

TEXAS HISTORICAL COMMISSION
real places telling real stories

TOWN SQUARE INITIATIVE

Kingsville, TEXAS | Texas Theater Feasibility Study | May 2019

This page intentionally left blank.

Table of Contents

About the Town Square Initiative	4
Executive Summary	5
Context	6
Existing Conditions	7
Proposed Use	8
Market Demand	10
Conceptual Plan	12
Phase 1.....	12
Phase 2.....	14
Phase 3.....	16
Financial Feasibility.....	20
Future View	25



This feasibility study was prepared by the Texas Historical Commission’s Town Square Initiative team. It is intended for use by the property owner and the City of Kingsville to assist in determining the redevelopment potential for the historic *Texas Theater*. This is a preliminary study and not intended for permitting or regulatory approvals. It should be used as a suggested direction and superceded by recommendations made by licensed design professionals employed by the owner or potential owners of the subject property. No guarantees are implied as to the existing nor proposed conditions and configurations of the building, the economic viability of the suggested course of action and funding possibilities, nor any explicit nor implied regulatory approvals.

Original authors, 2016:
Riley Triggs, AIA, Architect
Brian O'Connor, Economic Development Specialist
Emily Koller, AICP, Planner

Updated, 2019:
Alan Cox, Community and Economic Development Specialist
Emily Koller, AICP, Planner



About the Town Square Initiative

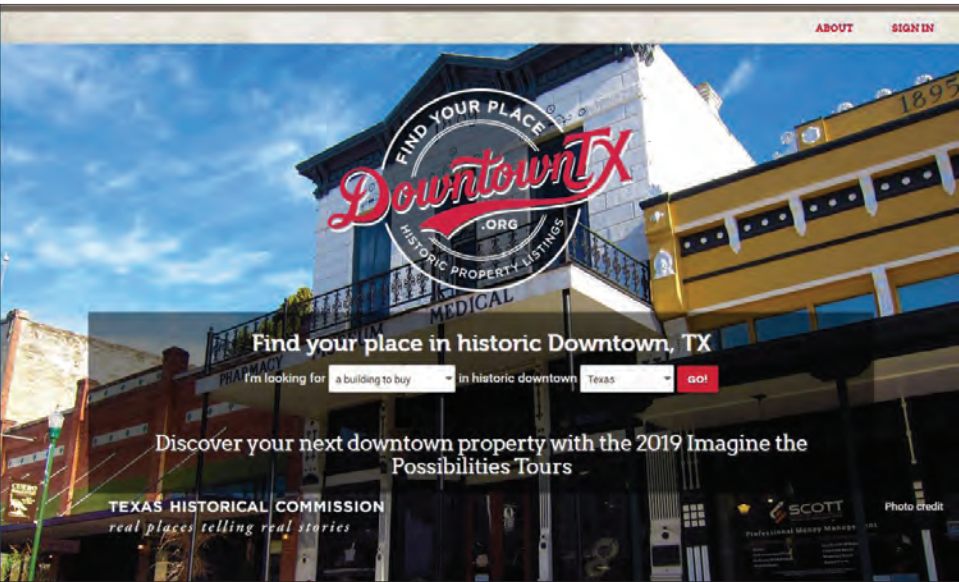
The Town Square Initiative (TSI) at the Texas Historical Commission holistically addresses the challenge of unoccupied and underutilized historic properties. The TSI team provides services to spur preservation-based projects so that local, small-scale and high-quality development becomes more achievable in Texas downtowns. TSI operates as an affiliate of the Texas Main Street Program, a preservation-based downtown revitalization effort with a nearly 40-year history of success. Utilizing the Main Street principles for community-driven, historic preservation-based economic development, an interdisciplinary team with expertise in architecture, planning, and economic development provides advanced project assistance with a focus on:

- Conceptual design and financial feasibility studies for unoccupied and underutilized historic properties;
- Coordinated downtown planning strategies to address development barriers in order to make it easier for local property owners and entrepreneurs to invest in their downtowns;
- Increasing and influencing the market exposure of available properties in downtowns across Texas including attracting investors who value historic architecture and the special qualities of each community; and,
- Providing information, education, and resources on best practices that have a positive impact on local policy and decision-making.

TSI also created the historic real estate platform, DowntownTX.org. DowntownTX.org serves as a matchmaking platform for buildings, making it easier for these people to find, invest in and enhance historic buildings and places. Besides featuring investment opportunities in the context of the community, the site also highlights incentives, provides a direct connection to the correct local contacts and clarifies the local development process. As a complete inventory with historic building information, history lovers and old building enthusiasts are welcome just to browse as well. Downtown Kingsville is an active participant on the site, and this study is available for download there.



TSI working with a property owner in Harlingen.



The homepage for DowntownTX.org.



TSI working with downtown stakeholders in Mount Vernon.

Executive Summary

The *Texas Theater* is an historically significant building in Kingsville’s downtown with the potential to transform its future. The theater sits on a prominent corner in the core of the Main Street district. It was constructed in 1950 and operated until 1970. During that period it was known as “the” theater in town and the “pinnacle of modern Kingsville.” Considered a local landmark, the community is emotionally invested in the building. The combination of location, function, and historical significance make the *Texas* a uniquely positioned project to be a catalyst for the creation of a strong sense of place in downtown.

In order for the rehabilitation of the *Texas Theater* to be feasible, a market must be identified that will support a long-term financial strategy for its operation. The restored and operating theater has the potential to serve as an activity center for downtown and, if successful, will offer a place that will better connect downtown to the Texas A&M University - Kingsville (TAMUK) community. The *Texas Theater* rehabilitation could become the anchor for a new downtown identity—one which appeals to students and draws on their energy and spending to support new shops, restaurants, and entertainment venues.

The Town Square Initiative study finds the project feasible as part of a scenario that utilizes the federal and state historic tax credit programs along with a variety of alternative funding sources. Market trends demonstrate that there is increasing demand for a venue such as this. Lack of similar facilities and reported sales tax data indicate a growing demand for arts and entertainment activities. The scenario projects a modest revenue stream to support construction costs and proposes a phased development plan that utilizes the adjoining commercial space to bolster theater operations over the long-term.

The project will require strong backing by the city and buy-in from the larger community. This means addressing the conditions beyond the building itself—assisting in developing events, programs and policies to move downtown in the direction of an active, entertainment-focused district that is well-connected to the university.

Texas Theater Proposed Redevelopment Plan

Estimated Project Cost: \$5,696,500
Costs per Square Foot: \$339

Phase 1

Timing: Immediate
Goal: To make the theater and adjoining commercial building safe for habitation on a temporary basis.
Duration: 3-6 Months
Projected Cost: \$50,000

Phase 2

Timing: Short-term
Goal: To make permanent improvements to the infrastructure of the theater.
Duration: 1.5-3 Years
Projected Costs: \$1.75-\$2.5 million

Phase 3

Timing: Longer-term
Goal: To make an historically accurate restoration of the theater and add a complimentary use business to the adjoining commercial building.
Duration: 5-10 years
Projected Costs: \$2.5-\$3.2 million

Uses:		Sources:	
Hard & Acq. Cost	\$3,922,495	USDA B&I Loan	\$2,105,188
Soft Cost	\$877,024	State Historic Tax Credit	\$1,288,270
Development Fee	\$850,000	Federal Historic Tax Credit	\$953,043
Reserves	\$20,000	Capital Campaign	\$500,000
Capitalized Interest	\$26,982	Deferred Developer Fee	\$500,000
		EDC Grant	\$350,000
Total Uses:	\$5,696,501	Total Sources:	\$5,696,501

Table 1. Project Cost Assumptions.

Phasing

In order to accomplish a full reactivation and then subsequent restoration of the *Texas*, a phasing strategy is proposed to re-introduce it to the community, provide working capital and civic participation with the ultimate goal of the theater once again significantly contributing to Kingsville’s downtown and special quality of place. The phases are illustrated to the left.

Financial Feasibility

The financial analysis assumes that the restoration of the *Texas Theatre* would cost approximately \$5,696,500. The phasing plan breaks this down into more manageable amounts with Phase 2 and Phase 3 addressing the most costly improvements. The financing scenario developed by TSI utilizes an USDA Business & Industry loan, federal and state historic tax credits, deferred developer fees, an economic development grant and a capital campaign.

The project cost assumptions demonstrate that redevelopment of the *Texas Theater* is possible, but will require some alternative sources of funding and a committed public/private financing strategy. TSI has made some assumptions in its analysis to address a financing gap including the consideration of a substantial economic development grant and community-driven capital campaign. These are outlined as a possible scenario to provide guidance to local stakeholders and should not be considered the only path forward.

It is important to note that in order to receive the historic tax credits available through the state and federal programs, the project must first be determined eligible for listing on the National Register of Historic Places and the rehabilitation work must be completed in accordance with the Secretary of the Interior’s Standards for the Treatment of Historic Properties. The theater is not currently listed on the National Register, but possesses the historical significance to make it a likely candidate for listing. Existing alterations have compromised the building’s historical integrity and would make an application ineligible for both the state and federal tax credit programs under the current ownership. However, a new owner would have the opportunity to pursue listing on the National Register and become eligible for the historic tax credit programs.

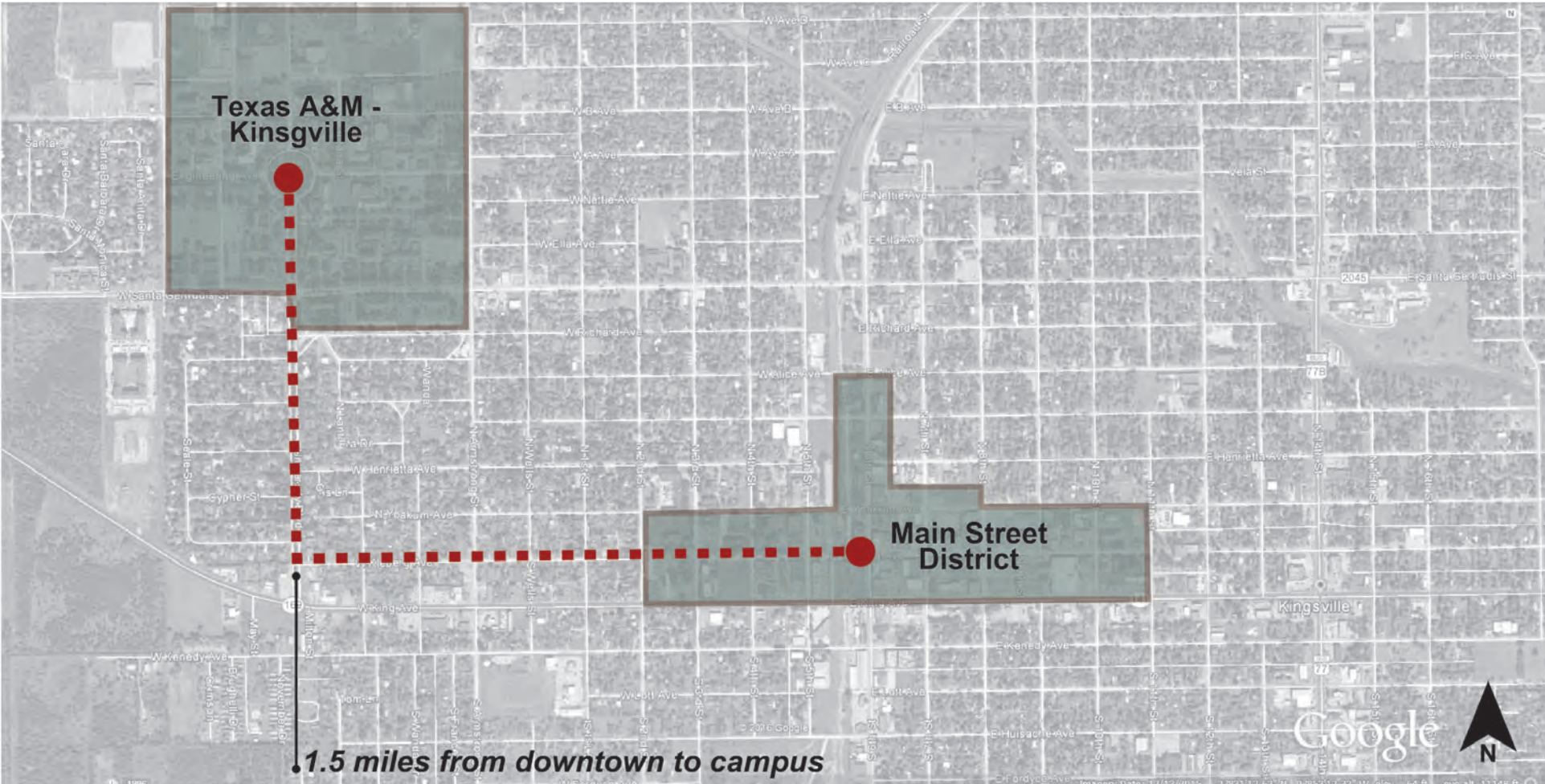
Context

In order for the rehabilitation of the *Texas Theater* to be possible, a market must be identified that will support a long-term financial strategy for its operation. The restored and operating theater has the potential to serve as an activity center for downtown and, if successful, will offer a place that will better connect downtown to the Texas A&M University - Kingsville (TAMUK) community.

Currently the King Ranch Saddle Shop and the King Ranch Museum, along with the Kleberg County Courthouse and City Hall serve as activity centers in downtown, but there is a strong need to develop retail, dining and entertainment to enliven the downtown experience and draw students, faculty and staff to the district.

The campus is 1.5 miles away from the heart of downtown and the Main Street district, but downtown would never be considered a “university town” by the casual visitor. There are few, if any, businesses or amenities in the district that would draw students on a regular basis to dine, socialize, and be entertained. TAMUK has developed an aggressive plan for growth and expansion with a particular focus on increasing enrollment and housing more students on campus. At the time of the development of their master plan in 2010, they stated the goal of doubling the student population to 12,500 in the next 10 to 20 years. Enrollment has already climbed to 8,541 according to reports by the Texas Higher Education Coordinating Board for Fall 2018 enrollment.

The *Texas Theater* rehabilitation could become the anchor for a new downtown identity—one which appeals to students and draws on their energy and spending to support new shops, restaurants, and entertainment venues. The proximity to campus means they can move back and forth easily and safely by bike or bus. Long-term considerations should include new residential infill in the downtown that is focused on graduate student or married student housing as well as housing products that would appeal to staff and faculty.



The campus and downtown are only 1.5 miles apart, projects like the *Texas Theater* can help draw students into the district.



TAMUK plans to increase enrollment to 12,500 students in the next 10-20 years.



The historic King Ranch Museum draws many visitors to downtown, but students and locals need places for dining, shopping and entertainment.

Existing Conditions

The Kingsville Main Street Program and current property owner submitted an application for TSI assistance in 2016 for the Texas Theater, located at 327 E. Kleberg Avenue. An update was requested in spring 2019. The theater has not yet changed ownership, but several other major milestones have been achieved including the listing of Kingsville's downtown commercial district on the National Register of Historic Places in 2018. This building is a contributing structure to the district and eligible for state and federal historic preservation tax incentives.

The theater sits on a prominent corner in the middle of Kingsville's historic downtown and the Main Street district. The theater was constructed in 1950 and was in business from 1950-1970. During that period it was "the" theater in town and the "pinnacle of modern Kingsville." Considered a local landmark, the community is emotionally invested in the building.

The theater, designed by noted Dallas architect Jack Corgan and built in 1950, along with the adjacent commercial building at 323 E. Kleberg, are currently privately owned and vacant. The integrity of the Texas' historic interior is compromised, with only a few remnants intact for reference for a full restoration project, but historic photos show a simple design scheme that could be relatively easy to restore. MEP (mechanical, electrical and plumbing) and structural systems would need to be investigated fully to provide an accurate assessment of the building. Restrooms, emergency egress, and HVAC systems are in need of modernization and reconfiguration to meet current building codes.

The buildings have been sporadically inhabited over the past four decades, and they are partially renovated and on the market for sale. The current property owner has made improvements and has received about \$66,000 for façade restoration including the marquee, which has not yet been completed.

The City of Kingsville is vitally interested in making the property functional again. This feasibility study is intended to assist the City and the property owner with understanding the scope of the full restoration, a pathway to get there, and how the federal and state historic tax credit programs could be utilized to execute the project.



Current non-historical construction activity.



The S. 8th Street facade faces an HEB gas island and parking lot. Reinhabiting the retail spaces on this side of the building would improve the streetscape.



The commercial space at 323 E. Kleberg provides support areas and space for complimentary programming to make the theater a viable financial endeavor.

Proposed Use

Restoration of the *Texas Theater* is an essential component to the vitality, significance and the presence of not only the downtown district, but also, more importantly, the entire town. Downtowns function as the core of a city, and they set the cultural, symbolic and economic identity that communicate what a city is all about to visitors, residents and future citizens. The theater embodies the spirit of the past and the potential success for the future. It is this combination of location, function, and historical significance that make the *Texas* a uniquely positioned project to be a catalyst for downtown.

The *Texas*' location is a primary component to its strategic importance to Kingsville. Equidistant from the very strong activity centers along the core of the eastern side of Kleberg of the King Ranch Saddle Shop and the HEB, the *Texas* would perform an important bridging third point of activity. The location at S.8th Street helps to bracket the strongest part of the urban fabric of downtown between S.6th and S.8th as well as to provide a bridging function towards the HEB for further smaller businesses and activities. Besides its location, the *Texas*' potential effect as a catalyst is heightened by the entertainment activity it will make possible.

Entertainment activities are missing from the downtown core, and the *Texas* would provide a reason for people to inhabit the street later in the evening and linger in a walkable main street setting enhancing the overall market for other similar desirable entertainment activities such as restaurants, museums, music venues, and then, ultimately, residential living. Creating an activity center with extended hours of operation that includes music, movies, and live theater provides the opportunity for other business to benefit from increased evening and weekend traffic in the area.

One of the best aspects of the *Texas Theater* is its rich historical significance. Longtime residents remember seeing major films of cultural importance and their own personal connections to this particular place in Kingsville are in the forefront of their everyday encounters with the building. The building itself embodies much of the energy and characteristics of the post war era and provides a unique connection to the rest of the history and architectural history of Texas.

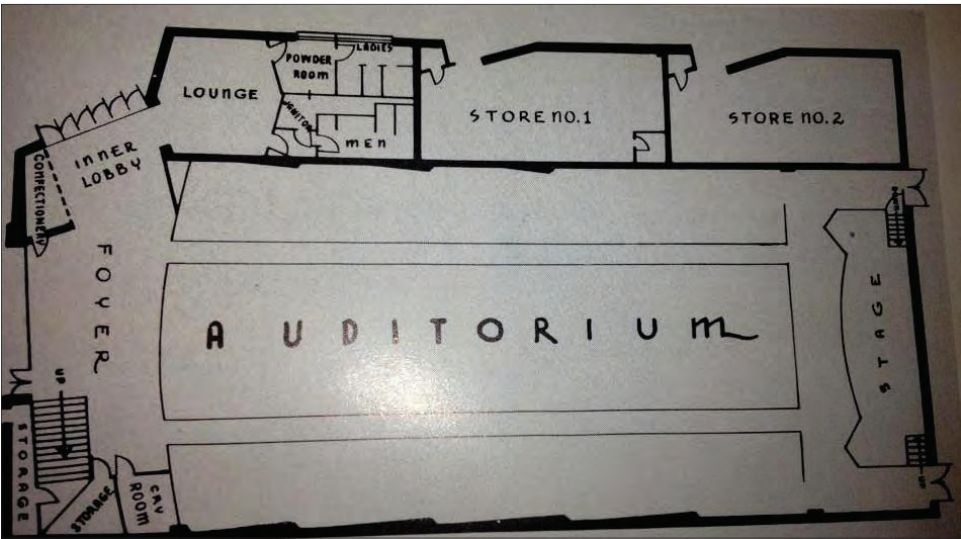
Because of its belonging to an exclusive family of buildings, the *Texas Theater* provides a particular presence and significance that is an important component to the place of Kingsville that will be amplified when it is back in



Strong centers of activity along the core of Kleberg would be connected by Texas Theater rejoining the community.



The historic interior of the Texas Theater was straightforward, but distinctive, which makes it financially possible and culturally significant to pursue restoration.



An historic preservation plan of the Texas Theater shows the assumed original configuration with important retail spaces.

operation. Noted Texas architect Jack Corgan, whose legacy firm is still in business in Dallas, specialized in the design of movie theaters, and is responsible for creating an identifiable style that the *Texas* shares with its siblings across the state. Because of his involvement and because of the significance of the era and design, the *Texas* should eventually be as closely restored to its original configuration as possible.

The importance of the *Texas* as a cultural artifact builds upon its practical importance to restoring a healthy, functioning downtown. **It is imperative that the proper planning, design, programming, execution and operation of the theater be a rigorous, financially prudent, and civic-supported process as it is a key component of a long-term strategic plan vital to the future of Kingsville as a desirable, livable and strong South Texas town.**

Phasing

In order to accomplish a full reactivation and then subsequent restoration of the *Texas*, a phasing strategy is proposed to re-introduce it to the community, provide working capital and civic participation, and have a goal of restoring the theater to be a building that once again significantly contributes to making the place of Kingsville. The phases are proposed as follows:

- Phase 1: to make the theater and adjoining commercial building safe for habitation on a temporary basis;
- Phase 2: to make permanent improvements to the infrastructure of the theater; and,
- Phase 3: to make an historically accurate restoration of the theater and add a complimentary business to the adjoining commercial building.

Other Jack Corgan Theaters in Texas



Graham, TX



Vernon, TX



Borger, TX



Gonzales, TX



New Braunfels, TX

Historic photo, 1950 (date assumed from release date of film "Key to the City").



Market Demand

Economic Performance

Located on the Coastal Plains of South Texas and within the orbit of its northern metropolitan neighbor, Corpus Christi, Kingsville is a mid-sized community whose primary economic anchors are Texas A&M University – Kingsville (TAMUK) and the Naval Air Station Kingsville (NASK). In 1904, the city was planned three miles from the headquarters of the legendary King Ranch.

According to 2018 U.S. Census estimates, Kingsville and surrounding Kleberg County have a population of 31,129, which represents a decline of 2.9 percent since the 2010 Census. The neighboring town of Bishop, which sits only six miles away in Nueces County but adds an additional 3,100 to the local area’s population. This decline in Kleberg County’s population was likely related to the NASK losing 158th Aviation Regiment when the unit was consolidated to Fort Carson, Colorado, in the summer of 2014 and led to the loss of about 500 jobs. Since 2017, both population and employment levels have stabilized as the local economy began to recover.

Much like the rest of the U.S., Kleberg County job growth has varied by industry with the greatest gains occurring in Accommodation and Food Services, Manufacturing, and Construction since 2010. By far, the sector which lost the greatest number of jobs during that period was Education Services, which encompasses flight training – the primary activity as NASK.

Location Quotients

Location quotients (LQs) are a measure of economic specialization that compares local job counts to those of a larger geography. A value of 1.00 means that the local area has the exact number of jobs as would be expected given the statewide norm. Values above 1.20 should be interpreted as the local area has 20 percent more jobs in an industry than would be expected and are, therefore, considered a sign of local specialization. Values below 0.80 indicate job concentrations that are less than 80 percent of what should be expected.

In the Location Quotients chart on page 11, the number of Kleberg County jobs were compared to those for Texas as whole. This analysis reveals that the Kingsville area has a highly specialized local economy in farming/ranching/hunting/fishing; and education; public administration. These reflect the ranching heritage of South Texas, the presence of TAMUK, and the location of the

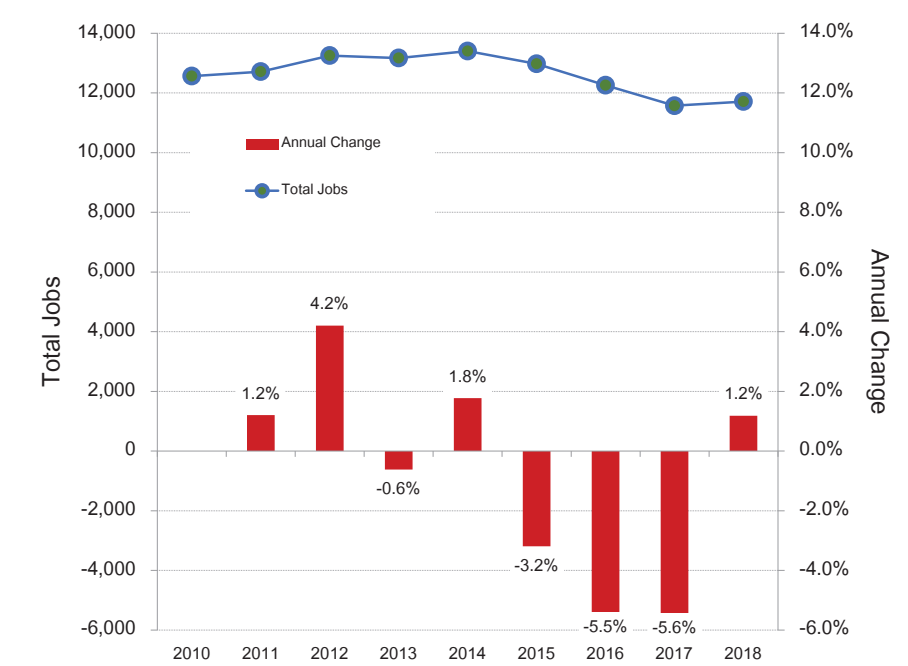
Kleberg County Jobs by Industry Sector

	2010	2018	%Chg	#Chg
Total, All Industries	12,566	11,712	-6.8%	-854
Agriculture, Forestry, Fishing and Hunting	418	347	-17.0%	-71
Mining, Quarrying, and Oil and Gas Extraction	273	175	-35.9%	-98
Construction	346	409	18.2%	63
Manufacturing	193	314	62.7%	121
Utilities	74	95	28.4%	21
Wholesale Trade	68	16	-76.5%	-52
Retail Trade	1,475	1,511	2.4%	36
Transportation and Warehousing	87	113	29.9%	26
Information	99	100	1.0%	1
Finance and Insurance	274	286	4.4%	12
Real Estate and Rental and Leasing	174	117	-32.8%	-57
Professional, Scientific, and Technical Services	366	231	-36.9%	-135
Administrative and Support and Waste Management and Remediation Services	283	315	11.3%	32
Educational Services	4,019	3,269	-18.7%	-750
Health Care and Social Assistance	1,528	1,451	-5.0%	-77
Arts, Entertainment, and Recreation	121	119	-1.7%	-2
Accommodation and Food Services	1,255	1,477	17.7%	222
Other Services	334	263	-21.3%	-71
Public Administration	1,136	1,056	-7.0%	-80

U.S. Customs and Border Protection – Kingsville Station.

Notably, Kleberg also has a relatively high LQ in accommodation and food services (hotels and restaurants). This is likely an indicator of: a) a relatively robust tourism economy which could be based on the events at TAMUK, King Ranch Headquarters, and location on a major north/south highway, and b) the a local population that goes out to eat frequently which is likely a reflection of a large young student population and the presence of out-of-town visitors. Somewhat surprising, Kleberg County also has a lower than average LQ in Arts,

Kleberg County Job Trends



Source both tables: Texas Workforce Commission, Labor Market Information

Entertainment, & Recreation. This should be considered an unanticipated outcome, given the presence of a large student population and the previous LQ in Accommodation and Food Services. As such, it may offer a clue to latent, yet unfulfilled demand, in activities associated with that job category.

Spending and Taxable Sales

The Texas Comptroller’s Office provides quarterly taxable sales data by category for each jurisdiction in Texas. Unfortunately, however, fourth quarter figures for 2018 were unavailable. As a result, this analysis uses taxable sales for the fourth quarter of the previous year plus the first through third quarters for the indicated year to create an annual comparison.

After adjusting for inflation, taxable retail sales in Kingsville only increased from \$146.25 million in 2010 to \$148.16 million in 2018, producing a 1.3 percent gain. This is due to earlier retail expansions being curtailed by decreases in inflation adjusted sales each year since 2015. The drop is likely related to the previously mentioned loss of jobs NASK and, therefore, locally derived spending.

Another consideration that should also be kept in mind is the larger national changes in consumption where shoppers are increasing their online spending for standardized goods or convenience items while at the same time seeking out retail with a high degree of personalized service or “experience.” While local retail shopping has lagged, inflation adjusted taxable spending in arts, entertainment, and recreation increased 63.6 percent and 22.3 percent in accommodation and food services from 2010 to 2018, showing that national consumer patterns are influencing local spending.

Calculations by a national data analytics firm, Esri, indicate that a substantial leakage of spending is filtering out from Kingsville's trade area (20-minute drive time). According to Esri Business Analyst, local retail purchases are \$69 million less than what should be expected and spending and eating and drinking establishments has a gap of \$8 million. Further, an analysis of Esri data of Entertainment and Recreation Fees and Admissions spending shows a gap of \$3 million in household spending.

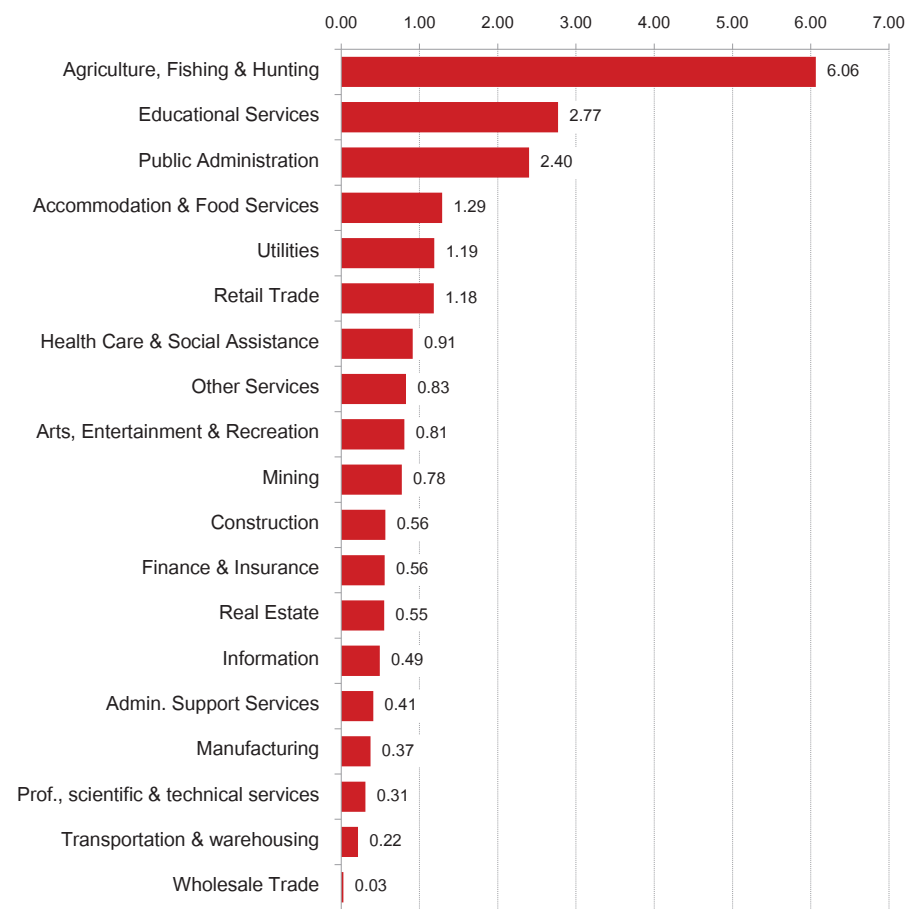
Spending Category	Gap
Retail	-\$69,037,684
Food & Drink	-\$8,228,700
Entertainment & Recreation	-\$3,008,820

Esri Business Analyst also provides an analysis of the likelihood of Kingsville residents to have undertaken various leisure activities in the past. This analysis indicates locals are frequent movie-goers and have an 11 percent higher chance to have attended movies once or more per week in the last 90 days. This may indicate that area residents go see movies for entertainment given limited local options.

Further analysis reveals that Kingsville area residents are less likely to have exhibited most behaviors that could be considered as potential uses for the Texas Theater among other downtown entertainment options in the last 12 months. For example, Esri shows that, given national rates, that 8.1 percent of local adults/households should be expected to have attended a live theater event in the last 12 months, which is 30 percent below the average.

One interpretation could be there is limited local demand for these options. Given the previously shown spending gap of \$3 million on entertainment and recreation spending despite a reported 63.6 percent increase in spending since 2010, it is far more likely local behaviors are more driven by the lack

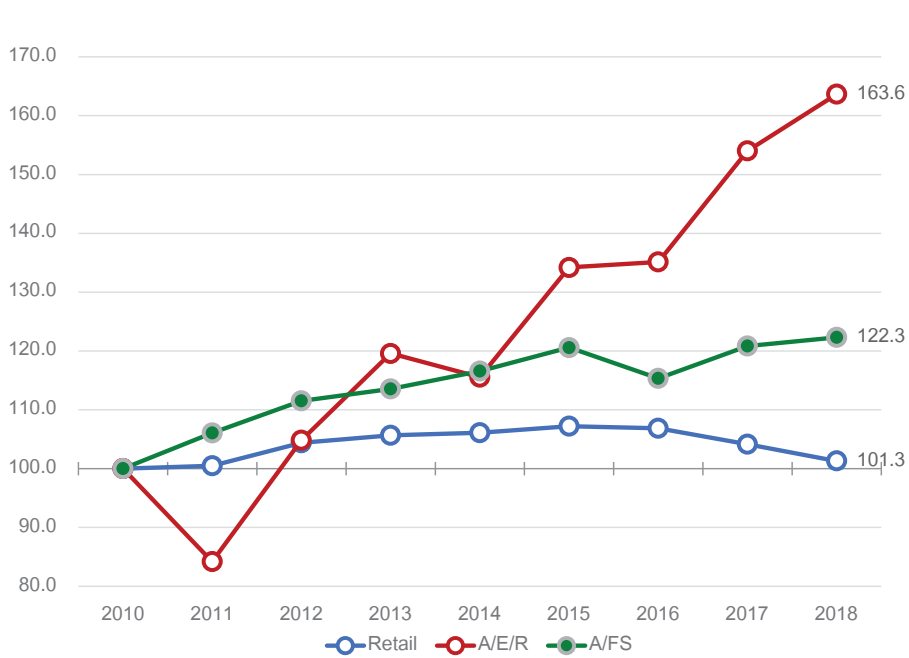
Location Quotients, 2018



Source: TSI analysis of Texas Workforce Commission data

of local supply and have a strong and growing desire. In other words, because there are few venues within Kingsville, residents and students do not have an opportunity to attend these types of events. This demonstrates that a facility such as a rehabilitated Texas Theater with the proposed programming could theoretically present an ideal opportunity to meet that latent demand and act as an anchor that also catalyzes additional entertainment options downtown.

Index of Inflation Adjusted Sales in Kingsville



Source: Texas Comptroller's Office

Kingsville Market Potential Index for Entertainment

Activity in the last 12 months	Expected Number of Adults/Households	Percent	MPI
Went to art gallery	1,833	6.5%	82
Went to bar/night club in last 12 months	4,195	14.8%	85
Danced/went dancing in last 12 months	1,890	6.7%	88
Dance performance	1,030	3.6%	86
Attended classical music/opera performance	866	3.1%	82
Attended country music performance	1,747	6.2%	94
Attended rock music performance	2,451	8.7%	92
Went to live theater	2,288	8.1%	70

Source: ESRI. An MPI (Market Potential Index) measures the relative likelihood of the adults or households in the specified trade area to exhibit certain consumer behavior or purchasing patterns compared to the U.S. An MPI of 100 represents the U.S. average.

Conceptual Plan: Phase 1

Timing: Immediate
Duration: 3-6 Months
Projected Cost: \$50,000

The proposed initial phase for the *Texas Theater* is meant to secure the building from the elements and make safe for temporary occupation as a music venue and for special events. It is proposed that with the minimal amount of time, effort and expense, an appealing temporary raw music venue can be established as early as Fall 2016 for reintroducing the space to the public. This is especially intended to engage the university population of students, faculty and staff with a suggested welcome back to school grand re-opening kick off event for freshmen and returning students.

Vendors located in tents along the sidewalk and possibly street would provide refreshments and portable restrooms, and lighting and sound equipment would be rented. Following this, regular concerts could occur in the raw space while planning and funds are secured for subsequent phases.



Current photo of existing building.

In order for the building to be inhabited on this temporary basis, the following scope is suggested:

- **Ceiling and roof repair from deteriorating interior finishes.**
- **Structural engineer consultation to ensure the structure is sound**
- **Materials testing and abatement as required**
- **Overall building soundness with regards to moisture penetration, extermination and finish stability**
- **Hang stage lights from roof structure**
- **Close off balcony**
- **Investigate / make safe existing / install temporary electrical service**
- **Paint / make safe stage**
- **Portable restrooms**
- **Possibly temporary air conditioners**
- **Trailer / kiosk food and beverage vendors**
- **Architectural planning and design**



Brick damage at rear of building should be carefully repaired.

Preliminary Code Analysis

- **Verify all information before taking any action**
- **For *Texas Theater* only**

Building codes:

2009 International Building Codes:
2009 International Fire Code
2009 International Energy Code
2009 International Mechanical Code
2009 International Plumbing Code
2011 National Electric Code

Assumed construction: Type III-B

Total estimated square footage: 12,000 sf

Total estimated auditorium: 4400 sf

Occupancy: Movie theater A-1
 Music venue A-2

Occupant load:

Fixed seat auditorium and balcony A-1: approx.800 seats
Standing room music venue A-2: approx. 800

Plumbing fixtures required:

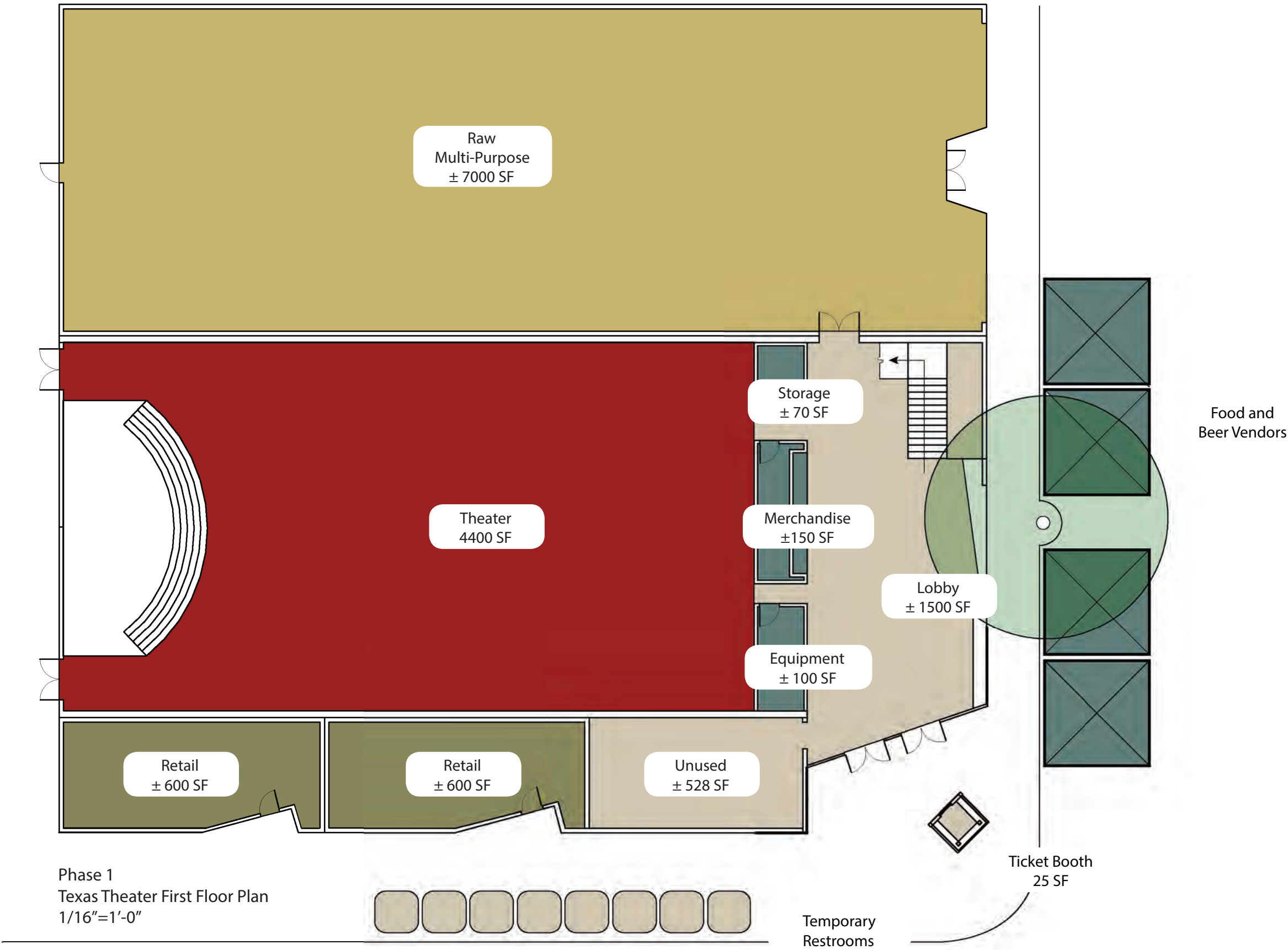
A-1: Men 1:125 and Women 1:65 Lavatories 1:200
A-2: Men 1:40 and Women 1:40 Lavatories 1:75



Current state of theater ausitorium at balcony showing projection booth.



Current state of theater auditorium at bottom of balcony.



Conceptual Plan: Phase 2

Timing: Short-term
Duration: 1.5-3 Years
Projected Costs: \$1.75-\$2.5 million

The proposed next phase is meant to begin making permanent repairs, renovations and infrastructure replacements that will be necessary before a complete restoration can begin. Any permanent repairs to the exterior roof or shell should be made at this time to ensure the building is sound and secure for later interior restoration work as well as upgrades and reconfigurations necessary to MEP systems.

While film, music and other programming begins to fill out the schedule, work should be scheduled and planned so that operations can continue as uninterrupted as possible. Planning, design and construction schedules and financing for the larger restoration of Phase 3 can be developed during this phase.

The adjoining commercial space can be cleaned, made safe and habitable and used as meeting, gallery, event, pop-up food or retail space while plans are being developed for the brewpub or other permanent program.

In order for the building to be inhabited on this temporary basis, the following scope is suggested:

- **Rehabilitation of the two retail spaces to be rentable**
- **Historic materials and configuration research on theater**
- **Removal of non-historic alterations**
- **Plans developed for restoration**
- **Restroom reconfiguration**
- **Permanent upgraded electrical service as required**
- **Permanent HVAC rehab or replacement as required**
- **Concession capabilities**
- **Permanent office refit**
- **Marquee restoration**
- **Permanent lighting, projection and sound systems installed**
- **Balcony egress**



Current state of rear of theater. Careful cleaning of brick is needed.



Current state of interior of theater showing balcony.



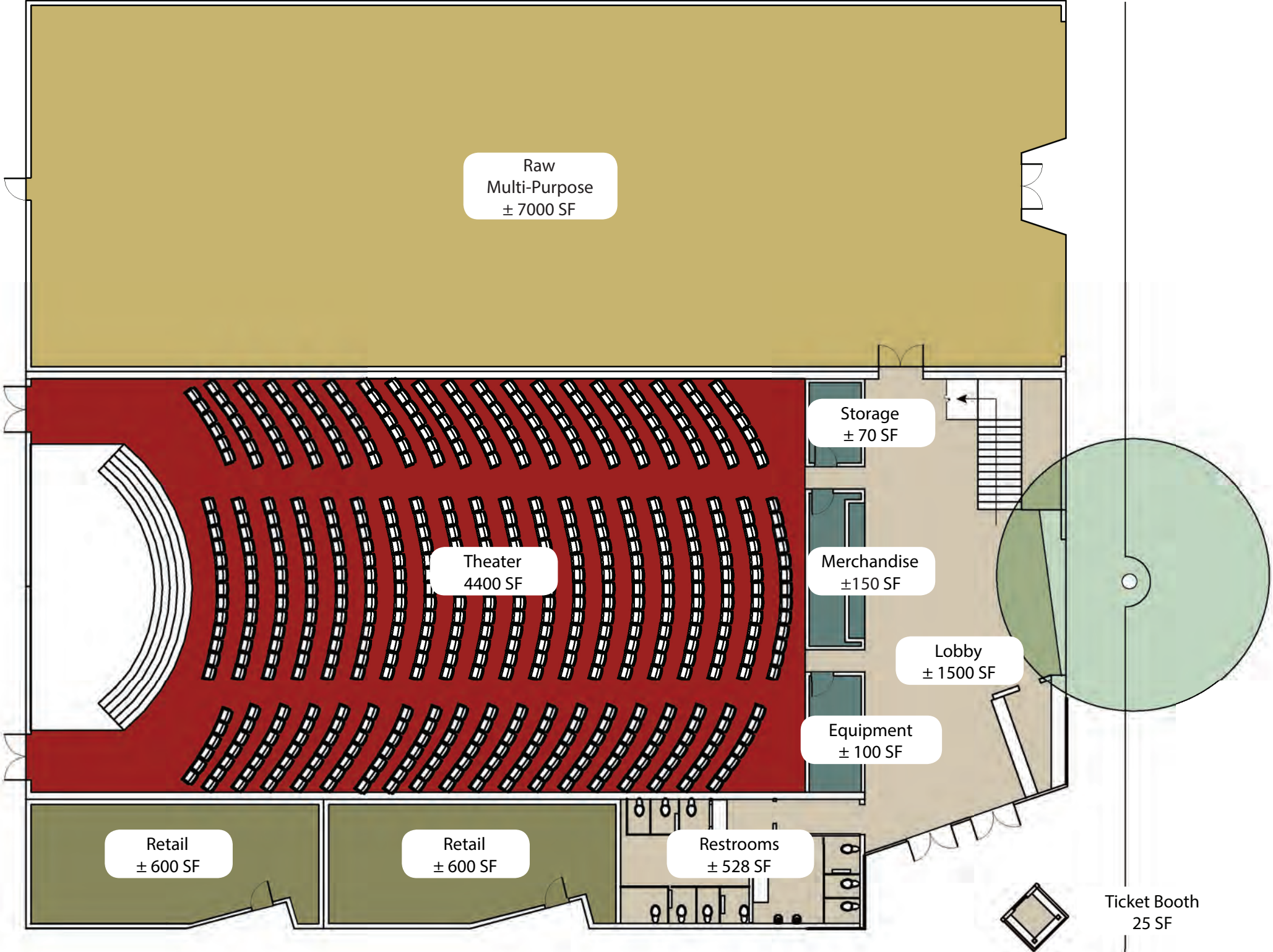
Current state of theater lobby, second floor.



Current state of theater lobby. Ceiling medallions should be uncovered.



Current state of theater auditorium. Original plaster work.



Phase 2
Texas Theater First Floor Plan
1/16"=1'-0"

Conceptual Plan: Phase 3

Timing: Longer-term
Duration: 5-10 years
Projected Costs: \$2.5-\$3.2 million

The final proposed phase calls for a complete restoration of the *Texas Theater* to match as closely as possible the original historic finishes and configurations. The exterior of the building appears to be in good condition overall with only minor repair and cleaning required. The historic interior design was not overly complex or ornate, so a full restoration is financially feasible. An architect who specializes in historic restoration work should be retained to develop design and phasing plans. Original plans might still be available from the firm of Jack Corgan.

This phase also includes the rehabilitation of the adjoining building at 323 E. Kleberg Avenue. This space has undergone interior demolition and is ready for “tenant” finish-out.

The Phase 3 floor plan, opposite page, illustrates a proposed brewpub concept with a “green room,” additional restrooms, office and kitchen space in addition to the large dining and entertaining space fronting Kleberg Avenue.

The following scope of work to be completed in the final phase includes:

- **Exterior cleaning, box office rehabilitation, poster cases rebuilt**
- **Interior configuration demo and rebuild**
- **Lobby balcony – return to original configuration and finishes**
- **Theater and lobby wall plaster designs, drapery, seating restored to historic configurations and materials as closely as possible**
- **Restrooms rebuilt in new configuration**



Interior plaster wall and trim in theater.



Current state of interior of adjacent commercial building.



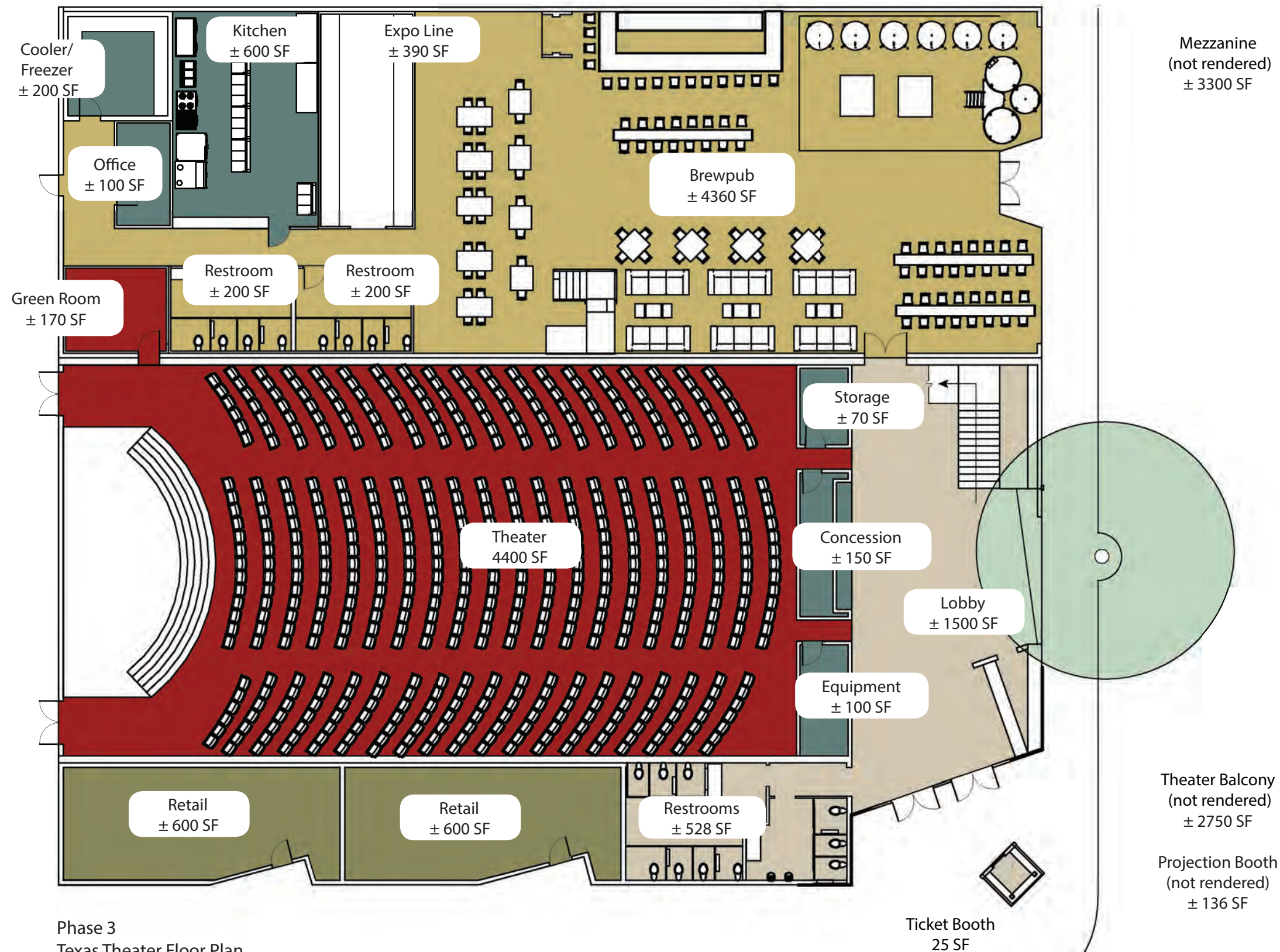
Current state of theater lobby.



Current state of wall between theater and commercial space.



Current state of theater lobby. It is not yet known if balcony configuration is original.





Phase 3
Brewpub Conceptual Plan



Phase 3
Brewpub and Texas Theater

Financial Feasibility

As mentioned previously, it is critically important that the *Texas Theater* be strategically reintroduced into the community to strengthen the link-ages between assets in and around the downtown. It is believed that the creation of an entertainment venue focusing on live musical events and film will help build a stronger relationship between TAMUK’s 250-acre campus and the city’s urban core. Another significant community benefit is likely to be an increase in down-town consumer spending, an increase in occupancy rates through hotel stays, and greater tax revenues through an increase in restaurant and alcohol sales.

It is proposed that the *Texas Theater* be reintroduced to the community via live musical performances. Theater events will be supported through conces-sions with the introduction of on-street food vendors to reduce overhead and limit liability. This strategy should allow the theater to test market its programming to the community in order to focus attention on the downtown while allowing po-tential investors to witness the investment potential of the theater. Programming should flow in coordination with the start of the school year to capture the fullest array of student participation.

Ticket Revenue

For purposes of the Town Square Initiative’s *Texas Theater* financial analysis, it is assumed that in the first two years, the “event week” would princi-pally consist of twice weekly movies and live musical performances that would occur every other Saturday. A weekly facility rental is anticipated by the civic organizations such as the Rotary Club or Chamber of Commerce for a total of 169 projected events in a 52 week season. **This initial type of programming would allow for the least amount of physical improvement to the building and overhead expense while appealing to the greatest number of patrons.** It is conservatively estimated that the theater could be granted a conditional Certifi-cate of Occupancy for as little as \$10,000 to \$15,000 to complete ceiling repairs, upgrading of HVAC, emergency lighting and temporary seating for patrons. How-ever, it is estimated that as much as \$50,000 may be required to safely occupy the building (see page 10).

During the initial phase of operation, it is assumed that the theater would feature cult, classic and foreign films on Wednesday and Friday nights. First year theater concessions are anticipated to account for \$66,768 annually or 33.4% of total annual revenue of \$199,920. Our percentage of theater concessions were



There are several excellent examples of theater rehabilitations across Texas resulting in community focused entertainment venues including the Palace Theater in Georgetown (operated by a non-profit) and the Pines Theater in Lufkin (operated by the city). Both informed this study.

slightly higher than most as typical theater concessions make up 27 - 29% of total revenues while accounting for only 4 - 4.5% of the expenses. We attribute this high capture rate to the large student population.

Live musical acts would be presented every other Saturday night and feature local and regional artists in Country, Rock, Bluegrass, Pop, Hip-Hop and Electronic Dance Music (EDM) which is currently the fastest growing musical genre among millennials. In fact, EDM is the only genre that has grown over the past decade. According to data from Eventbrite and Nielsen, EDM is a \$6 billion industry, with festivals making up \$4.2 billion of the pie. The fan base is incred-ibly active on social media: an EDM fan tweets 11 times a day compared to an average user, who sends out 1.85 tweets daily. One-third of posts on Facebook from EDM fans are about music.

The increasing dependence on live music triggers new strategies and revenue streams. Given the decline in recorded music sales in recent years,

Activity	# of Businesses	# of Employees
Touring Services	1,195	11,493
Working Musicians	6,610 acts	28,293

Table 2. Figures on the Texas music industry (Texas Governor’s Office, May 2015).



Event	No. Annual Events	Total No. of Attendees	Cost per Individual Event	Total Annual Direct Expense
Film	40	4,800	\$150.00	\$6,000
Music	24	6,600	\$2,500	\$60,000
Total		11,400		\$66,000

Table 3. Total number of events and attendees estimated for year one.

artists are now more dependent on earnings from live music performances than ever before. This shift from recorded music to live performance has changed the economics of the industry, with record companies extending their revenue streams to include live performance. According to Global Entertainment and Media Outlook, live music revenue will rise at a 3.0% growth rate through 2020.

Programming for the Texas Theater was based upon the proximity of the 8,300 student population of Texas A&M University-Kingsville. **Conversations with some undergraduate students revealed that they currently travel 45 miles to downtown Corpus Christi seeking live music.** We conservatively estimate that two live musical performances would occur each month with 275 tickets purchased for each event at \$9.00 apiece. In our analysis, theater ticket revenue totaled \$178,320 in year one supplemented by \$9,600 from tenant

	YEAR 1		YEAR 2		YEAR 3		YEAR 4		YEAR 5	
Events (% of Typical)										
Number of Events		168		182		192		204		204
Ticket Revenue		\$178,320		\$178,385		\$333,788		\$334,772		\$336,017
Concession Revenue		\$114,321		\$114,478		\$115,590		\$116,150		\$116,859
Sponsors / Donations		\$12,000		\$12,000		\$12,000		\$12,000		\$12,000
	100%		100%		100%		100%		100%	
Live Theatre Adult	0.0%		0.0%		0.0%		0.0%		0.0%	
Movies	26.6%	\$47,520	26.8%	\$47,781	14.4%	\$48,047	14.4%	\$48,280	14.5%	\$48,575
Live Theatre Children	0.0%		0.0%		0.0%		0.0%		0.0%	
Live Music	66.6%	\$118,800	66.5%	\$118,800	35.6%	\$118,800	35.5%	\$118,800	35.4%	\$118,800
Comedy	0.0%		0.0%		46.4%	\$154,941	46.5%	\$155,692	46.6%	\$156,642
Facility Rentals	6.7%	\$12,000	6.7%	\$12,000	3.6%	\$12,000	3.6%	\$12,000	3.6%	\$12,000
Total Performance Revenue	100.0%	\$178,320	100.0%	\$178,581	100.0%	\$333,788	100.0%	\$334,772	100.0%	\$336,017
Live Theatre Adult	36.0%	\$0	36.0%	\$0	36.0%	\$0	36.0%	\$0	36.0%	
Movies	35.0%	\$16,632	35.0%	\$16,723	35.0%	\$16,817	35.0%	\$16,898	35.0%	\$17,001
Live Theatre Children	34.0%	\$0	35.0%	\$0	35.0%	\$0	34.0%	\$0	34.0%	
Live Music	45.0%	\$53,460	45.0%	\$53,460	45.0%	\$53,460	45.0%	\$53,460	45.0%	\$53,460
Comedy	45.0%	\$0	45.0%	\$0	45.0%	\$69,723	45.0%	\$70,061	45.0%	\$70,489
Facility Rentals	20.0%	\$2,400	20.0%	\$2,400	20.0%	\$2,400	20.0%	\$2,400	20.0%	\$2,400
Total Performance COGS	40.7%	\$72,492	40.6%	\$72,583	42.7%	\$142,400	42.7%	\$142,819	42.7%	\$143,350
Gross Profit		\$232,149		\$232,280		\$318,978		\$320,103		\$321,526

Table 4. This illustrates a five-year summary of event type and capture rate along with gross profit projections.

rents from the storefronts lining Kleberg Avenue. Annual theater concessions of \$66,768 were anticipated along with \$12,000 in annual donations from sponsorships and fund raising activities. We conservatively increased annual revenues by 2% annually over the 15-year time line while expenses were increased by 3% over the same period.

In year three, it is suggested that the theater change its programming to include live comedy into its Thursday evening entertainment line-up. Again, theater attendance was conservatively estimated at 85 patrons with an 853 seat capacity and ticket prices were set at \$10.00. The current building condition, location and readily available audience make live comedy performances an ideal complement to the theater's live music programming. The comedy component is anticipated to generate \$3,400 in monthly gross revenues or \$40,800 annually.

Concession revenues from comedy performances are projected to total \$633 weekly or \$30,384 annually.

Concession Item	Concession Price	Capture Rate
Popcorn	\$3.50	65%
Soft Drinks	\$3.25	50%
Candy	\$2.75	15%
Hotdogs	\$3.75	10%
Beer & Wine	\$5.25	30%

Table 5. Capture rate per performance for theater events. Beer and wine sales were projected for comedy and musical performances only.

Concession Revenue

The analysis includes a range of theater concessions and calculates the revenues generated per weekly event. However, it may prove more financially prudent for the theater to contract out food and beverage services to private vendors due to the time, expense and liability involved in obtaining a liquor permit for musical events. According to the Texas Alcohol Beverage Commission, the annual charge for Food and Beverage Certificate is \$776.00. However, our analysis does not specifically include the insurance costs to serve alcohol on premises. Accordingly, the theater's operating expenses were increased to 45% to reflect the added expense of film rental, liability insurance, and liquor permitting for musical and comedy events. In year three, theater concession revenues of \$80,448 are anticipated.

Average weekly captures rates (Table 5) for consumer purchases at theater events ranged from 10% for hotdogs to 65% for popcorn. Beer and wine sales were only projected for comedy and musical performance events. Table 6 indicates the estimated wholesale costs to provide concessions to patrons of *Texas Theater* events. Theater concession profits will help to cover some of the dozens of house costs in operating a theater – employee wages, specialized sound systems, utility consumption.

Concession Item	Est. Wholesale Cost of Theater Concessions	Mark-up	Price
Sodas			
Small	\$.49	11 X	\$5.25
Medium	\$.64	9 X	\$5.75
Large	\$.76	8 X	\$6.75
Popcorn			
Small	\$.35	19 X	\$6.50
Medium	\$.61	12 X	\$7.50
Large	\$.98	9 X	\$8.50
Slushie			
Small	\$.43	13 X	\$5.75
Medium	\$.56	11 X	\$6.25
Large	\$.67	10 X	\$7.25

Table 6. Estimated wholesale costs and markup on concession items (Source: Regal Cinemas, 2014).

Sponsors and Donations

The analysis assumed that the *Texas Theater* would eventually operate as a 501(c)(3) non-profit to solicit funds from donors and corporate sponsors. However, until the IRS issues a certificate of tax-exempt status, the City of Kingsville may consider establishing a grant fund to accept and pass through funding for operational support of the theater. This initial funding is critical in that it will allow the theater to broadly test market its programming during the first two years of operation. Once the theater obtains its non-profit status, the organization may want to start a capital campaign to fund building renovations and three years worth of operating support. Conservatively, we estimate that the theater would need to raise \$5,500 monthly in Sponsor/Donations annually to defray operating expenses.

Total Performance Revenue

Our cash flow analysis concludes that the *Texas Theater* has the potential to generate \$40,001 in annual net cash flow before deferred developer fees. However, in order to make the project cash flow during the start-up phase (years one and two) it was assumed that the USDA Rural Business & Industry Loan would be willing to accept interest-only payments for the first 24 months.

These assumptions reduced the annual debt service payments by \$35,016 from \$125,016 to \$90,000 making it possible to achieve a debt service coverage ratio of 1.44 in year one. Moreover, we also presumed that the developer would become active in the project and contribute \$500,000 of deferred developer fees; the annual debt service payments of \$88,163 would be made at 3.9% fixed rate starting in years 3- 9. However, should either the bank or the developer be unable to agree to interest-only payments or a payment forbearance for years one and two, the theater would produce a negative net cash flow of -\$83,178 and would be unable to secure financing. It is not until year three of operations that the theater is able to broaden its programming to produce a positive Net Cash Flow DDF/Fees of \$67,051. Net cash flow is projected to increase modestly until all deferred developer fees are satisfied.



There are several excellent examples of successful brewpubs in not only college towns. Pinthouse Brewery in Austin, TX (left) has recently opened multiple locations following the pizza and beer model. The young entrepreneur (right) and consumer is looking for opportunities to be close to the process of making products to ensure the authenticity they value.



Phasing the Improvements

As it will eventually become tedious for even college students to attend live musical events and comedy performances without creature comforts, basic building improvements will need to be completed before the theater can reach its financial potential. Fixed seating will have to be installed at approximately \$600 to \$700 per seat to complete the 835 seat auditorium. A customized infrastructure consisting of lighting, sound, and dressing rooms is anticipated to range between \$150,000 and \$250,000. Public rest rooms will have to be brought into compliance before a full Certificate of Occupancy can be issued. The current owner also owns the adjacent 7,500 sq. ft. commercial building at 323 E. Kleberg Avenue and has completed interior demolition. TSI staff believes that the single-story story structure should be developed as a brewpub featuring craft beers, pizza and burgers that will appeal to both university students and residents. The pizza and beer model has proved popular in markets both large and small in Texas. Revenue is impressive for the size of the business; for example, a new concept in Corpus Christi, B&J's Pizza Restaurant and Brewpub, reported annual sales of \$1.7 million in an 8,000 square foot space in 2009.

The craft beer industry identifies a brewpub as a restaurant-brewery that sells 25 percent or more of its beer on site. The beer is brewed primarily for sale in the restaurant and bar. The beer is often dispensed directly from the brewery's storage tanks. Where allowed by law, brewpubs often sell beer "to go" and /or distribute to off-site accounts. Note: the Texas Brewers Association (BA) categorizes a company as a microbrewery if its off-site (distributed) beer sales exceed 75 percent. According to the (BA) there are currently 53 breweries in Texas with one brewer located in Nueces and Kleberg County with a combined population of 372,284.

As ground floor space is at a premium within the theater, we believe that the former retail space along S. 8th Street should be restored to support the theater. The two storefronts comprise 1,200 sq. ft. and would likely generate rents at 50 cents per sq. ft. generating an additional \$7,200 in revenue for the theater. Public rest rooms are located in this area, while the "Green Room" and additional public rest rooms are proposed to be included in the commercial building housing the brewpub.

Should programing at the *Texas Theater* prove financially successful, it is recommended that a full restoration of the facility be considered with the potential of using both state and federal historic tax credits. Construction costs to restore the theater in accordance with Secretary of the Interior Standards are anticipated at \$338.91 per sq. ft. or \$5,696,501 to return the theater to its former grandeur.

Based upon historic photographs, a full restoration may prove cost effective given the buildings original character and modest level of finish. More importantly, the historic tax credits will allow the theater to be brought to International Building Code in terms of fire suppression, ADA accessibility, emergency lighting and secondary egress. Additionally, it is possible that some of the more customized aspects of the theater such as projection screens, staging, rigging, lighting and sound may qualify under the historic tax credit programs.

Project Financing

The financial analysis estimates that a complete restoration of the 11,574 sq. ft. *Texas Theater* would cost \$5,696,501 and take approximately 24 months to complete construction. TSI’s financing strategy makes several assumptions for alternative sources of construction financing, and it should be made clear to local stakeholders there is a gap that is met in this analysis through a variety of local funding sources. These are included for illustration purposes only.

Permanent financing would be provided though the USDA Rural Development Loan program or community bank at 4.5% fixed rate for a 30-year term with annual debt service payments of \$125,016. It was also assumed that the theater developer would contribute \$500,000 of deferred developer fees and that would be repaid at \$3.9% over 84 months starting in year three. A deferred developer fee refers to the portion of the agreed upon developer’s fee that the developer is not paid as a development expense, and instead remains in the project to cover development costs. The fee may be recovered from the developer’s share of operating cash flow.

Additionally, the project is eligible to participate in the state and federal historic tax credit programs. Other alternative sources of construction financing include \$500,000 raised through a capital campaign and a \$350,000 forgivable loan through a 380 Agreement stipulating the total private investment, employ-

Uses:		Sources:	
Hard & Acq. Cost	\$3,922,495	USDA B&I Loan	\$2,105,188
Soft Cost	\$877,024	State Historic Tax Credit	\$1,288,270
Development Fee	\$850,000	Federal Historic Tax Credit	\$953,043
Reserves	\$20,000	Capital Campaign	\$500,000
Capitalized Interest	\$26,982	Deferred Developer Fee	\$500,000
		EDC Forgivable Loan	\$350,000
Total Uses:	\$5,696,501	Total Sources:	\$5,696,501

Table 7. Project cost assumptions.

ment and programming offered by the City of Kingsville through its Economic Development Corporation. The theater’s appraised value was held constant at \$104,580 through the period of analysis paying \$3,337 of annual property taxes. However, our analysis used a simple income approach to value to estimate the after rehabilitation value of the theater at \$868,864 resulting \$27,728 in annual property taxes.

USDA Business & Industry Loan

Kingsville is a rural community of 27,000 in south central Texas and is located within a United States Department of Agriculture Rural Developer eligible area for the USDA Business and Industry (B&I) Guaranteed Loan program. This program bolsters the existing private credit structure through the guaranteeing of loans for rural businesses, allowing private lenders to extend more credit than they would typically as the federally guaranteed portion of a B&I loan does not count toward a bank’s legal lending limit. The amount applied against the bank’s legal lending limit is the non guaranteed portion of the loan and has the potential to receive Community Reinvestment Act consideration. The B&I Guaranteed Loan Program provides a 60 to 80 percent federal guarantee on business loans depending on the size of the loan. This is a guarantee against loss. If there is a loss on the loan after liquidating the collateral, USDA will reimburse the lender for a portion of the loss, on a pro-rata basis, based on the percent of guarantee. Maximum term on real estate is 30 years, and reduced payments may be scheduled in the first three years.

Our operating pro forma anticipated that the USDA would provide a Business and Industry Loan of \$1,810,000 for a 30-year term at a fixed interest rate of 4.5% and that interest-only payments would be made through year two at

which time the theater’s full array of programming could be established.

State and Federal Historic Tax Credits

In order for the project to be financially feasible, it must utilize the 25% State and 20% Federal Historic Tax Credit programs, and accordingly, the construction costs are estimated based on design and material choices that will meet the National Park Service’s Secretary of the Interior Standards for Rehabilitation. While the construction costs to meet the Standards may rise, the credits typically off-set these increases. When combined, these tax credits, \$1,288,270 and \$953,043 respectively, produce \$2,241,313 of total project equity (39%) after accounting for purchase of the theater and monetization of the tax credits. The Texas Historical Commission administers these tax incentive programs and will provide consultation and review before and throughout the duration of the project. **It is important to note that the rehabilitation work must meet the Secretary of the Interior Standards for Rehabilitation in order to receive the available tax incentives.** THC staff are available to advise interested parties on the appropriate treatment of historic materials during the initial stages of project planning.

For the federal tax credit, building owners who are not able to fully utilize the credits personally or who prefer cash during construction instead of a reduction in taxes, may choose to syndicate or transfer the historic project’s credits to an investor. To do this, the building owner forms a limited partnership (LP) or a limited liability corporation (LLC) with a corporate or individual tax credit investor through which the investor becomes (and must remain) one of the building owners for a 5-year period. The investor is then able to claim the federal tax credits generated by the project to defray federal income tax liability. In return, the

corporate investor makes an equity investment in the project. The amount of the tax credit equity investment varies depending on the attractiveness of the transaction. Pricing is usually in the range of \$.95 - \$.99 cents on the tax credit dollar for the federal historic tax credit, \$.65 - \$.85 cents on the tax credit dollar for state historic tax credits. In the absence of a state income tax, the state tax credit is applied against a business' franchise tax liability. These are desirable in Texas at the current time and easily transferred. We assumed that the state historic tax credits would be sold to raise project equity in this scenario and calculated the transfer at \$.93 cents on the dollar.

It is important to note that the theater is now a contributing property in Kingsville's downtown National Register Historic district. Existing alterations have compromised the building's integrity and would make an application ineligible for both the state and federal tax credit programs under the current ownership. However, if under new ownership and the proposed scope of work for the rehabilitation meets the SOI standards, the theater would be able to take full advantage of the programs.

Private Foundations

There is also a strong culture of philanthropy in the Kingsville area. Private foundations and fundraising campaigns have supported other substantial building rehabilitation projects and it was assumed that the non-profit *Texas Theater* would appeal to some of the more prominent local foundations that provide support for the Arts & Culture. The chart below identifies three larea foundations and their recent documented endowments:

Kleberg County Foundations	Endowment, Year Documented
B.C. & Addie Brookshire Kleberg County Charitable Foundation	\$2,595,340 - 2018
Alice Kleberg Reynolds Foundation	\$31,200,730 - 2017
Robert J. & Helen C. Kleberg Foundation	\$235,488,149 - 2018

Table 8. Foundations operating in Kleberg County (source: Foundation Reports).

Other Comparable Projects

Other cities in Texas have good comparable projects with restorations of their historic theaters and should be contacted for guidance. The LanTex Theater in Llano is run by the Main Street Program and hosts professional touring acts as well as a regular schedule of first run films. The PinesTheater in Lufkin has been city-operated for two years. Just under way is the Wallace Theater Project in Levelland which features pop up projects, art shows, etc. and is currently working towards securing grant money and funding oportunities. The Simon Theater in Brenham is the best example of utilization of the historic tax credit program for theater restoration.

The League of Historic American Theatres is a non-profit organization with the main purpose of sustaining historic theaters across North America for the benefit of their communities. The local project manager should consider joining this membership group in order to access their resources.

On the commercial side, looking at successful theater types like the Alamo Drafthouse for inspiration and/or leasing or othering partnering possibilities would be a strong pathway for success.



Alamo Drafthouse pioneered "restaurant-style" service at the movies.



The Simon Theater restoration in progress in Brenham, TX, above (photo by Frank A Mills) and completed, below.

Theater	Renovation Cost (millions)	Sq. Ft.	Cost/Sq. Ft.	City	Built
Texas	\$5.7 (projected)	11,574	\$338	Kingsville	1950
Simon	\$9.0	18,025*	\$499	Brenham	1925
Wallace	\$4.5	8,200	\$548	Levelland	1928
Stephen, Mary Birch	\$2.5	4,173*	\$599	Seguin	1931

*Floor area was expanded in theater/ lobby area

Table 9. Comparable historic theater renovations in Texas.

Future View

The *Texas Theater* has the potential to be a transformative project for downtown Kingsville. Connecting to the university and drawing the energy of students and faculty to the Main Street district is essential, not just for the success of this project but also for the overall success of downtown. This concept depends on creating a cluster of businesses in the vicinity that also appeal to university students—additional bars, student oriented eclectic retail and dining options.

It is imperative that local project managers view the *Texas Theater* as one step in an overall strategy to unite downtown and the university. Other essential steps would include working with HEB to remain in the downtown market, perhaps altering their concept in Kingsville to something similar as the urban South Flores market store in downtown San Antonio. A downtown grocery store is an asset that can drive new urban-style mixed use development. To that end, the city and university should collaborate on infill residential opportunities as the university's enrollment increases. Kingsville's downtown building stock consists primarily of single-story buildings with limited potential for conversion to student housing. Fortunately, the vacant lots exist along the Main Street corridor and redeveloping these large tracts of vacant land, focusing on both ends of the Main Street corridor, into graduate student or married student housing will knit together the district, altering the experience of downtown.

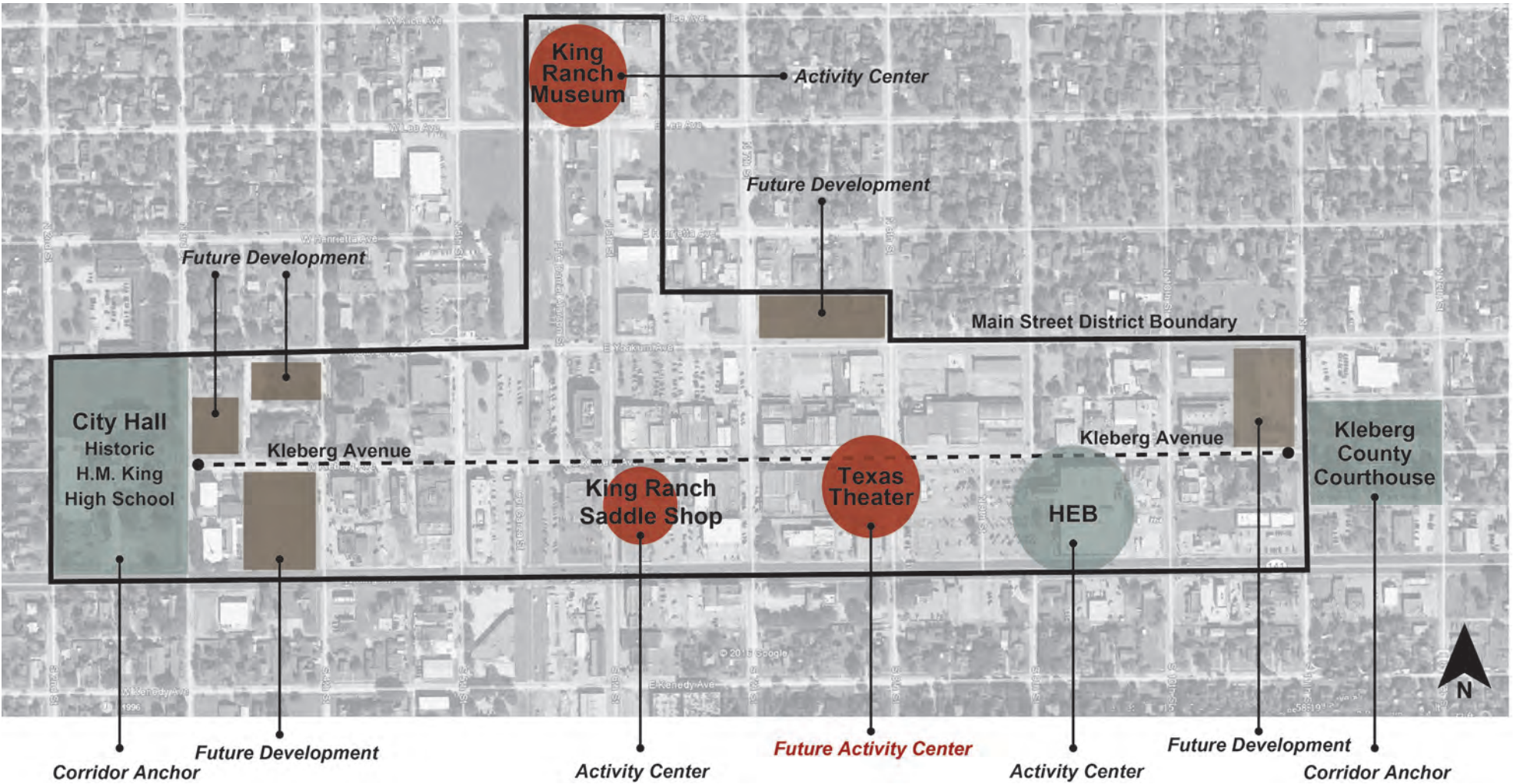
Whoever becomes the custodian of the *Texas Theater* has a unique opportunity coupled with an important responsibility to the greater good of Kingsville. As a major component of downtown placemaking, the *Texas* has the potential to transform the cultural, symbolic and economic identity of Kingsville for years to come. It is the sincere hope of all involved that a dedicated team be assembled to make this place of the past a continued important place in the future story of Kingsville.



HEB concept for local market sized South Flores St, San Antonio, TX.



Typical new off-campus mixed-use student housing type.





TEXAS HISTORICAL COMMISSION
real places telling real stories

TOWN SQUARE INITIATIVE

P.O. Box 12276 | Austin, TX 78711-2276 | 512.463.6092 | www.thc.state.tx.us