix is its unparalleled integration with public transportation, featuring 40 active VIA Metropolitan Transit bus stops within a 10-minute walk of the enclave. This immediate cluster of 40 bus stops serves a vital public benefit, enabling transit-dependent families and elderly residents from across the Eastside grid to access the proposed public market quickly, safely, and without the financial burden of vehicle ownership.

Crucially, this existing transit network will soon be amplified by the integration of VIA’s future Silver Line Advanced Rapid Transit (ART) development. As a high-capacity Bus Rapid Transit system operating in dedicated lanes with traffic-signal priority, the Silver



Image: View of Chestnut Street Looking North with Ellis Alley to the East.

Line will allow the public to reach this market hub much quicker and more efficiently than standard municipal bus routes. By linking the public market directly to a high-velocity regional transit line, this future development drastically expands the market’s geographic reach, making food equity and minority business incubation accessible to a broader regional audience while effortlessly mitigating the loss of traditional surface transit parking on the western parcel.

05

COMMUNITY IMPACT



There's No Love,
Like **EASTSIDE** Love.



Community Impact & Feasibility

The development of a Public Market across the Eastside corridor addresses three critical urban challenges: Food Equity, Economic Recirculation, and Historic Preservation.

1. Addressing Food Insecurity & “Food Deserts”

The Problem: Despite proximity to downtown, parts of San Antonio’s Eastside remain “food insecure,” with 1 in 5 children in Bexar County lacking consistent access to nutritious food. Decades of disinvestment have created a landscape where residents often rely on convenience stores for daily needs.

The Market Solution: A public market allows for SNAP/EBT integration with local growers, making fresh food more affordable through direct-to-consumer sale

2. The Economic Multiplier Effect

Hyper-Local Wealth: Locally owned businesses recirculate approximately 3x more money into the local economy than national chains. For every dollar a resident spends on fresh produce at a local vendor’s stall, three times more money stays on the Eastside to create jobs and economic resilience than if that same dollar were spent at a national corporate grocery chain.

Entrepreneurial Launchpad: Sites like 1228 E Houston (The Hugo) provide low-barrier entry points for Eastside entrepreneurs. By offering “micro-stalls,” the market acts as a small-business incubator, allowing local chefs and artisans to scale without the overhead of a traditional brick-and-mortar lease.

Job Creation: Upon full completion of the “Market District” (including the adjacent VelocityTX bioscience campus), the area is projected to generate over 2,500 jobs with an annual economic impact exceeding \$1.4 billion.

3. Strategic Integration & Placemaking

Connectivity: The visibility of 220 Chestnut St (Current SAGE Office) from the I-37 and proximity to St. Paul Square provides benefit from daily, effortless impressions from thousands of passing commuters. Unlike properties tucked deep within residential neighborhoods that can frustrate first-time visitors, 220 Chestnut Street offers unmatched, straightforward accessibility for the entire community.

Historic Stewardship: Preserving the Hugo (1228 E Houston) and Friedrich Building (1617 E Commerce St) ensures that the neighborhood’s industrial heritage remains a functional part of its future, preventing the “erasure” often associated with modern gentrification.

Funding

No existing dataset or current market indicator on the Eastside, taken on its own, is likely to demonstrate clear feasibility for an aspirational public market complex. Projects of this scale and type are inherently catalytic. They are intended to create new activity and demand rather than reflect existing conditions, particularly in historically underinvested areas. Traditional measures such as retail sales, household spending patterns, or population growth tend to understate potential. As a result, evaluating market potential for the Eastside requires a long-term perspective focused on differentiation, institutional support, and the ability to intentionally build demand over time rather than reliance on short-term performance metrics

Private and Mission Aligned Capital

Private capital including program related investments, low interest loans, or equity from an experienced developer can strengthen the overall capital stack. Partner participation can also provide operational expertise and im-

prove project feasibility, particularly for larger or phased market concepts.

Earned Revenue and Phased Implementation

Ongoing operations are expected to rely partially on tenant leases, event programming, and sponsorship revenue. Given the built out nature of the Eastside and the anticipated pace of fundraising, a phased development approach allows the project to scale with demand while managing financial risk.

Public Capital & Site Infrastructure Financing

These tools are designed to fund the “core and shell” of the market complex, public plazas, and surrounding civil infrastructure, reducing the primary development burden.

- **Tax Increment Reinvestment Zone (TIRZ 11) Funding:** Directing captured property tax growth from the Inner Eastside TIRZ to finance critical site-specific needs. This includes upgraded utility regularizations for high-draw vendor stalls (e.g., heavy electrical, grease traps), off-site traffic improvements, and public pedestrian plazas.
- **Municipal Bonds & Capital Improvement Programs (CIP):** Positioning the Public Market Complex as a critical civic asset to secure San Antonio General Obligation Bond allocations. This capital would target public parking infrastructure, multi-modal transit connections, and the development of the public pavilion space.
- **HUD Section 108 Loan Guarantees:** Utilizing the City’s future Community Development Block Grant (CDBG) allocations as collateral to secure low-interest, long-term federal financing. This mechanism is uniquely suited for the acquisition and heavy construction or adaptive reuse of the primary market building.

- **Earned Revenue and Phased Implementation:** Ongoing operations are expected to rely partially on tenant leases, event programming, and sponsorship revenue. Given the built out nature of the Eastside and the anticipated pace of fundraising, a phased development approach allows the project to scale with demand while managing financial risk.

Structured Tax Incentives & Impact Equity

These specialized financial instruments attract private equity and federal subsidies by leveraging the market’s position as a low-income community facility and job creator.

Historic Tax Credits (HTC) are designed to encourage the rehabilitation and reuse of historic buildings. Together, these can be very powerful for adaptive reuse projects as the two can often be combined to generate credits equal to roughly 45% of eligible rehabilitation costs before accounting for transaction costs, investor pricing, tax structure, and basis adjustments. For SAGE, there are two potentially stackable programs:

Federal Historic Rehabilitation Tax Credit

- Up to 20% of qualified rehabilitation expenditures (QREs)
- Administered through the National Park Service and IRS.
- Requires the project to satisfy a substantial rehabilitation test within a 24-month period, or 60 months for certain phased projects, and the credit is claimed over five years after the building is placed in service.
- Considerations:
 - Historic status: The building must be individually listed in the National Register of Historic Places or contribute

to a registered historic district.

- Rehabilitation standards: Improvements must follow the Secretary of the Interior’s Standards for Rehabilitation and preserve character-defining historic features.
- Income-producing use: The building must generally be used for commercial, mixed-use, rental housing, hospitality, office, or similar income-producing purposes.
- Substantial rehabilitation: Eligible rehabilitation costs must exceed the greater of the building’s adjusted basis.
- Approval process: The project must receive required historic tax credit approvals before credits can be claimed.

applied against Texas franchise tax or Texas insurance premium tax liability.

- Nonprofit advantage: A nonprofit sponsor may be able to sell the credit to a taxpayer and use the proceeds as part of the project’s capital stack.
- Qualified costs: Eligible costs generally include QREs tied directly to building rehabilitation, such as structural work, building systems, interior rehabilitation, design, engineering, construction labor, and related professional fees.
- Non-qualified costs: Acquisition, site work, parking, landscaping, furniture, fixtures, equipment, appliances, and other non-building costs generally do not qualify.
- Public market consideration: Key market components such as kitchen equipment, vendor stalls, movable furnishings, signage, outdoor plazas, public art, and streetscape improvements may be essential to the project but may not count as QREs.

Texas Historic Preservation Tax Credit

- Up to 25% of qualified rehabilitation expenditures (QREs)
- Administered through Texas Historical Commission
- Available in the year the project is placed in service or completed.
- Considerations:
 - Eligible building types: The Texas credit may apply to income-producing buildings and certain nonprofit-use buildings, making it useful for community-serving projects.
 - Transferability: The Texas credit can generally be sold or transferred, which is important when the project sponsor cannot use the credit directly.
 - Use against taxes: The credit may be

Both the federal and Texas historic tax credits should be evaluated early in the project timeline. Applications should be prepared during the planning or design stage, before rehabilitation work is completed, to reduce the risk that completed work will not meet preservation standards. For both programs, early coordination with THC, tax counsel, and a historic tax credit consultant is recommended.

New Markets Tax Credits (NMTC) are a federal community development financing tool intended to attract private investment into low-income communities. Unlike Historic Tax Credits, NMTCs are not tied to historic buildings. They are tied to eligible census tracts, eligible project uses, community impact, and investment through certified Community Development Entities.

A certified Community Development Entity (SAGE) receives NMTC allocation authority from the U.S. Treasury’s CDFI Fund. SAGE would then attract an investor that makes a Qualified Equity Investment into the CDE. The investor receives federal tax credits equal to 39% of that investment over seven years. SAGE then uses the investment proceeds as an equity investment.

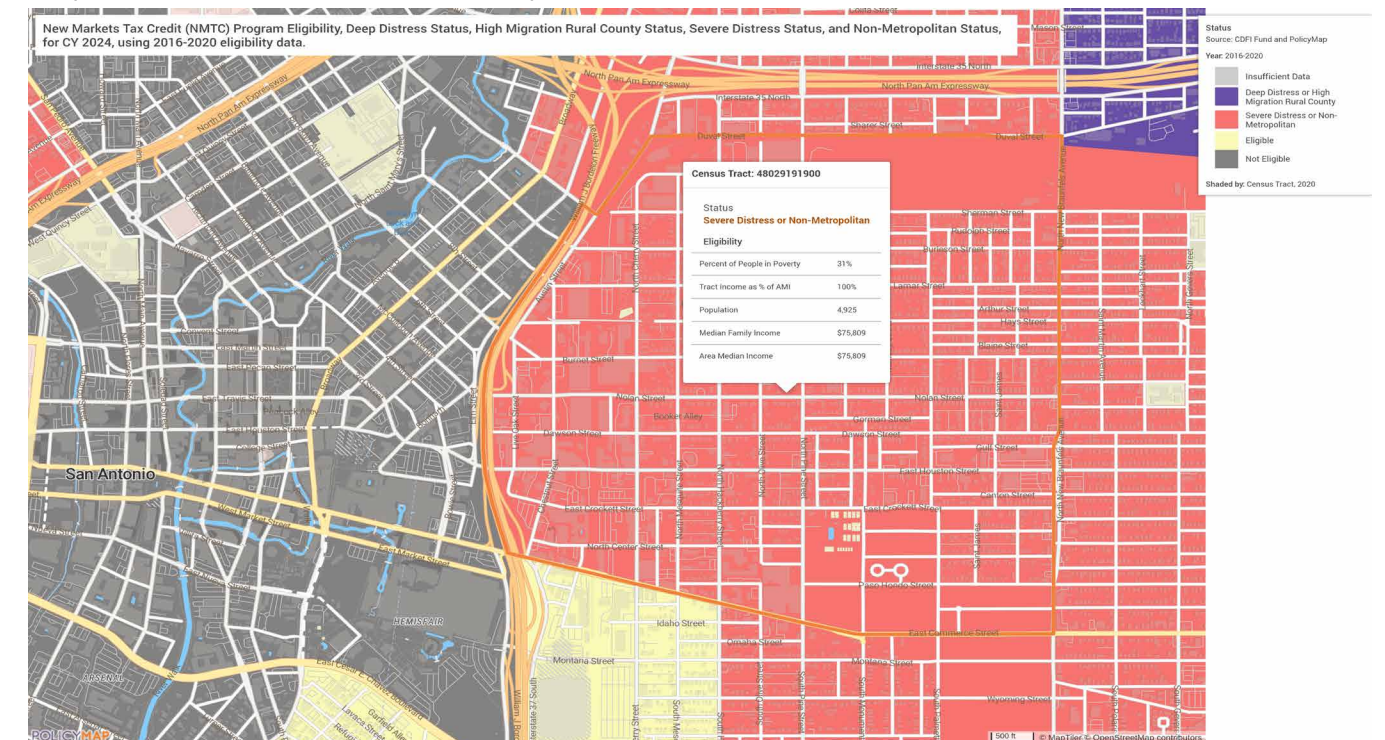
Eligibility requirements: NMTC eligibility has two components: place eligibility and project eligibility.

Place Eligibility: Projects must generally be located in a qualifying low-income community census tract. A low-income community is typically a census tract with a poverty rate of at least 20% or median family income at or below 80% of the applicable area or statewide median, depending on the tract and context. CDEs now use 2016–2020 ACS data applied to 2020 census tracts for eligibility determinations. Projects score higher on applications when

tracts are considered:

- **Severe Distress:** having a median family income at or below 60% of AMI; having a poverty rate at or above 30%; having an unemployment rate of at least 1.5 times the national unemployment rate.
- **Deep Distress:** having a median family income at or below 40% of AMI; having a poverty rate at or above 40%; having an unemployment rate of at least 2.5 times the national unemployment rate.
- **High Migration Rural County:** having median family income at or below 85 percent of the applicable AMI; being in any county during the 20-year period ending with the year in which the most recent census was conducted, with a net out-migration of inhabitants from the county of at least 10 percent of the population of the county at the beginning of such period; high migration rural counties qualify as low-income communities.

Map 12 New Markets Tax Credit Map



Source: New Markets Tax Credit Resource Center. <https://www.novoco.com/resource-centers/new-markets-tax-credits/nmtc-mapping-tool>

- **Non-Metropolitan:** being in a county that is not part of a metropolitan statistical area.

Project Eligibility: Project must involve a Qualified Active Low-Income Community Business (QALICB). A QALICB can be an operating business or real estate project that meets program requirements. Eligible project types often include:

- Community facilities
- Grocery stores
- Food access projects
- Health facilities
- Schools
- Manufacturing
- Mixed-use commercial projects
- Nonprofit facilities
- Cultural facilities
- Other projects that produce measurable community benefits

NMTCs are generally most useful for larger projects because transaction costs are high. Many NMTC projects are roughly \$5 million to over \$20 million in total development cost.

Operational Subsidies & District Management

These mechanisms lower the market’s long-term operational overhead.^W

Chapter 380 (municipalities) are Texas local economic development tools that allow cities to provide financial or in-kind incentives to support projects that advance public economic development goals. They are commonly used to attract investment, support business expansion, encourage redevelopment, fill project financing gaps, or advance community-serving development that might not otherwise occur.

In San Antonio, Chapter 380 authority is implemented through the City’s Economic Development Incentive Fund (“EDIF”) Program.¹

¹ <https://greatersatx.com/site-selectors/incentives/san-antonio-economic-development-incentive-fund>

San Antonio Economic Development Department EDIF Eligibility

The following project categories are eligible for consideration for EDIF assistance
SAGE PMC Qualified

- The attraction and recruitment of companies, domestic and international, that plan to create jobs and investment in Targeted Industries, including corporate headquarters.
- The retention and/or expansion of local companies, including corporate headquarters, that are considering relocating and/or expanding outside of San Antonio.
- Promote development and investment at and around former military bases (Port San Antonio and Brooks City-Base), in identified corridors, and within State Enterprise Zone census tract areas.
- Promote targeted development and investment in Regional Centers as defined by the SA-Tomorrow Comprehensive Plan and for which Council has approved specific industry and development plans.
- Programs and projects creating increased outcomes in research, innovation, start-ups, or entrepreneurial development, leading to commercialization of new technologies, products, or services in the City’s Targeted Industries, where applicants demonstrate a track record of outcomes for no less than two years and matching dollars which must include private sector support.
- Training, recruitment, retention, and development of a skilled workforce to support growth in the Targeted Industries and in the Creative Industries.
- Infrastructure, facilities, and equipment to support growth in the Targeted Industries.
- Events, marketing, sponsorships, industry groups, legislative programs, and other initiatives that help grow and/or promote the Targeted Industries.
- Projects, programs, or initiatives in the Creative Industries that directly create or retain jobs or support the creation or retention of jobs in the Targeted Industries.

Defined Terms:

Creative Industries sectors primarily include advertising, architecture, arts and crafts, design, film and video, interactive leisure software, music, the performing arts, publishing, software and computer games, and television and radio.

Target Industry means a business providing services in the following sectors: Mobility, IT Security/Infrastructure, Sustainable Energy, Corporate Services, Bioscience Anchors & Catalysts.

Project is eligible for Tax Rebates if one of the above is satisfied AND the project meets the following requirements:

- The Project must meet the Minimum Capital Investment and Minimum Number of Job Creation requirements in the table below to qualify for the respective Base Tax Rebate.
- Note: *There are additional tiers that require significantly more investment and job creation that are outside the scope of the PMC.*

Tier	Hr. Wage		Min Cap. Investment		Minimum No. Of Jobs Created	Base Tax Rebate
1	80% of Median Wage	AND	\$10 Million	AND	50	20%
2	100% of Median Wage	OR	\$25 Million	OR	100	30%
3	110% of Median Wage	OR	\$50 Million	OR	400	40%

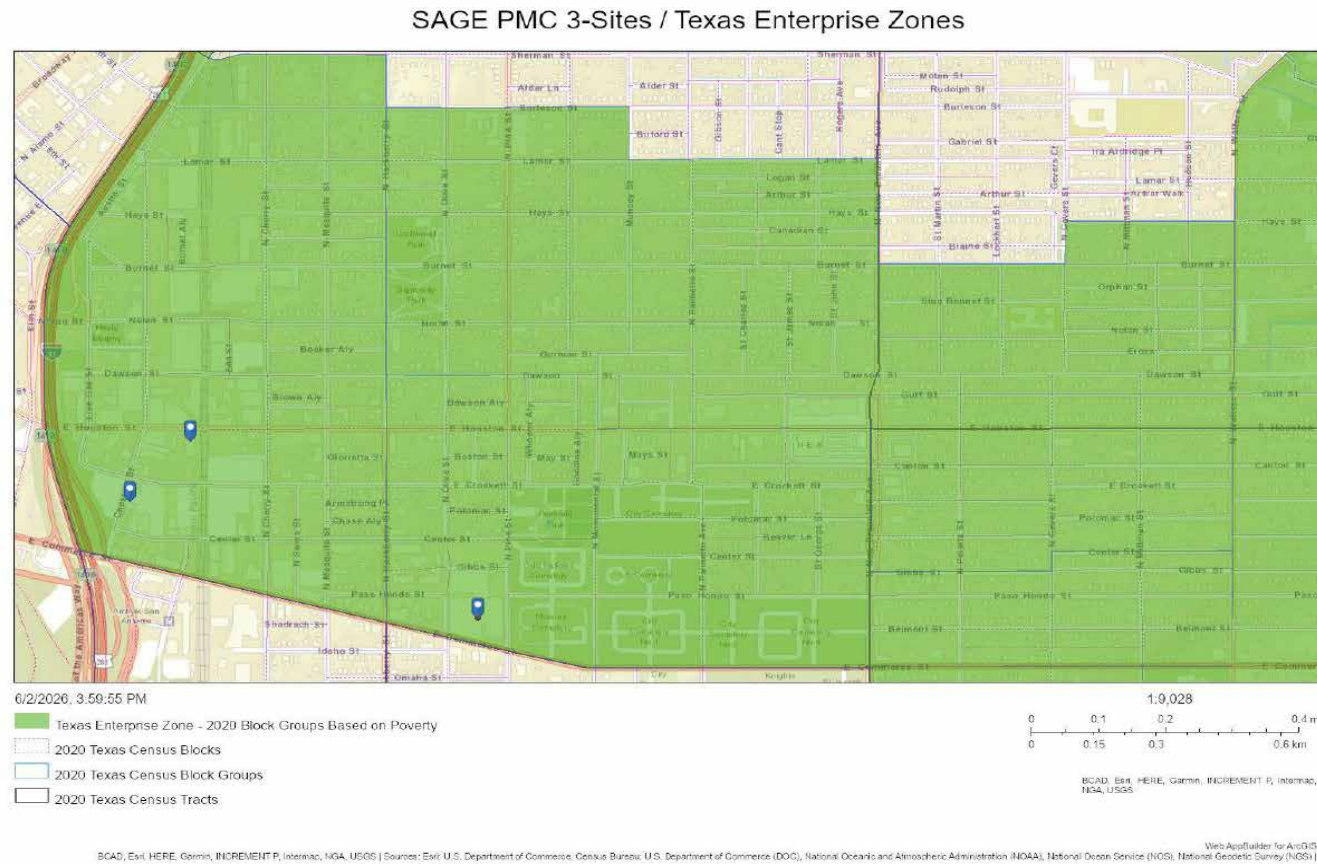
- **Minimum Rebate Term - 3-4 years**
- **Throughout the term of the Incentive Agreement:**
- **Pay (100%) of all Full-Time Employees the Entry Wage**
- **Throughout the term of the Incentive Agreement, offer worker’s compensation coverage and a Healthcare Benefits Package to all Full-Time Employees associated with the Project Site and their eligible dependents.**

EDIF Funds

May be used for	May not be used for
<ul style="list-style-type: none"> • Public improvements associated with the project • Training programs and other initiatives to develop and sustain a skilled workforce for the Targeted Industries and the Creative Industries • Real and personal property acquisition and site development • Company relocation expenses for moving operations to San Antonio • Facility construction and/or real property improvements • Studies or planning that promote growth in the Targeted Industries • Grants or loans to the San Antonio Economic Development Corporation and the San Antonio Economic Development Foundation (now known as greater: SATX) • Utility infrastructure costs for eligible projects not totally funded by CPS Energy and SAWS • Grants or loans to community partners • Restoration or adaptive reuse of existing structures associated with a project retaining and/or creating jobs, including existing structures over the Edwards Recharge Zone or Contributing Zone • Entrepreneurial development programs and initiatives in the Targeted Industries • Third party due diligence, evaluation, and financial analysis of eligible projects • Marketing, events, sponsorships, trade shows, and trade missions in support for entrepreneurial development and Targeted Industries and support for industry advocacy groups • To promote state or local economic development and to stimulate business and commercial activity in the City of San Antonio. 	<ul style="list-style-type: none"> • Projects involving new construction over the Edwards Aquifer Recharge or Contributing Zone that will result in additional impervious cover at the project site • Retail operations, including stores selling goods and services directly to customers; • Hotels and motels • Outbound or contract call centers • Projects encroaching on military operations as defined in the SA Tomorrow Comprehensive Plan, Department of Defense Joint Land Use Studies, or the City’s Annexation program • Those projects statutorily prohibited under Chapter 380.

May be used for	May not be used for
<ul style="list-style-type: none"> To support other City departments' goals that align with Chapter 380, the EDIF Program Guidelines, and the City's ability to disperse EDIF funds. 	

Map 13: SAGE PMC Map



To apply for Chapter 380 economic development support, the SAGE should frame the Public Market Complex **not as a conventional retail center, but as a community economic development platform that supports small business incubation, food entrepreneurship, job creation, cultural programming, neighborhood reinvestment, and improved access to goods and services.** Any Chapter 380 request should clearly separate the public purpose and infrastructure functions from the individual retail/vendor sales activity, similar to SAGE as a Property Manager.

SAGE as the master lessee, owner, or property manager.

Instead of the City providing assistance directly to individual retailers, restaurants, or vendors, the agreement could be with SAGE for managing the Public Market Complex.

- The incentive supports the platform, not the retail sales.
 - Facility rehabilitation & adaptive reuse
 - Public infrastructure & shared utilities

- Entrepreneurial programming & workforce training
- Grants or loans to community partners
- Other activities related to local economic development

create a dedicated, sustainable revenue stream to fund ongoing security, district cleaning, waste management, collective marketing, and seasonal event programming.

Vendor Capitalization & Programmatic Support

A public market's success depends on the financial resilience of its tenants. These tools provide non-dilutive capital directly to the micro-entrepreneurs animating the space.

- CDFI Partnerships & Micro-Lending: Collaborating with Community Development Financial Institutions (such as LiftFund) and SAGE's existing portfolios to establish a dedicated "Market Vendor Capital Fund." This fund provides sub-market-rate loans to under-capitalized minority- and women-owned business enterprises (MWBES) for commercial kitchen build-outs, point-of-sale systems, and initial inventory.
- Federal Agency & Private Foundation Grants: Securing Economic Development Administration (EDA) and Community Development Block Grants (CDBG) explicitly earmarked for workforce training and micro-enterprise incubation.
- Philanthropic Capital: Partnering with regional foundations (e.g., San Antonio Area Foundation) to provide equity-like grants. This capital specifically underwrites the non-revenue-generating, mission-driven components of the complex, such as a shared culinary incubator kitchen, a community health classroom, or healthy food incentive programs (e.g., SNAP matching).

Individual food vendors, market stalls, or retailers would lease space and operate independently, but the City's incentives would not directly subsidize their sales activity or tenant operations.

Challenge: The agreement could require SAGE to meet performance standards such as job creation, vendor participation, local hiring, small business incubation, Eastside business participation, public programming, affordable stall rents, business training, or community events.

Avoid Using EDIF Funds for:

- Direct operating subsidies to restaurants or retailers
- Individual vendor inventory
- Retail tenant payroll unrelated to eligible job commitments
- Private tenant buildout with no broader public benefit
- Routine retail sales operations
- Marketing that only benefits individual vendors
- Components that make the project look like a standard food hall

Public Improvement Districts (PID): Establishing a localized assessment district spanning the market complex and its immediate commercial corridor. The collected assessments

Impact of Catalytic Projects

The SAGE Public Market Complex is not an untested concept. Across the country, public markets and food-centered adaptive reuse projects have repeatedly served as catalytic anchors for reinvestment in historic, underutilized, and formerly disinvested districts. When structured around social yield and community wealth building rather than purely commercial real estate returns, these developments demonstrate an incredible capacity to bridge systemic food gaps, lower the barriers to entry for minority-owned enterprises, and revitalize urban neighborhoods from the inside out.

The following three national models provide invaluable blueprints for how the Eastside Public Market can successfully balance a non-profit community mission with long-term financial self-sufficiency.

SoLa Beehive South Los Angeles, CA

Large indoor outdoor complex with commercial kitchen, workforce training, and community food access.

The Beehive is a Black-owned social and economic campus designed to foster small business growth and provide a collaborative environment for creators and innovators. Since its 2019 debut, this “cultural hub” has served as a center for diversity and talent, leveraging its unique physical space to attract a broad spectrum of local residents, institutional leaders, and public figures providing affordable meals, culinary training, entrepreneurship education, and a test kitchen for local food entrepreneurs. Its Kitchen to Capital program is a six-week paid fellowship for young adults, supported by Los Angeles County workforce funding.

Key Consideration for SAGE: Tying market to workforce development, healthy food access, and social enterprise revenue, rather than



SoLa Beehive interior market activities



SoLa Beehive exterior outdoor event

treating the project only as vendor leasing. Emulating the Beehive’s “Kitchen to Capital” model, SAGE can seek municipal and federal funding (such as HUD Section 108 or workforce training grants) to underwrite paid culinary fellowships, training programs, and hospitality certificates for neighborhood youth and unemployed residents.

Madison Public Market Madison, WI

45,000 SF indoor marketplace and community space. Located in a converted former vehicle service building.

Madison Public Market is a current example of a mission-driven public market moving through construction, merchant recruitment, tenant buildout, pop-ups, and pre-opening activation. Its updates emphasize vendor recruitment, food tastings, pop-ups, and building a diverse, financially sustainable merchant mix before opening.

Key Consideration for SAGE: Build the merchant pipeline before opening, use pop-ups to introduce vendors, and treat market launch as a phased process rather than a single ribbon cutting.

Midtown Global Market Minneapolis, MN

72,000 SF public market inside adaptive reuse project.

Midtown Global Market opened in 2006 inside the former Sears building as part of Midtown Exchange. It includes more than 45 businesses across more than 22 cultures and draws more than 1.5 million visitors annually. It was created through a wide partnership involving community organizations, the City, donors, lenders, and tax credit investors.

Key Consideration for SAGE: Most likely the closest capital-stack and site analogue with adaptive reuse, food culture, immigrant entrepreneurship, nonprofit/community ownership, housing and employment nearby, and layered public/private/tax credit financing.



Madison Public Market exterior



Madison Public Market interior pop-up event. Image courtesy of The Isthmus by Linda Falkenstein



Midtown Global Market interior. Image courtesy of Thrifty Minnesota by Hannah

While the SoLa Beehive, Madison Public Market, and Midtown Global Market operate within different regional economies, their development trajectories reveal a remarkably consistent set of operational, structural, and financial strategies. These facilities demonstrate that a public market achieves long-term viability not by mimicking purely commercial retail centers, but by operating as a multi-functional civic asset designed for social yield and local wealth creation.

By analyzing the overlapping successes and challenges of these public markets, a series of foundational paradigms that directly map onto the opportunities and constraints within San Antonio's Eastside. The following common themes establish the strategic framework necessary to ensure the SAGE Public Market functions as both a stable economic engine and a protective neighborhood anchor.

Common Themes:

- **Adaptive reuse as community infrastructure:** A dormant or underused building becomes a visible symbol of reinvestment.
- **Nonprofit-led food entrepreneurship:** Market manager and entrepreneur-support intermediary, not just a landlord.
- **Food as an anchor use:** Food creates repeat visitation, daily utility, and cultural identity.
- **Small Business Incubation:** Markets lower barriers for entrepreneurs who cannot afford traditional storefronts.
- **District Spillover:** Foot traffic supports surrounding businesses, real estate, events, and public realm investment.

- **Layered financing:** Catalytic projects rarely pencil with conventional debt alone.
- **Public realm and access improvements:** The building succeeds when paired with walkability, lighting, streetscape, parking, loading, and wayfinding.
- **Phased proof-of-concept before full buildout:** Use pop-ups, vendor recruitment, preview events, and pre-leasing before permanent expansion.

A public market can serve as a catalytic anchor when paired with intentional phasing, public realm improvements, small business support, collaboration and partnerships, and a layered capital stack.

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Image: Interior of The Indianapolis City Market

Development of Programming

Core strategies

For the proposed Eastside public market to transition from a conceptual project to a thriving community anchor, its operational framework must directly reflect the feedback, economic realities, and cultural heritage of the surrounding neighborhoods. Unlike conventional commercial developments driven by high-margin retail and maximizing tenant rents, this market will be owned and operated by a non-profit entity. Consequently, success is defined not by high profit margins, but by community value, economic mobility, and cultural preservation. The following four core strategies form the foundation of this model, ensuring the market remains sustainable while fiercely protecting its community-first mission.

Local-First Vendor Mix

During the community engagement phase, stakeholders expressed a profound and explicit desire to see the market reflect the rich

cultural fabric of the Eastside, with a specific emphasis on elevating Black business owners. A “Local-First” vendor mix directly answers this call.

By prioritizing entrepreneurs from the immediate Eastside neighborhoods and the broader San Antonio area, the market becomes more than a shopping destination—it serves as a cultural hub and an incubator for local wealth creation.

- *Cultural Authenticity:* Actively recruiting and prioritizing Black-owned businesses, artisans, and culinary experts ensures the market feels authentic to the Eastside’s history and identity.
- *Economic Retention:* Keeping vendor curation hyper-local ensures that dollars spent within the market circulate directly back into the neighborhood, combating historical disinvestment.

Producer-Focused Model

To truly empower these local entrepreneurs, the market must lower the barriers to entry that typically keep small, minority-owned businesses out of brick-and-mortar spaces. A producer-focused model shifts the ecosystem to support the creator, farmer, and maker.

- *Low-Barrier Infrastructure:* The non-profit model allows for flexible, low-risk spaces (e.g., pop-up stalls, shared commercial kitchen space, and micro-booths) that do not require massive upfront capital from vendors.
- *Technical Assistance:* As a non-profit operator, the market will provide wrap-around services such as business licensing support, marketing aid, and financial literacy training, transforming the market into a true business incubator.

Inclusivity & Affordability

Community feedback highlighted a critical boundary condition: a high-end, luxury price point will not work. The Eastside includes vibrant but historically under-resourced, low-income families who must feel a sense of ownership and belonging in this space. If the market is perceived as a catalyst for gentrification with prohibitive pricing, it will fail its core mission.

- *Accessible Product Mix:* Curation will explicitly balance specialty goods with everyday essentials, ensuring staple groceries, fresh produce, and affordable prepared foods are always available.
- *Nutritional Assistance Integration:* The market will fully integrate and incentivize food assistance programs, such as SNAP, WIC, and “Double Up Food Bucks,” making fresh, healthy food accessible to low-income residents.
- *Non-Profit Lease Structures:* Because

the operating non-profit is not chasing high-end, national tenants to maximize ROI, lease rates for vendors can be kept subsidized and stable. This directly translates to lower overhead for vendors, allowing them to keep their retail prices affordable for the neighborhood.

Strong Management

Operating a mission-driven public market is significantly more complex than managing a standard retail strip center. It requires a highly competent, empathetic, and strategic management team capable of balancing fiduciary duties with community trust.

- *Curatorial and Operational Excellence:* Management will be responsible for active matchmaking—ensuring the vendor mix stays balanced, vibrant, and aligned with community needs, while maintaining clean, safe, and welcoming facilities.
- *Community Accountability:* Strong management will serve as the bridge between the non-profit board, the vendors, and the neighborhood, maintaining open lines of communication to ensure the market evolves with the Eastside, rather than imposing changes upon it.
- *Grant and Subsidy Management:* To maintain low rents and affordable product pricing, management must be adept at securing secondary revenue streams, such as federal grants, philanthropic donations, and event sponsorships.

By intertwining these four strategies, the Eastside public market safeguards itself against the pitfalls of standard commercial gentrification. It creates a self-sustaining ecosystem where local and minority entrepreneurs thrive, low-income families gain access to affordable goods, and the non-profit operator measures ROI in community resilience and economic equity.

Proposed Programming & Land Use

This facility is envisioned as a “Public Market Complex”, a vibrant hub that blends essential services with cultural celebration. The proposed programming includes:

- Retail & Food: A mix of grocery options, fresh produce, and specialized retail.
- Culinary Arts: Incubator spaces for local restaurants and street food vendors.
- Creative Spaces: Dedicated areas for local art installations and live music performances.
- Professional Hubs: Community office spaces and co-working environments for Eastside entrepreneurs.
- Community Gathering: Flexible indoor/outdoor spaces designed for neighborhood meetings, workshops, and social connection.

Design Concepts Market Layout

Operating as a community-centric non-profit organization, the facility fulfills its mission by providing accessible space solutions. The or-



Image: Reading Terminal Market in Philadelphia, PA

ganization serves as a community landlord, offering flexible short- and long-term leases for versatile facility spaces, specialized room rentals, and secure storage solutions. Additionally, the facility acts as a collaborative hub, offering dedicated access to program and event partners to foster community engagement.

Vendor stalls - retail booths and mobile spaces to accommodate vendors of all levels (early stage, developed, anchor).

Exhibit space - flexible space to accommodate temporary rotating history, art and museum type exhibits.

Event space - multi-functional event spaces to support community, cultural, and focused events of all scales, including classes, demonstrations, cultural events, community/place-making space, private event space, and corporate/organizational meeting space.

Office space - multi-functional office space that can vary in dimension for multiple tenants including SAGE operations.

Support space - kitchen/production, and storage spaces to support operations.

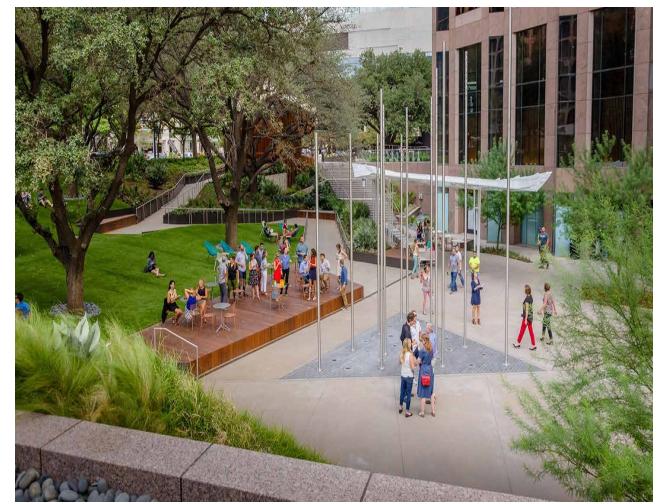


Image: Outdoor event space at Fareground Food Hall in Austin, TX

Functional space - A/V and technology support spaces, specialized spaces such as consultation rooms, and other areas that support the primary operations of the facility.

Logistics space - loading docks, aggregation areas, and circulation spaces to support operations.

Circulation - utilizes layouts like loops, organic grids, or diagonal pathways to naturally pull visitors through the entire footprint

Seating areas - communal tables, bar counters, and outdoor patios allow groups of people to buy from entirely different vendors but still sit down and eat together.

Supporting Spaces

Storage - Secure, climate-controlled storage areas ensure vendors can safely house inventory, backup stock, and equipment without cluttering the active, consumer-facing market floor.

Teaching Kitchens - Interactive teaching kitchens serve as community health hubs where local chefs and educators can host cooking demonstrations, nutrition classes, and workforce development training.

Event Rooms - Flexible event rooms offer versatile, rent-able spaces equipped to host community meetings, cultural workshops, and private celebrations that generate alternative revenue for the market.

Mixed-Use Components

Offices - Dedicated administrative office spaces provide the market’s management team and non-profit operators with a private environment to handle daily business logistics, vendor relations, and community programming.

Residential - Integrating residential units above or adjacent to the market creates a

built-in, hyper-local consumer base that drives steady, daily foot traffic and fosters a vibrant, 24/7 neighborhood presence.

Rooftop / Public Space - Dynamic rooftop and public outdoor spaces transform the property’s footprint into an elevated civic asset perfect for open-air markets, cultural performances, community gardening, and social gathering.

Parking & Access Design Balanced Vehicular Parking Strategies

To avoid transforming valuable urban land into a stark sea of asphalt, the market will utilize a hybrid parking model. This includes a mix of dedicated on-site parking, designated stalls for ADA compliance, and shared-parking agreements with adjacent properties (such as the VIA Transit parking lot at 220 Chestnut St.). This layout accommodates peak weekend tourist rushes without leaving the site disconnected from the neighborhood fabric during the week.

Seamless Public Transit & Rideshare Integration

Given the market’s prominent location on the Eastside transit corridors, the site layout must integrate effortlessly with public transportation. Design elements will include clear pedestrian pathways leading directly from nearby VIA Metropolitan Transit bus stops, visible signage, and dedicated, off-street pull-aligned zones for rideshare (Uber/Lyft) drop-offs and micro-mobility options like e-scooters and bicycles.

Pedestrian-First Circulation and Traffic Calming

To ensure the market remains a safe, family-friendly “Third Place,” the perimeter design will prioritize pedestrian infrastructure. Wide, well-lit sidewalks, clear crosswalks, and traffic-calming elements (such as textured paving or bollards) will buffer the market entrances

from surrounding high-traffic roads, creating a welcoming gateway for the walkable primary trade area.

Independent Back-of-House Loading Zones

Crucial to the market’s daily operations is the strict physical separation of customer traffic from service logistics. Dedicated, rear-facing loading docks and vendor parking bays will be designed to handle morning inventory deliveries and waste management. This ensures heavy utility vehicles can operate efficiently without disrupting pedestrian safety or clashing with the public aesthetic of the main entrance.



Image: Cross walk at Chapel Hill, North Carolina



Image: Loading Dock

Conceptual Renderings

The following conceptual designs are a collection of community engagement, evaluation of existing conditions and recommended approach to visioning a public market at each of the three selection sites. The following designs are preliminary and intended as visualization tools and are not set for construction.

- 1. 1617 E Commerce St - The Friedrich
- 2. 1228 E Houston St - The Hugo
- 3. 220 Chestnut Ave - Ellis Alley and VIA parking lot

1. The Friedrich Building

Program Element

The Friedrich building has multiple opportunities for various types of programming by utilizing the large 68,158 sq ft building size. The proposed concept includes the following set of programming:



Conceptual Rendering of The Friedrich Building



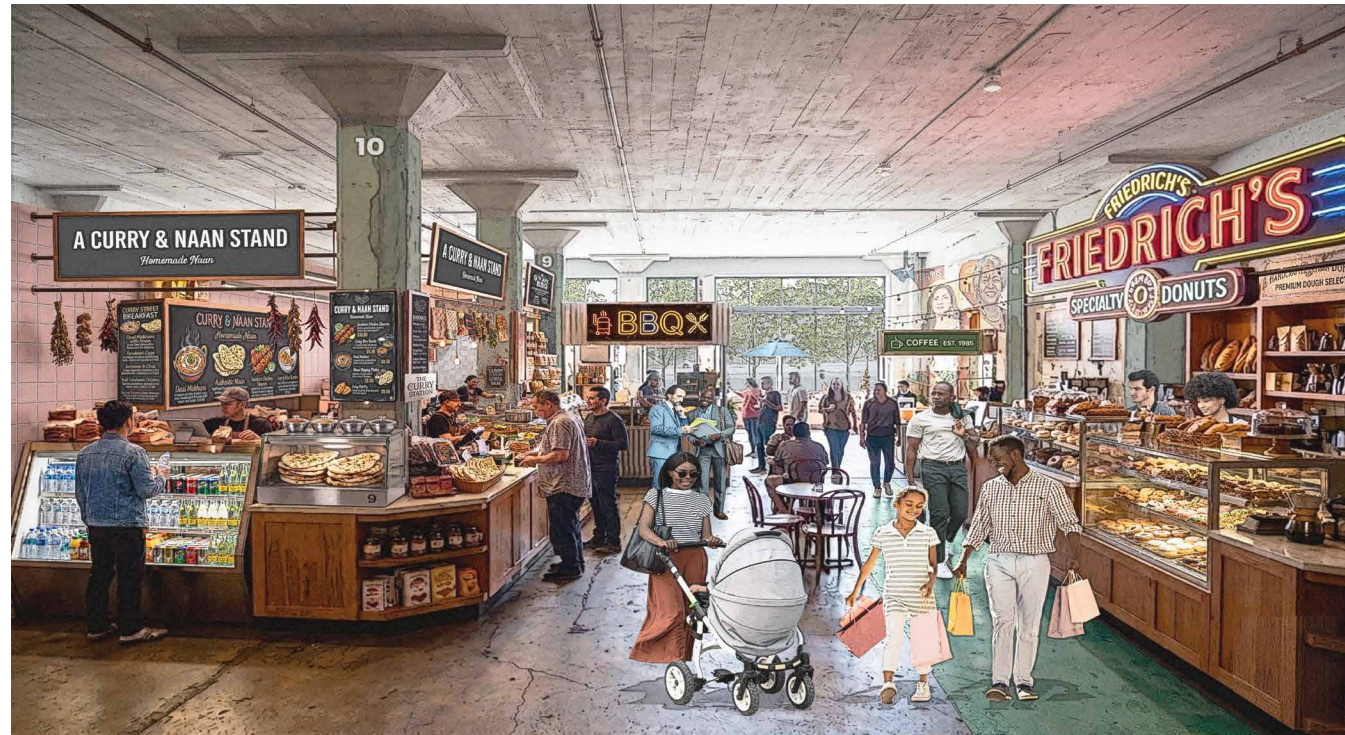
Image: The Existing Friedrich Building

Programming

1st Floor: Ten (10) centrally located vendor kiosks (ranging in size from 528 square feet to 787 sq ft each) are primarily located to the north end of the floor. A 900 sq ft permanent vendor space includes supporting open seating, ideal for a restaurant tenant. Located along the exterior of the building facing E Commerce and N Olive St, is a 1,255 sq ft roofless open seating that can be used for events or dining that can be visible from E Commerce St. Three (3) additional open retail tenant spaces are available towards the center of the floor (375, 690 and 800 sq ft).

2nd Floor: Five (5) dedicated office spaces (total 12,317 sq ft) provide opportunity for future tenants or SAGE to operate at. A 4,000 sq ft flex event space is available for temporary art or museum exhibits. Restrooms and common areas are also imagined within the center of the 2nd floor.

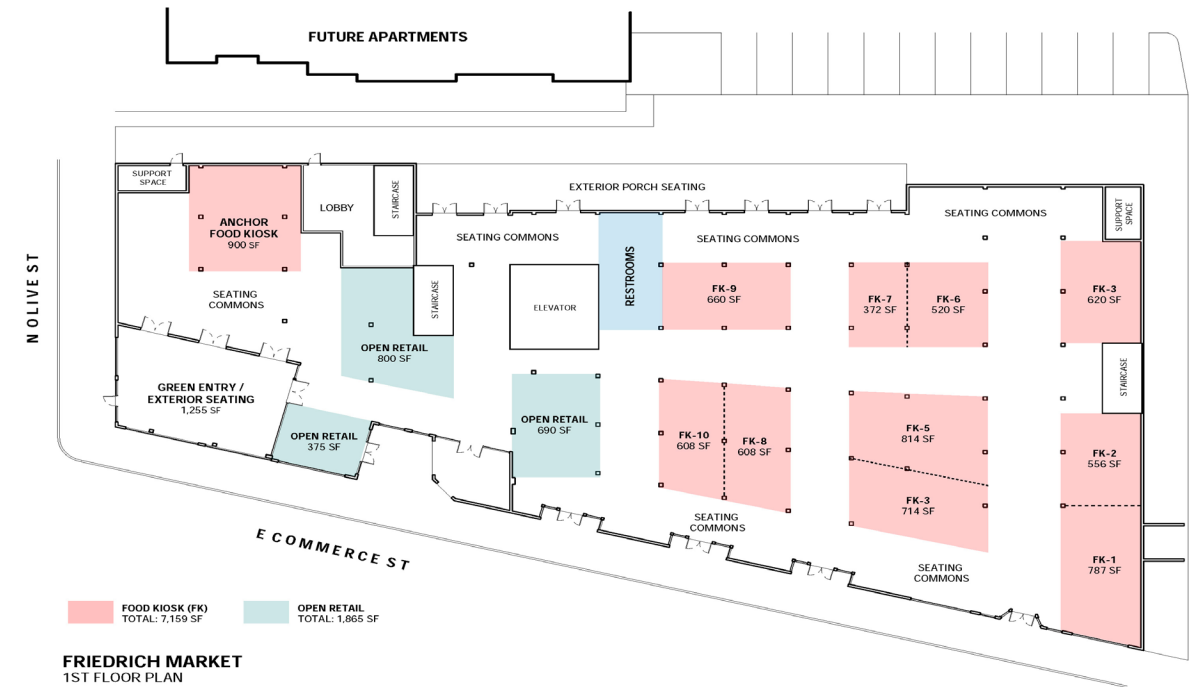
3rd Floor: 8,066 sq ft of total innovation and workforce space occupies the majority of the 3rd floor. A 4,000 sq ft commuter co working space provides opportunity for local service businesses to occupy the space. The floor also includes a total of 3,675 sq ft of creative space that tenants within the art or music can utilize, along with 1,944 sq ft of amenity space.



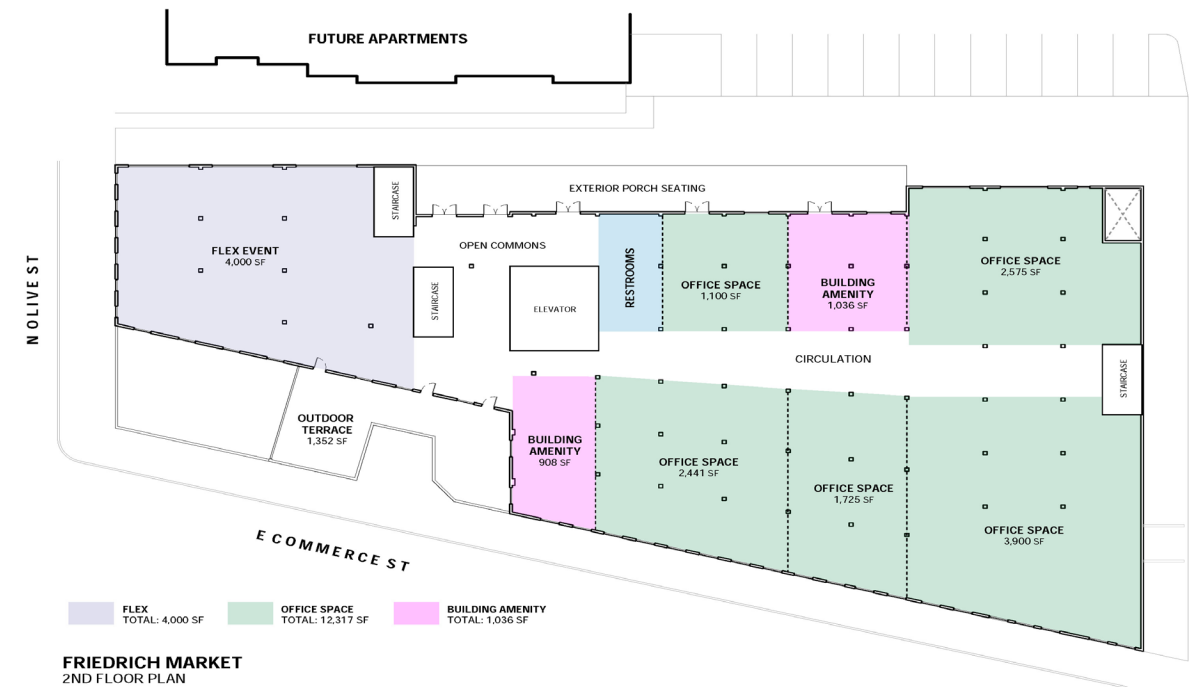
Conceptual Rendering of a Public Market (interior)

- Flexible vendor space
- Restaurants / prepared food
- Event space
- Educational/exhibit space

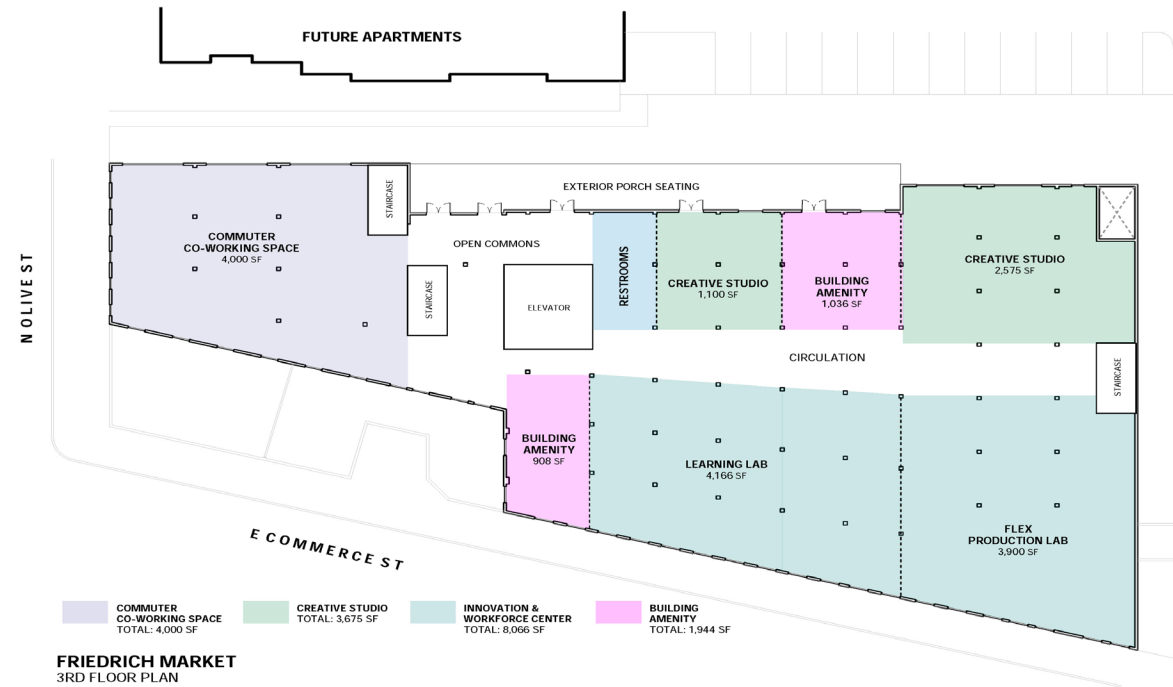
- Office space
- Commuter co-working space
- Flex production/creative studio space



Conceptual Floor Plan -1st Floor



Conceptual Floor Plan - 2nd Floor



Conceptual Floor Plan - 3rd Floor

2. The Hugo

Program Element

The Hugo has multiple opportunities for various types of programming by utilizing the existing parking lot for outdoor events, patio seating and vending along with existing open floor plans within the building. The proposed concept includes the following set of programming:



Conceptual Rendering of The Hugo Building Parking Lot



Image: Existing Parking Lot of the Hugo

Programming

1st Floor: Eleven (11) centrally located vendor kiosks (528 square feet each) that can be modified and combined for increased tenant space (2,904 sq ft of total size). A 2,070 sq ft shared commercial kitchen located to the rear of the floor and open retail spaces (278 sq ft and 627 sq ft in size) that are set at the corners of the interior exterior walls. Within the 1st floor open seating along the exterior walls provide an opportunity for customers to enjoy their purchases and stay longer within the building.

2nd Floor: Two (2) dedicated office space at 1,954 sq ft and 3,212 sq ft provide opportunity for future tenants or SAGE to operate at. A 3,000 sq ft flex event space is available for temporary art or museum exhibits. Restrooms and office amenities are also imagined within the center of the 2nd floor adjacent to an open skylight.

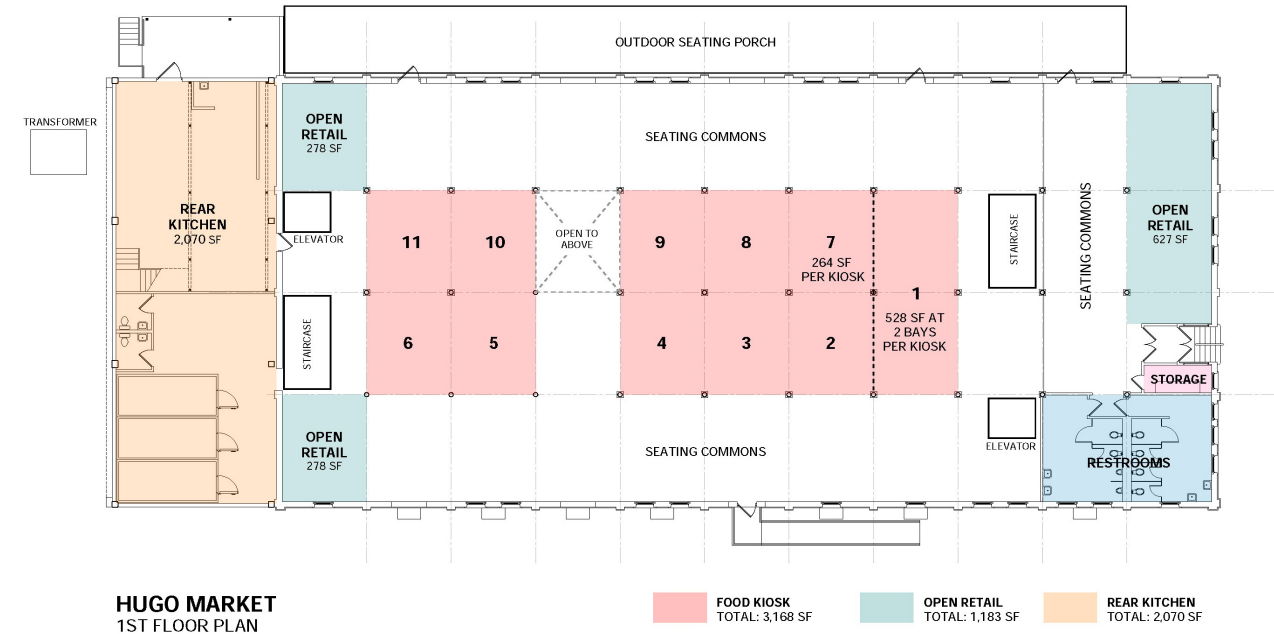
Basement: 1,339 sq ft of storage space is available for vendors and tenants with opportunity to add additional space when the 1,974 sq ft creative studio/exhibit space is not occupied. In order to utilize the space for a commercial tenant, a bar -speak easy concept (4, 070 sq ft) with seating is imagined near the existing vault.



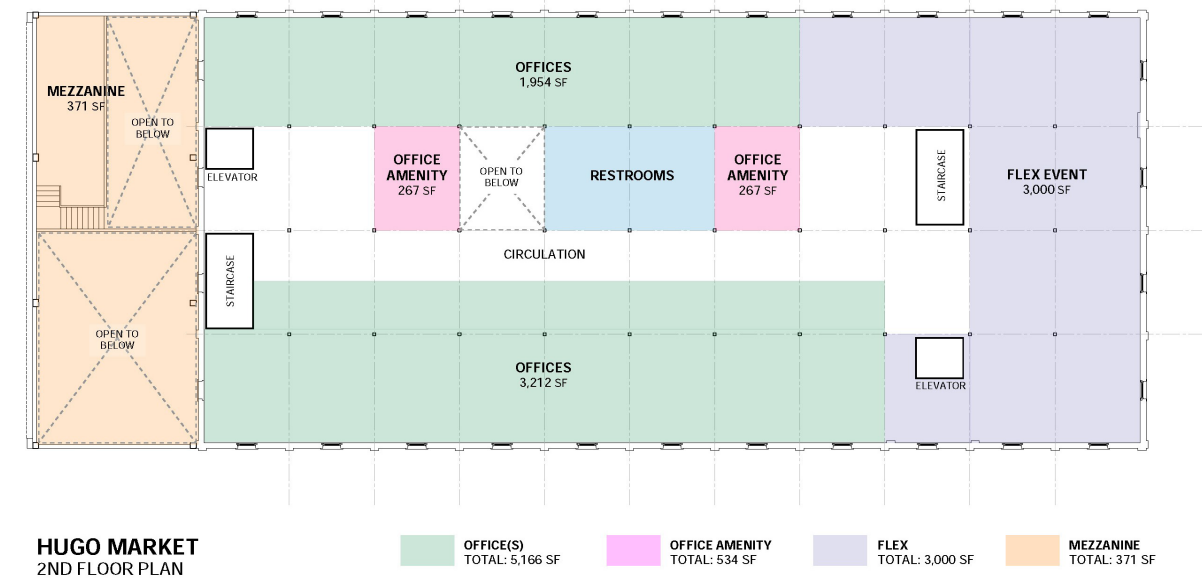
Conceptual Rendering of a Public Market (interior)

- Flexible vendor space
- Restaurants / prepared food
- Event space

- Educational/exhibit space
- Office space



Conceptual Floor Plan - 1st Floor

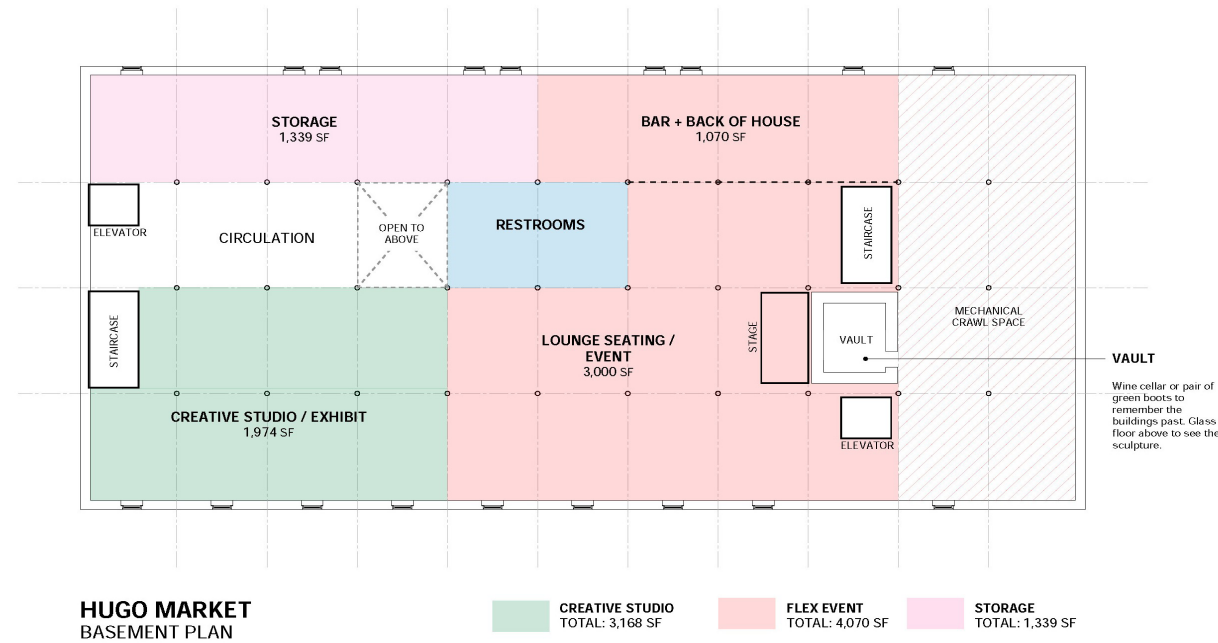


Conceptual Floor Plan - 2nd Floor

3. Ellis Alley

Program Element

The Ellis Alley property provides an opportunity for integration of new construction to complement the existing Ellis Alley Enclave historically designated buildings. The proposed concept includes the following set of programming:



Conceptual Floor Plan - Basement



Conceptual Rendering of a Public Market

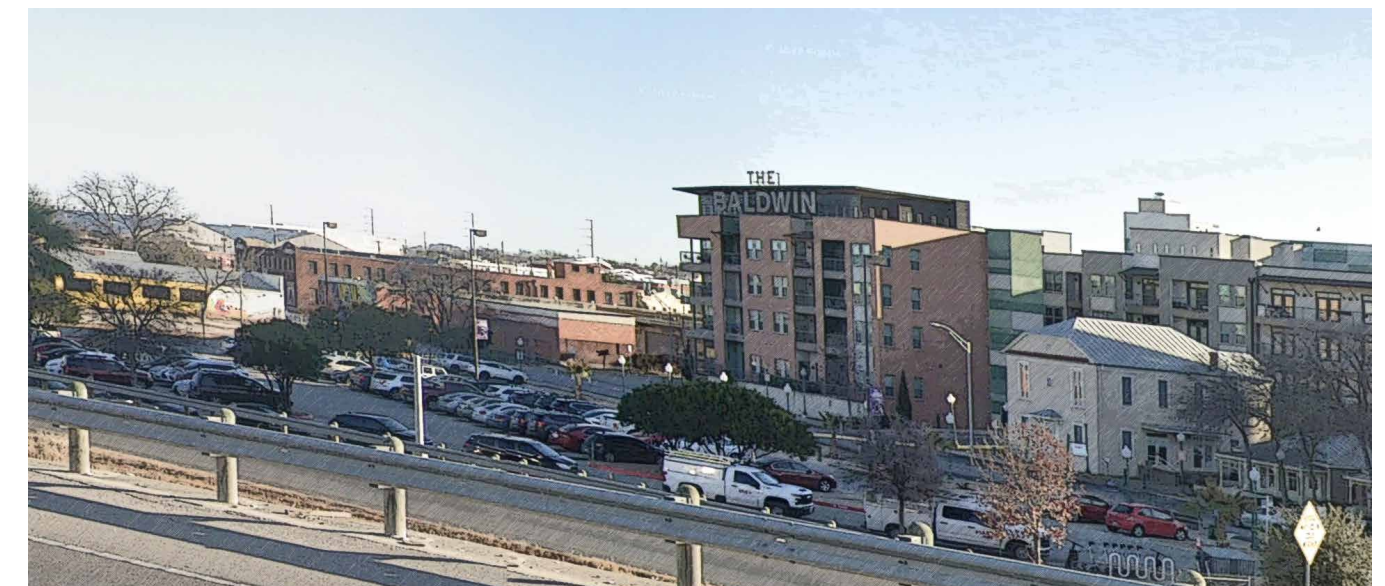
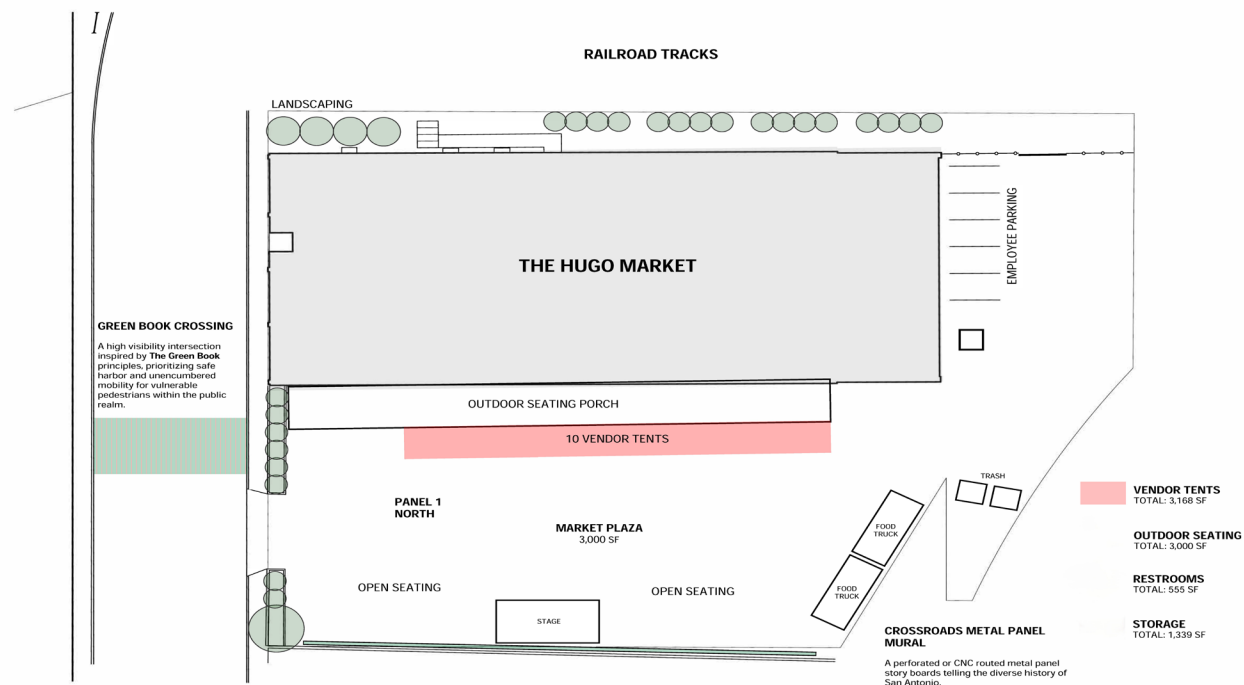


Image: View from the I-37 Looking towards Ellis Alley



Conceptual Site Plan

Parking lot: This site has the flexibility to use the existing parking lot for outdoor use due to the additional parking lot located to the north (across East Houston St). The on-site outdoor space features a location for a stage to host events, outdoor seating opportunities along the exterior of the building and near the stage, as well as outdoor vending to create a public gathering space.

Programming

1st floor: Twenty two (22) vendor kiosks (970 sq ft each) allow for flexible expansion to accommodate vendors requiring larger space. A 4,520 sq ft restaurant space to accommodate a permanent tenant along with 1,200 sq ft open patio seating space. A 3,890 sq ft open Event space is designed to accommodate recurring events.

2nd floor: Two (2) dedicated restaurant spaces at 2,745 sq ft and 2,031 sq ft provide opportunity for permanent tenants. A 3,102 sq ft flex event space is available for temporary art or museum exhibits. Four (4) vending kiosk spaces complement a 4,955 sq ft terrace space and 2,512 sq ft open patio area.

3rd floor: Two (2) office/flex space opportunities (4,022 sq ft and 2,198 sq ft) provide space for tenants or SAGE to use. One (1) 745 sq ft exhibit space and 2,512 sq ft patio space provide views of the site and downtown cityscape.

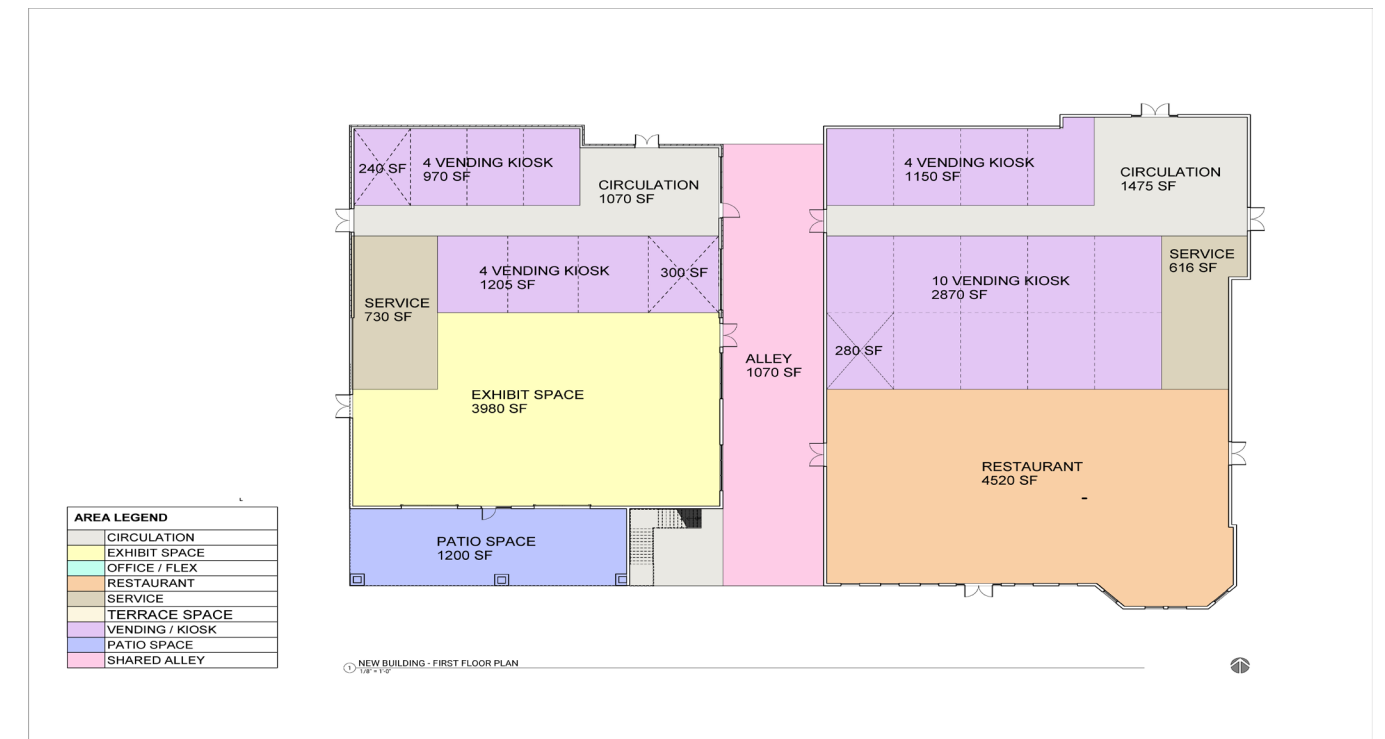
Parking lot: Outdoor events, community garden and open space for public gathering is available to activate the property.



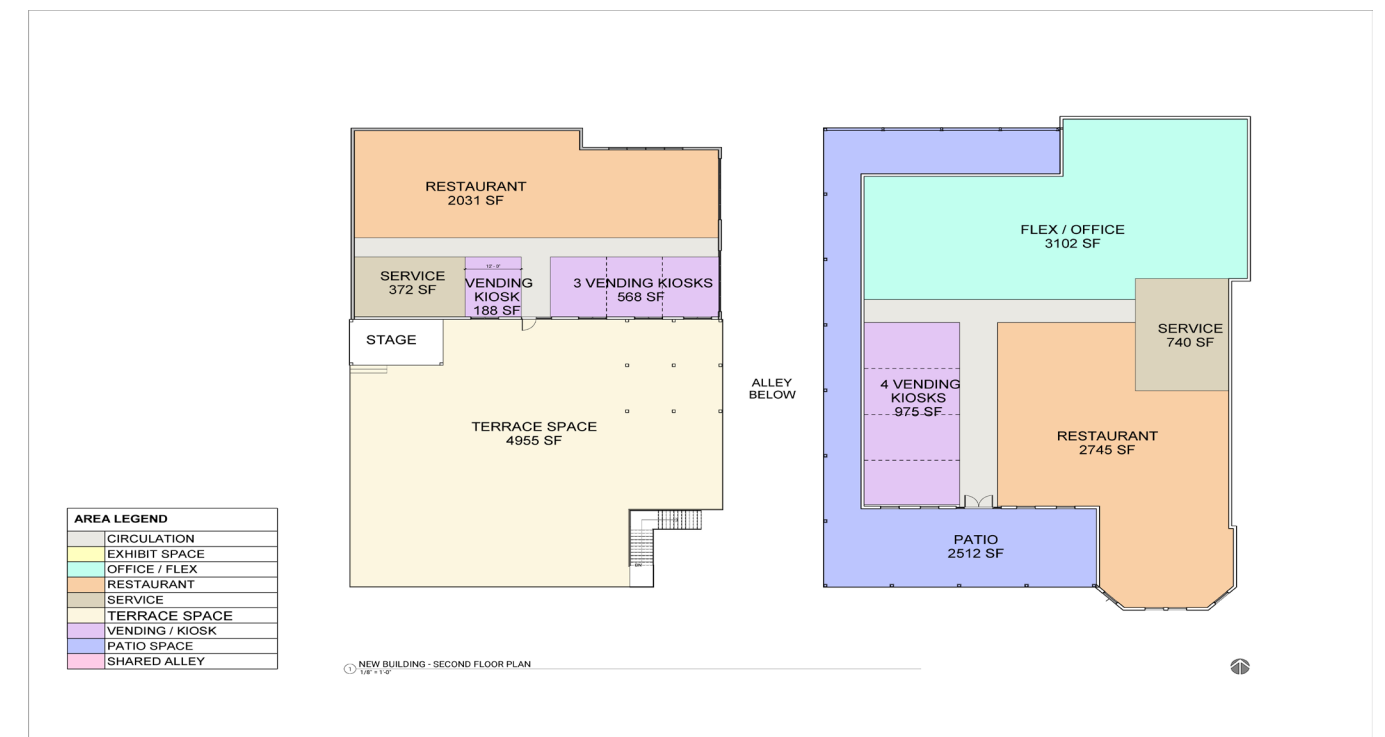
Conceptual Rendering of Public Market (interior)

- Flexible vendor space
- Restaurants / prepared food
- Event space

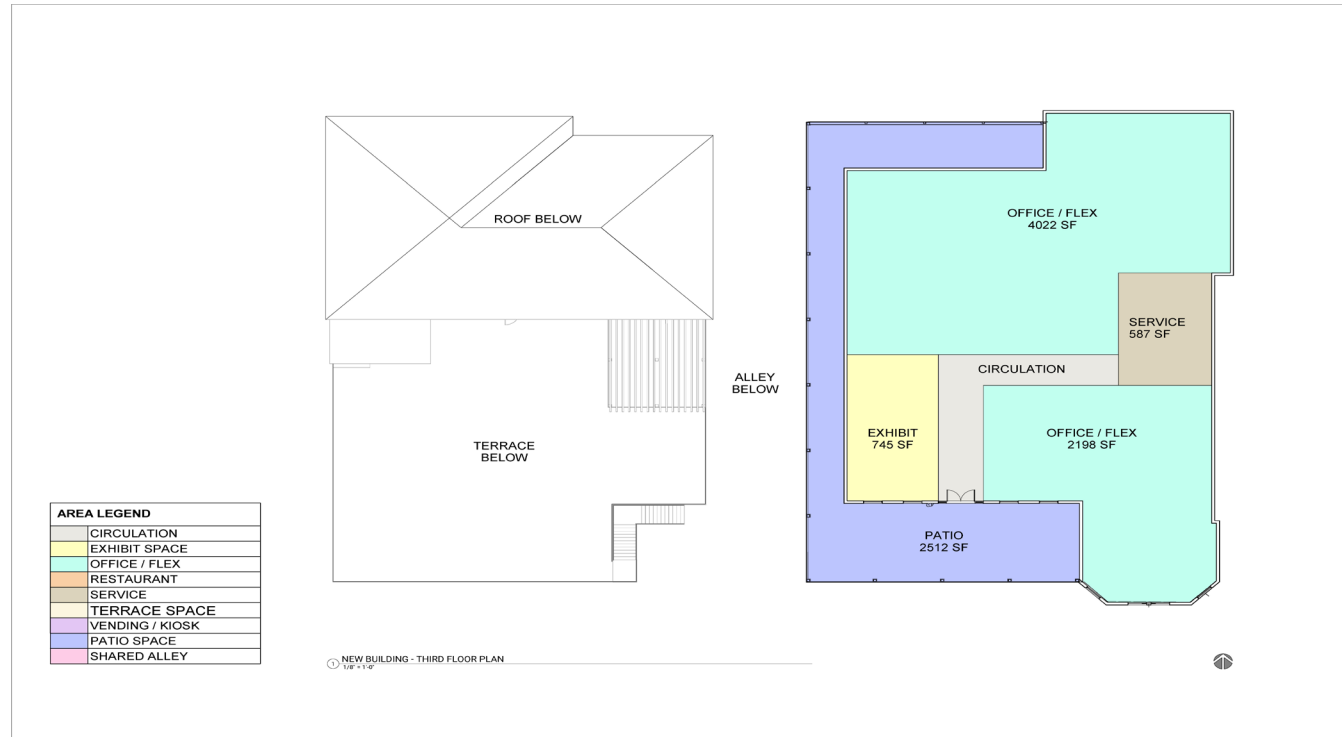
- Educational/exhibit space
- Office space
- Market hall (permanent vendors)



Conceptual Floor Plan - 1st Floor



Conceptual Floor Plan - 2nd Floor



Conceptual Floor Plan - 3rd Floor



Conceptual Site Plan

Ellis Alley Enclave: Due the historical designation of the existing six (6) buildings, programming would consist of less intensive uses such as office, retail and cafes. In total there is approximately 10,000 to 11,000 sq ft of space between the six (6) buildings with the largest (current SAGE offices) at 6,000 sq ft.

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Ownership & Operations

Partnership Opportunities and Roles

Successful projects of this scale typically involve multiple stakeholder groups who bring different resources, expertise, and operational value to the table. Like those benchmark projects, this multi-million-dollar venture on San Antonio's Eastside has the unique opportunity to create a transformative civic asset that appeals to local neighborhood residents and regional tourists alike. The success of the Eastside Public Market Complex requires more than just an entity holding a 501(c)(3) tax status; it requires an organization capable of activating and sustaining the space long after construction concludes. SAGE's established track record in city-wide equity initiatives, economic strategies, and transit-adjacent planning makes it uniquely capable of translating high-level public financing tools (such as TIRZ 11 and Chapter 380 incentives) into culturally authentic, community-supported outcomes.

It is essential to consider each partner's role, and the specific opportunities they can support, when choosing management models, capital funding plans, and development strategies. For a leading non-profit organization driving this initiative, strategic alliances will be required to balance community trust with institutional power. The primary partners and roles within this project structure include, but are not limited to, the following:

- **VIA Metropolitan Transit & Bexar County:** These regional entities bring vital development expertise, high-capacity infrastructure, management resources, and alignment on project objectives (such as transit-oriented development and regional economic equity). VIA is a critical site-specific stakeholder, particularly given their oversight of transit assets like the paved parking lot adjacent to the 220 Chestnut St. (Ellis Alley) site.
 - Operational Alignment: Public or public-nonprofit management structures will be the most compatible options to leverage their involvement, land-use agreements, and transit-corridor funding.
- **City of San Antonio (CoSA) Leadership:** The City of San Antonio must be a core partner to protect community interests and inject municipal resources. Key city entities, such as the Economic Development Department (EDD), the Tax Increment Reinvestment Zone (TIRZ) boards, and the Office of Historic Preservation (OHP), will be vital in bringing management, tax-incentive funding, federal grants (like HUD/CDBG), and potential public land use or zoning collaborations to the project.
- **Lead Non-Profit & Community Advocacy Organizations:** As the project's primary champion, the lead non-profit will bridge the gap between institutional funders and the local neighborhood. Partnering with localized Eastside non-profits, philanthropic foundations, and community development corporations (CDCs) will support the site via co-development, shared resources, and a long-term stake in protecting the market's cultural and social mission.
- **Private Operators, Black-Owned Businesses, and Anchor Tenants:** The long-term sustainable operation of the market will depend on local merchants, farmers, and cultural artisans contributing to the lease and active use of the space. Engaging potential vendors and anchor restaurant operators early in the process will help shape the final physical design, tenant mix, and fine-tune economic pro forma forecasts.

- **St. Philip's College (SPC):** As a historically Black college and Hispanic-serving institution deeply rooted in the Eastside, SPC is a premier academic and workforce anchor. Their involvement brings opportunities for workforce development pipelines, culinary arts and hospitality partnerships, student internships, and community education programs. SPC can serve as an educational anchor tenant or programming partner, directly linking the market's economic activity to local skill-building and career placement.
- **The Carver Community Cultural Center:** A historic beacon of Black heritage and cultural arts on the Eastside, The Carver represents a critical partner for ensuring the project's cultural authenticity and community trust. The Carver can lead or co-curate cultural programming, community events, historical preservation storytelling, and live performances within the market space, driving foot traffic and reinforcing the site as a cultural destination.
- **San Antonio Stock Show & Rodeo:** As a major regional institution with deep economic impact and a historic presence on the Eastside (via the Freeman Coliseum/Frost Bank Center corridor), the Rodeo brings massive promotional reach, philanthropic resources, and agricultural networks. Partnering with the Rodeo opens doors for youth agricultural scholarships, Western heritage programming, seasonal pop-up markets, and direct sourcing pipelines connecting rural Texas producers and farmers to the urban market.

The exact role of each partner will be shaped and defined by the final site selection among the three proposed locations (1617 E. Commerce St., 1228 E. Houston St., or 220 Chestnut St.). Partners represent the foundation of the development process and should be engaged immediately.

Defining Local Partners

The site evaluation process and ongoing community engagement discussions in this study have identified multiple local partner opportunities uniquely positioned to support the future development of an Eastside Public Market:

Healthcare, Food Equity, and Social Service Non-Profits: Organizations active in the Eastside ecosystem, such as University Health, local federally qualified health centers (FQHCs), San Antonio Food Bank, and neighborhood-level food justice groups, have expressed strong interest in partnerships. These alliances can support the project through healthy food prescription initiatives, SNAP/EBT double-up program funding, and on-site community wellness programming.

Private, Non-Profit, and Historic Preservation Developers: Entities driving the redevelopment of urban Eastside anchors, such as the teams behind the Friedrich Building (1617 E. Commerce) adaptive reuse or urban housing initiatives, present prime opportunities for co-development. Integrating public market elements into these existing, large-scale real estate projects significantly mitigates standalone construction costs and embeds the market into pre-established, high-density residential grids.

Municipalities, Cultural Commissions, and Business Associations: The City of San Antonio, along with groups like the San Antonio African American Community Archive and Museum

(SAAACAM), The Carver Community Cultural Center, and the Eastside Chamber of Commerce, are natural allies. Partnering with these groups allows the project to blend its economic goals with historic preservation, cultural tourism strategies, and minority-owned business development, ensuring the market remains an authentic reflection of the Eastside’s identity.

Financial Analysis Development Costs

The total capitalization required for the project is distributed across three primary pillars:

- **Land Acquisition Cost:** The cost to purchase or control the project site, including the land, existing buildings, closing costs, title work, surveys, environmental due diligence, and related transaction expenses.
- **Hard Costs:** The direct construction costs needed to physically build or renovate the project, including labor, materials, site work, utilities, building systems, structural improvements, interior buildout, and contractor costs.
- **Soft Costs:** The non-construction costs required to plan, design, finance, permit, and manage the project, including architecture, engineering, legal, insurance, financing fees, permits, project management, studies, inspections, and contingency.

Realizing a vibrant, community-centric food retail footprint in the Eastside necessitates a strategic balancing of these buckets. While securing a prominent, accessible geographic footprint dictates the initial land acquisition capital, the core of the budget is dedicated to the physical construction and specialized retrofitting required for modern grocery and small market spaces.

To ensure long-term operational viability and compliance, the financial framework accounts heavily for necessary soft costs that range from architectural engineering and municipal permitting to legal fees and initial marketing. By optimizing the relationship between these foundational expenses, the development model creates a low-barrier, high-utility environment capable of supporting diverse food purveyors. The following table provides a detailed, itemized breakdown of these projected development costs.

ESTIMATED PROJECT COST MATRIX

HUGO MARKET		FRIEDRICH MARKET		SAGE OFFICES	
Address:	1226 E Houston St San Antonio, TX 78205	Address:	1617 E Commerce St San Antonio, TX 78205	Address:	220 Chestnut St, San Antonio, TX 78202
Proposed Building Program:	Mixed-Use: Food Market, Retail, Flex Event, Art Studios, Offices	Proposed Building Program:	Mixed-Use: Food Market, Retail, Flex Event, Art Studios, Offices	Proposed Building Program:	Mixed-Use: Food Market, Restaurant, Retail, Flex Event, Art Studios, Offices
Total Program Area:		Total Program Area:		Total Program Area:	
Basement Plan:	10,126 SF	1st Floor Plan:	25,000 SF	1st Floor Plan:	18,765 SF
Leasable:	7,453 SF	Leasable:	10,257 SF	Leasable:	14,800 SF
1st Floor Plan:	14,562 SF	2nd Floor Plan:	24,000 SF	2nd Floor Plan:	12,210 SF
Leasable:	6,686 SF	Leasable:	15,471 SF	Leasable:	9,562 SF
2nd Floor Plan:	13,058 SF	3rd Floor Plan:	24,000 SF	3rd Floor Plan:	8,424 SF
Leasable:	8,837 SF	Leasable:	15,471 SF	Leasable:	6,862 SF
Total Gross Area:	37,746 SF	Total Gross Area:	73,000 SF	Total Gross Area:	48,399 SF
Total Leasable Area:	22,976 SF	Total Leasable Area:	41,199 SF	Total Leasable Area:	36,624 SF
Total Unheated Exterior:	1,830 SF	Total Unheated Exterior:	7,920 SF	Total Unheated Exterior:	12,249 SF
Total Exterior Site Area:	26,252 SF	Total Exterior Site Area:	6,394 SF	Total Exterior Site Area:	52,000 SF
Hard Cost:		Hard Cost:		Hard Cost:	
\$265	\$10,002,690	\$265	\$19,345,000	\$310	\$15,003,690
\$345	\$13,022,370	\$345	\$25,185,000	\$395	\$19,117,605
Soft Cost (20%)		Soft Cost (20%)		Soft Cost (20%)	
of \$265	\$2,000,538	of \$265	\$3,869,000	of \$310	\$3,000,738
of \$345	\$2,604,474	of \$345	\$5,037,000	of \$395	\$3,823,521
Unheated Exterior Cost:		Unheated Exterior Cost:		Unheated Exterior Cost:	
\$120	\$219,600	\$120	\$950,400	\$120	\$1,469,880
Site Development / Infrastructure Cost:		Site Development / Infrastructure Cost:		Site Development / Infrastructure Cost:	
\$15	\$393,780	\$15	\$95,910	\$15	\$780,000
Total Estimated Cost:		Total Estimated Cost:		Total Estimated Cost:	
Low (\$265/SF):	\$12,616,608	Low (\$265/SF):	\$24,260,310	Low (\$310/SF):	\$18,784,428
High (\$345/SF):	\$16,240,224	High (\$345/SF):	\$31,268,310	High (\$345/SF):	\$23,721,126
Future Probable Cost:		Future Probable Cost:		Future Probable Cost:	
5 Years		5 Years		5 Years	
Low:	\$15,722,817	Low:	\$30,233,198	Low:	\$23,409,154
High:	\$20,238,567	High:	\$38,966,568	High:	\$29,561,267
10 Years		10 Years		10 Years	
Low:	\$19,593,214	Low:	\$37,675,534	Low:	\$29,171,653
High:	\$25,220,581	High:	\$48,558,747	High:	\$36,838,197

Table Estimated Project Cost Matrix

SCORING MATRIX

How Was it Scored?

To establish a multi-disciplinary property recommendation for the Eastside Public Market Complex, a structured Scoring Matrix was deployed to transition the study from broad geographic identification to site-specific technical comparison. Rather than relying on a singular analytical perspective, the final evaluation scores represent a cross-vetted consensus generated by three primary stakeholder groups: SAGE staff members, who provided the on-the-ground non-profit operational perspective and neighborhood advocacy goals; the SAGE Community Committee, that provides outside community-grounded feedback. This committee does have one board member on it, but the committee is not ensuring “macro-level alignment with institutional policy, long-term governance, and fiduciary responsibility; and Able City, acting as the primary architectural, urban planning and community engagement consultant. The evaluations calibrated scoring metrics by cross-referencing extensive primary data research, first-hand site visits to audit the physical existing conditions of each property, and an analysis of nearby developments to assess surrounding land uses and multi-modal transportation factors.

Each of the three remaining property finalists—1617 E. Commerce St. (The Friedrich Building), 1228 E. Houston St. (The Hugo), and 220 Chestnut St. (The Ellis Alley Enclave and VIA Transit Lot)—was systematically evaluated across six weighted categories designed to balance immediate real estate execution risks against long-term social yields. These core categories include Connectivity (16% weight), which evaluates how easily users, vendors, employees, and visitors can access the site by walking, biking, transit, and automobile; Due Diligence (11% weight), which assesses the physical, regulatory, environmental, and legal conditions that may affect the feasibility of developing the site; and Cost (13% weight),

which measures the relative financial feasibility of acquiring, preparing, developing, and operating the property. Furthermore, properties were graded on Programming Alignment (17% weight) to determine how well the physical footprint can accommodate the intended multi-use layout of the public market; Market Considerations (20% weight), which evaluates whether the site possesses the customer base, high visibility, and surrounding economic conditions needed to support long-term merchant success; and Community Impact/Public Benefit (22% weight), which assesses the broader civic and equity value the project provides beyond standard financial or physical metrics. The following descriptions provide additional context to how each category was scored:

Connectivity: Connectivity evaluates how easily users, vendors, employees, and visitors can access the site by walking, biking, transit, and automobile. This category considers the site’s relationship to surrounding neighborhoods, major corridors, parking resources, pedestrian infrastructure, transit access, visibility, and the ability to support daily operations.

Due Diligence: Due Diligence assesses the physical, regulatory, environmental, and legal conditions that may affect the feasibility of developing the site. This category considers zoning, ownership, title issues, floodplain, utility availability, site dimensions, topography, drainage, easements, permitting requirements, and other potential barriers that could influence project timing, risk, or complexity.

Cost: Cost evaluates the relative financial feasibility of acquiring, preparing, developing, and operating the site. This category considers land acquisition, site preparation, infrastructure extensions or upgrades, building construction, possible incentives, and high-level revenue potential.

Program Alignment: Programming Alignment measures how well the site can accommodate the intended uses and activities of the public market complex. This category considers the ability to support vendor stalls, food production, events, gathering spaces, indoor and outdoor market areas, public amenities, flexible programming, future expansion, and alignment with the overall vision for the market.

Market Considerations: Market Considerations evaluate whether the site has the customer base, visibility, and surrounding economic conditions needed to support a successful public market. This category considers nearby residents, workers, visitors, tourism activity, spending potential, complementary businesses, competition, and the site’s ability to function as a neighborhood-serving market.

Community Impact / Public Benefit: Community Impact / Public Benefit assesses the broader civic value the site could provide beyond its physical and financial feasibility. This category considers whether the project improves food access, supports local entrepreneurs, strengthens cultural identity, provides inclusive public gathering space, benefits underserved neighborhoods, and catalyzes reinvestment.

The following matrix applies this unified framework to the final three candidate sites to deliver a comparative composite score.

Table 14: Scoring Matrix Weight Averages

		AC Team	SAGE Staff	SAGE PMC
Category	Weight (Avg.)			
Connectivity	16%	20%	18%	11%
Due Diligence	11%	10%	11%	13%
Cost	13%	10%	10%	20%
Program Alignment	17%	20%	16%	15%
Market Considerations	20%	15%	18%	28%
Community Impact / Public Benefit	22%	25%	27%	13%
Total	100%	100%	100%	100%

Table 15: Scoring Matrix Totals

Matrix Totals			Scoring			Aggregated Score Numbers		
			Ellis Alley	The Hugo	Friedrich Bldg	Ellis Alley	The Hugo	Friedrich Bldg
Category	Score	Weight						
Connectivity	1 - Lowest 2 - Middle 3 - Highest	16%	3	2	1	30	27	25
Due Diligence	1 - Lowest 2 - Middle 3 - Highest	11%	1	3	2	8	11	10
Cost	3 - Lowest 2 - Middle 1 - Highest	13%	3	1	2	16	22	18
Program Alignment	1 - Lowest 2 - Middle 3 - Highest	17%	2	1	3	33	30	44
Market Considerations	1 - Lowest 2 - Middle 3 - Highest	20%	1	3	2	48	59	55
Community Impact/Benefit	1 - Lowest 2 - Middle 3 - Highest	22%	1	2	3	25	31	33
Total		100%	11	12	13	135	149	152
Weighted Avgs.			1.76	2.01	2.22	28.73	32.40	33.43

Conclusion

Based on the aggregated scoring compiled within the SAGE Public Market Complex Matrix, the **Friedrich Building** at 1617 E. Commerce Street ranks highest overall as the premier site for development. The evaluation reveals that the Friedrich Building appears strongest in Program Alignment and Community Impact /Public Benefit, indicating that its massive 73,000 square foot gross footprint is uniquely equipped to support the full, uncompromised vision of a multi-use public market complex.

By securing top marks in these categories, the Friedrich site demonstrates an unmatched capacity to accommodate daily food access, flexible vendor stalls, extensive community programming, local economic reinvestment, and long-term neighborhood catalytic potential. In the final scoring breakdown, the Friedrich Building captured first place in Program Alignment and Community Impact/Benefit, achieved second place in Due Diligence, Cost, and Market Considerations, and finished third in Connectivity due to its position further east along the commercial corridor.

While the Friedrich Building represents the highest scoring option, the final matrix results uncover distinct strategic strengths across all three property finalists. The Hugo at 1228 E. Houston Street performs exceptionally well in Market Considerations, Cost, and Due Diligence, indicating a relatively strong near-term feasibility, lower capital initialization risks, and an advantageous commercial market position anchored by its pre-existing restaurant infrastructure and dedicated 125-space surface parking lot. Conversely, the Ellis Alley Enclave at 220 Chestnut Street scores highest in Connectivity due to its unparalleled line of sight from Interstate 37 and integration with active VIA Metropolitan Transit hubs, but it performs weaker in Due Diligence, Market Considerations, and Community Impact, as its smaller historic footprints and ground-up development parameters limit its capacity to

act as a comprehensive public market site.

Strategic Development Trade-Offs

Ultimately, the consultant team at Able City suggests that each property finalist serves a distinctly different project timeline and delivery purpose. The Friedrich Building stands as the strongest long-term public benefit and programming site, capable of driving multi-generational wealth and food equity deep within the residential core of the Eastside. The Hugo emerges as the strongest practical and market-feasible alternative, offering a lower financial barrier to entry and a faster path to adaptive-reuse initialization. Finally, while Ellis Alley offers the best regional transit access and freeway visibility, it faces physical, programmatic, and regulatory limitations as a comprehensive public market complex site.

Regardless of which site is definitively chosen, the core market data indicates that there is currently insufficient localized foot traffic on a daily basis to sustain immediate, high-volume restaurant and retail uses. Consequently, a phased implementation strategy is absolutely mandatory to manage initial capital risk, protect the operator’s pro forma, and ensure the long-term operational and financial sustainability of the project. Rather than deploying a high-overhead model on day one, the public market must scale incrementally, cultivating a robust pipeline of local minority-owned vendors and community trust over a multi-year timeline.

The Market as a Catalytic Gateway

In its final analysis, this feasibility study concludes that the proposed public market complex must not be viewed merely as a real estate project, but as a vital civic intervention. Positioned intentionally within the Inner City TIRZ 11 boundary, the selected site will act as a physical and economic catalyst, driving equitable development and commercial investment directly into the heart of the Eastside from Downtown San Antonio. By capturing retail spending leakage, lowering the barrier to entry for independent micro-entrepreneurs, and establishing a dignified, affordable fresh food gateway, the market will effectively bridge the geographic and economic divides created by decades of historical disinvestment. Backed by strong non-profit stewardship, strategic public sector partnerships, and an unwavering commitment to cultural authenticity, the SAGE Eastside Public Market Complex stands ready to transform from a visionary concept into a lasting anchor of health, wealth, and community pride.

Appendix

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| <ol style="list-style-type: none"> 1. Online Survey Results 2. TCEQ Certificate of Completion for 1617 E Commerce St 3. Complete Site Selection Scoring Tables | <ol style="list-style-type: none"> 4. Full Sized Conceptual Floor Plans and Rendering Files for Properties: <ul style="list-style-type: none"> • 1617 E Commerce Street • 1228 E Houston Street • 220 Chestnut Street |
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