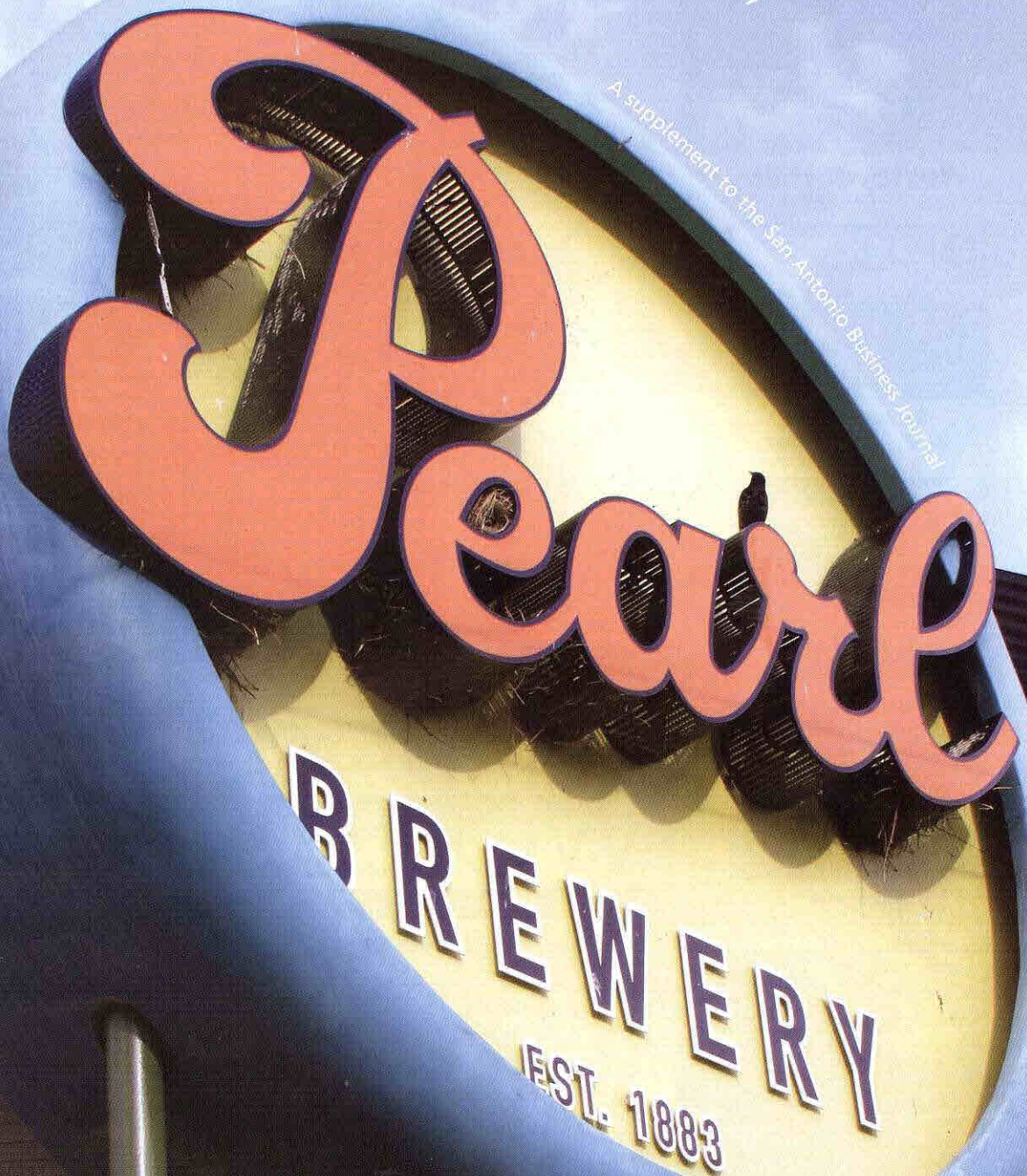


# Commercial

3rd quarter • 2010

## REAL ESTATE JOURNAL

A supplement to the San Antonio Business Journal



PEARL  
BREWERY  
EST. 1883

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## Editor's Note...

**F**or more than 125 years, Pearl Brewery has perched on the banks of the San Antonio river, a symbol of 19th century entrepreneurship. Founded in 1883, the campus chugged along as a local brewery until it closed in 2001. One year later, Silver Ventures purchased the site with an eye toward an urban living/learning center. In the last 9 years, Pearl has blossomed into a bustling mixed-use site, featuring unique restaurants, a farmer's market, sustainable offices and apartments and more. Freelance writer **Dan R. Goddard** takes readers on a tour that captures the breadth and scope of the development, starting on Page 4. And NAI REOC Partners' **Kimberly S. Gatley** breaks down the commercial real estate data for the city's 2nd quarter 2010.

Questions? Comments? Contact **Donna J. Tuttle** at [dtuttle@bizjournals.com](mailto:dtuttle@bizjournals.com) / [@SABizJournal](https://twitter.com/SABizJournal). Want to list a property next quarter in our Commercial Real Estate Journal? Contact **Kim Hernandez** at 477-0850 or [khernandez@bizjournals.com](mailto:khernandez@bizjournals.com).



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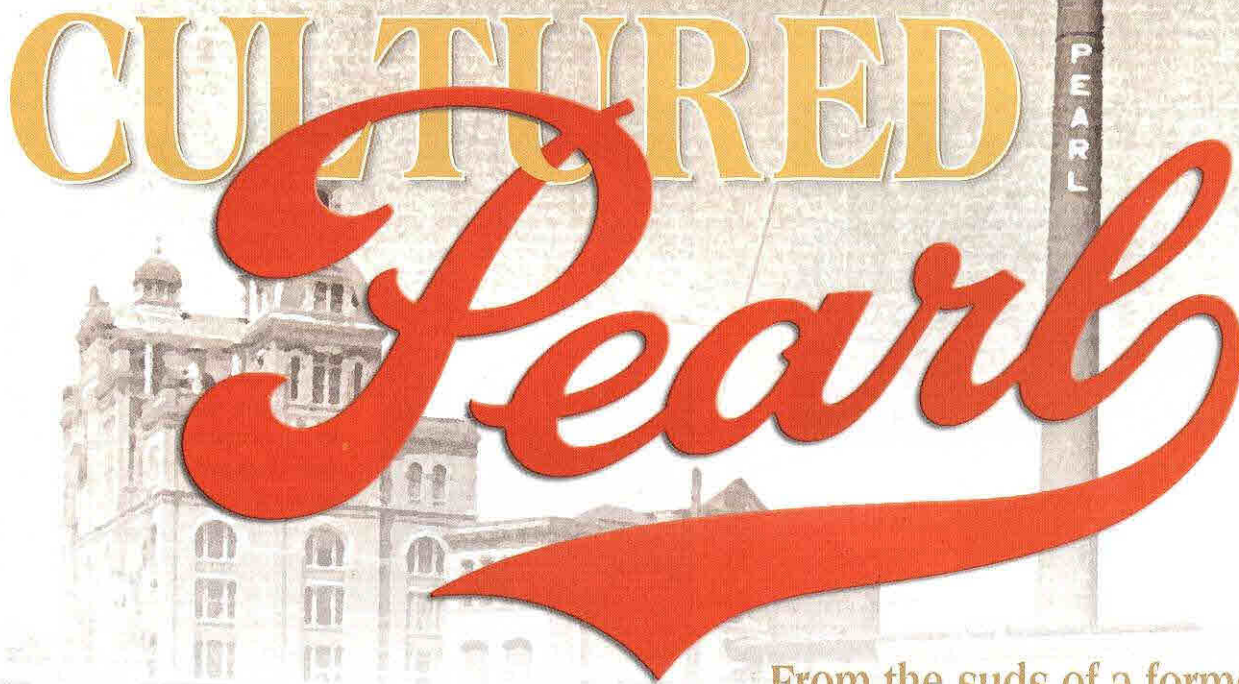
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# CULTURED Pearl



From the suds of a former brewery,  
a polished urban center is born

BY DAN R. GODDARD

**D**eveloper Kit Goldsbury's dream of transforming the historic 22-acre Pearl Brewery into a "culinary destination" is coalescing into a foodie paradise.

This fall, the Culinary Institute of America is preparing for the Oct. 9 grand opening of its newly-built \$35 million expansion, enlarging the current 5,000-square-foot facility to 30,000 square feet. With an emphasis on the food of Latin America, the culinary college expects to greatly increase its enrollment and to begin offering continuing education courses for all types of food enthusiasts.

New restaurants and businesses have opened in Pearl, which along with the new River Walk extension known as the Museum Reach, is becoming an economic generator that's breathing new life into the adjacent neighborhood, Tobin Hill. Dating from 1883, Pearl is located north of downtown off

Broadway at Grayson Street.

"We're doing more than just selling real estate," says Darryl Byrd, Pearl's managing director. "We're all about community and sustainability. We're trying to provide a culinary link between San Antonio and the world beyond, and we've made a real commitment to energy conservation. Now I think it's easy to see that Pearl is becoming a world-class culinary gathering place."

## All its glory

Johnny Hernandez, a 1989 CIA graduate, has opened Pearl's newest eatery, La Gloria, which features the regional street foods of Mexico. Designed to resemble the

original Pearl Brewery ice house, the 7,000-square-foot La Gloria overlooks the San Antonio River.

Reflecting Hernandez's extensive travels through Mexico, the menu features hard-to-find specialties such as tlayudas from Oaxaca, panuchos from the Yucatan and volcanic molcajete dishes served simmering, as well as more familiar local favorites such as tacos de trompo al pastor and quesadillas. From the hand-crafted metallic tables and chairs to the deco agave plants and mariachis, the décor reflects Hernandez's dedication to authenticity.

Andrew Weissman, a 1996 CIA graduate and James Beard Award-nominated



The Culinary Institute of America is undergoing a \$35 million expansion.



chef, now has two restaurants at Pearl, the Italian osteria, il Sogno, and the Sandbar Fish House and Market.

Scads of fresh food lovers flock to Pearl's year-round weekly Farmers Market on Saturday mornings, which features 25-30 vendors from within a 150-mile radius of San Antonio. Melissa Guerra, James Beard Award-nominated cookbook author and PBS Television cooking show host, operates an eponymous Latin American cooking store. As part of its expansion, the CIA plans to open a bakery/café this fall, followed by a full-scale restaurant in 2012.

"The CIA building also contains eight apartments, including two penthouses overlooking the river, and a 320-space parking garage" Byrd says. "This will bring our total number of apartments to 19, though during the next three to six years, we expect to ultimately develop hundreds of apartments, perhaps 200 to 300 in the next few years. Pearl is designed to be a place where people can live, work, learn and play."

In July, the Historic and Design Review Commission approved plans for Pearl warehouse along Avenue A to be torn down so a 192-unit apartment complex can be built.

Pearl is also home to the Aveda Institute

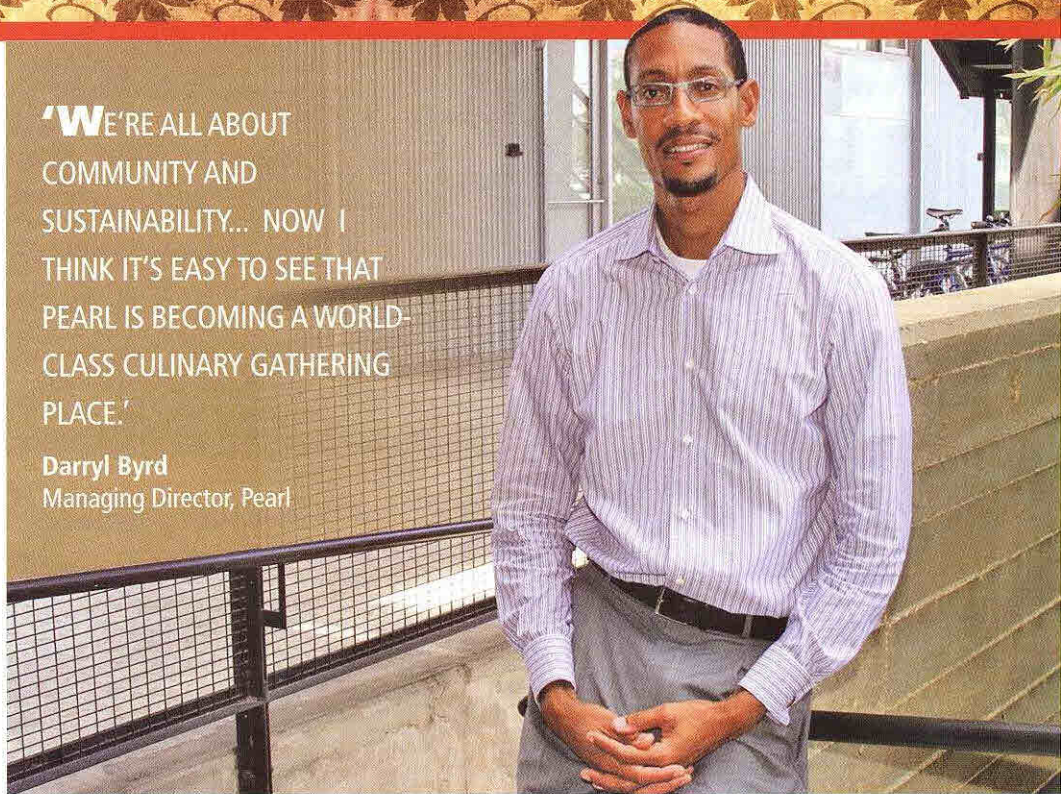
**'WE'RE ALL ABOUT  
COMMUNITY AND  
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CLASS CULINARY GATHERING  
PLACE.'**

**Darryl Byrd**  
Managing Director, Pearl

San Antonio, The Synergy Studio, American Institute of Architects-Center for Architecture, the Nature Conservancy, CE Group Event Marketing, Tracey Maurer Photography, Contacts Consultants & Architects, Intergenic Inc., Run Wild Sports and the Twig Book Shop as well as a small

convention center, the Stable. During the summer, the San Antonio Hispanic Chamber of Commerce moved to Pearl.

New retailers include the boutique Ad-elante, which relocated from Sunset Ridge, and Bike World, which sells and rents bicycles in the Can Recycling Building.







JOHNNY HERNANDEZ  
OPENED PEARL'S  
NEWEST EATERY,  
LA GLORIA, FEATURING  
THE REGIONAL STREET  
FOODS OF MEXICO.

"The amphitheater will have capacity for more than 1,000 people on a grassy slope that will go down to the river," Byrd says. "But it's not strictly an amphitheater because we're going to plant trees and do some landscaping so it will be more like a park. The city will own the stage, and we'll own the park, but both the city and Pearl will probably be doing the programming."

Pearl is almost fully leased, though a few office, retail and residential spaces

"We have a really cool bike culture that's developed in the neighborhood," Byrd says. "On Fridays and Saturdays, you'll see lots of young people riding around on custom bikes."

Currently under construction at Pearl is a new outdoor amphitheater and park along the San Antonio River behind the new CIA building.



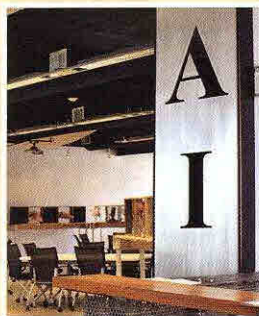


# Pearl: An Urban Center Eat. Live. Learn.

Andrew Weissman's il Sogno features Italian fare found in the trattorias and osterias in Rome and Florence.



Above: J.D. Simpson displays a bike from new Pearl tenant and retailer Bike World.



Right: The local office of American Institute of Architects offers public seminars.



Above: San Antonio Hispanic Chamber of Commerce's new digs at Pearl.



Left: Pearl Studio is a 2,700-square-foot event venue that can seat 180.

are available, Byrd says. Office and retail spaces hover around \$16.50-\$23 a square foot a year. Office spaces range from 2,000 to 5,600 square feet, while available retail spaces are from 1,800 to 4,000 square feet. Residential units range in size from 650 to 1,000 square feet, and lease for \$1.50 to \$1.80 per square foot a month plus electric. With the new parking garage in the CIA building and about 500 spaces under U.S. Hwy. 281 plus street parking, Pearl will have about 1,000 parking spaces.

## Culinary smorgasbord

Former CIA education director Shelley Grieshaber, a San Antonio native, has moved into the newly created position of director of culinary operations for Pearl. She plans to bring in new restaurants, bars and coffeehouses along with other food-related events. She also plans to explore a mobile food truck program to encourage the authentic street food culture that now thrives in cities such as San Francisco and Austin.

David Kellaway, a Texas native who has taught at the CIA's flagship campus in Hyde Park, N.Y., and spent the past 15 years as executive chef and director of culinary operations for Las Vegas resorts including the Mirage and Mandalay Bay, has been named managing director for the CIA's third campus.

"We're going to be dedicated to Latin American cuisine," Kellaway says. "We'll have an outdoor Latin American kitchen as well as a large indoor kitchen decorated with colorful Talavera tile that will be behind our new bakery/café. Our students will be making Mexican pastries to serve in the café. We'll be creating a special Web site about Latin American food for San Antonio, and we'll be kind of a laboratory for studying Latin American culture and cuisine."

The outdoor Latin American kitchen is being built in a reclaimed water tank. The sides have been cut away to leave a covered, circular kitchen area, and a barbecue pit is being built alongside it. The indoor Latin American kitchen will be equipped with wood-burning stoves.

"We'll have students grilling and making tortillas," Kellaway says.

Besides much expanded training kitchens, where students will be taught skills that can be used in cooking all the world's cuisines, the new CIA building will have a



David Kellaway, Managing Director for CIA's San Antonio campus.

library and a large demonstration kitchen equipped with cameras and flat-screen TVs for its continuing education classes.

Stephan Hengst, CIA marketing director, says the main CIA campus in Hyde Park, N.Y., currently has about 3,000 students, while the second campus in California's Napa Valley at St. Helena has about 350.

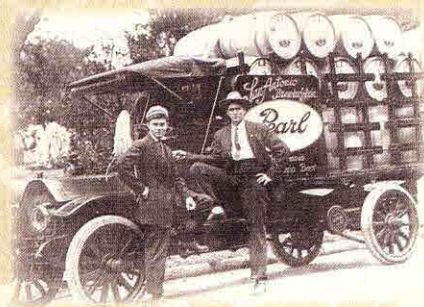
Continued on PAGE 11



# Pearl: Through the years...



1883 - City Brewery is built on east bank of San Antonio River.



1920 - Prohibition begins. Brewery survives by producing non-alcoholic beverages.

1883

1883

1894

1894 - The Stable, lodging for the Brewery's draft horses, is built.



1920



1933

1933 - Prohibition ends and Pearl beer is brewed again.



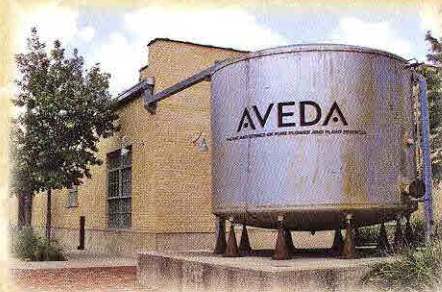
1952

1952 - Brewery changes its name to Pearl Brewing Co.



1985 - Pabst Brewing acquires the brewery; brewery closes in 2001.

1985



2005 - Aveda Institute opens, kicking off five years of continuous expansion.

2005

2002

2002 - Silver Ventures investment company buys the brewery site.

2005

Source:  
<http://pearlbrewery.com>





Established in 1946, the CIA is a non-profit culinary college that has grown into the nation's most distinguished training program for chefs. San Antonio became the CIA's third official campus in 2008.

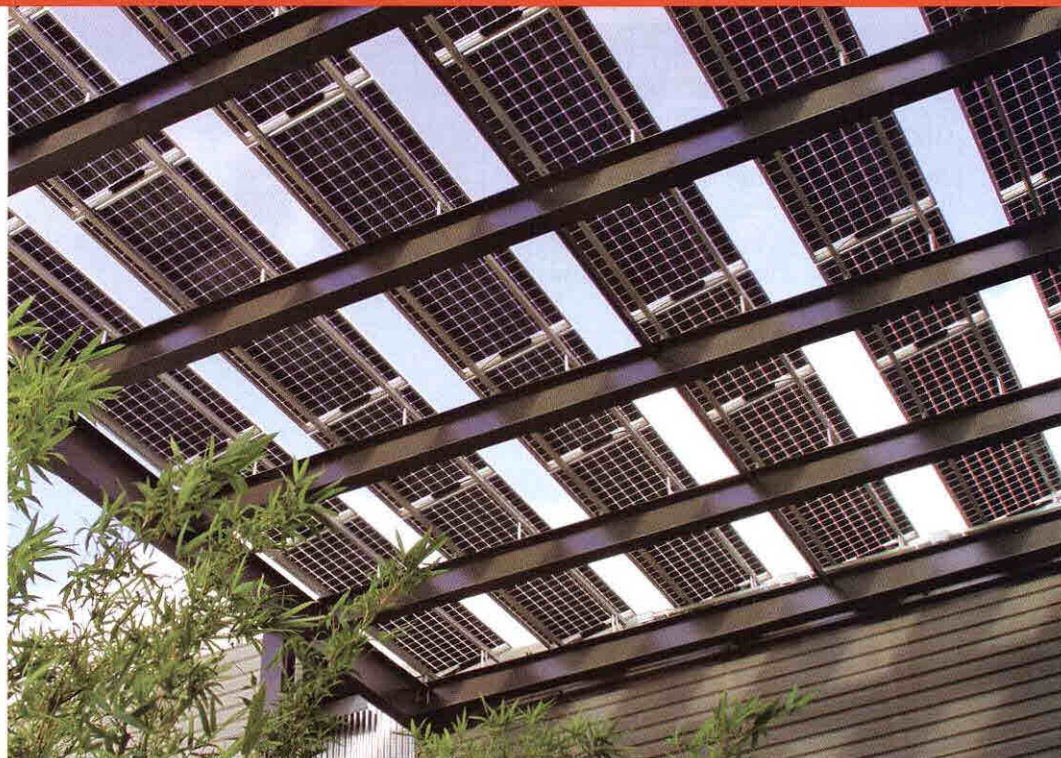
"With this expansion, we expect enrollment in San Antonio to grow to about 150, much more than the 36 students we currently have," Hengst says. "We also expect about 1,500 culinary professionals a year to come to San Antonio for our continuing education programs, industry research services and conferences at the campus."

## Holistic design

Environmental conservation is almost as important as culinary pleasures at Pearl, which boasts one of the largest solar arrays in the state. Designed to test the viability of solar energy in a large, real-world commercial application, the \$1.35 million solar installation was funded with \$950,000 from Pearl and \$400,000 from CPS Energy.

The solar panels on top of the Full Goods Building are capable of generating 200-kilowatts of electricity, about one-quarter of the building's energy needs, though during peak operating conditions, when the system produces more energy than the building requires, the excess electrical power is sent to CPS Energy for other users.

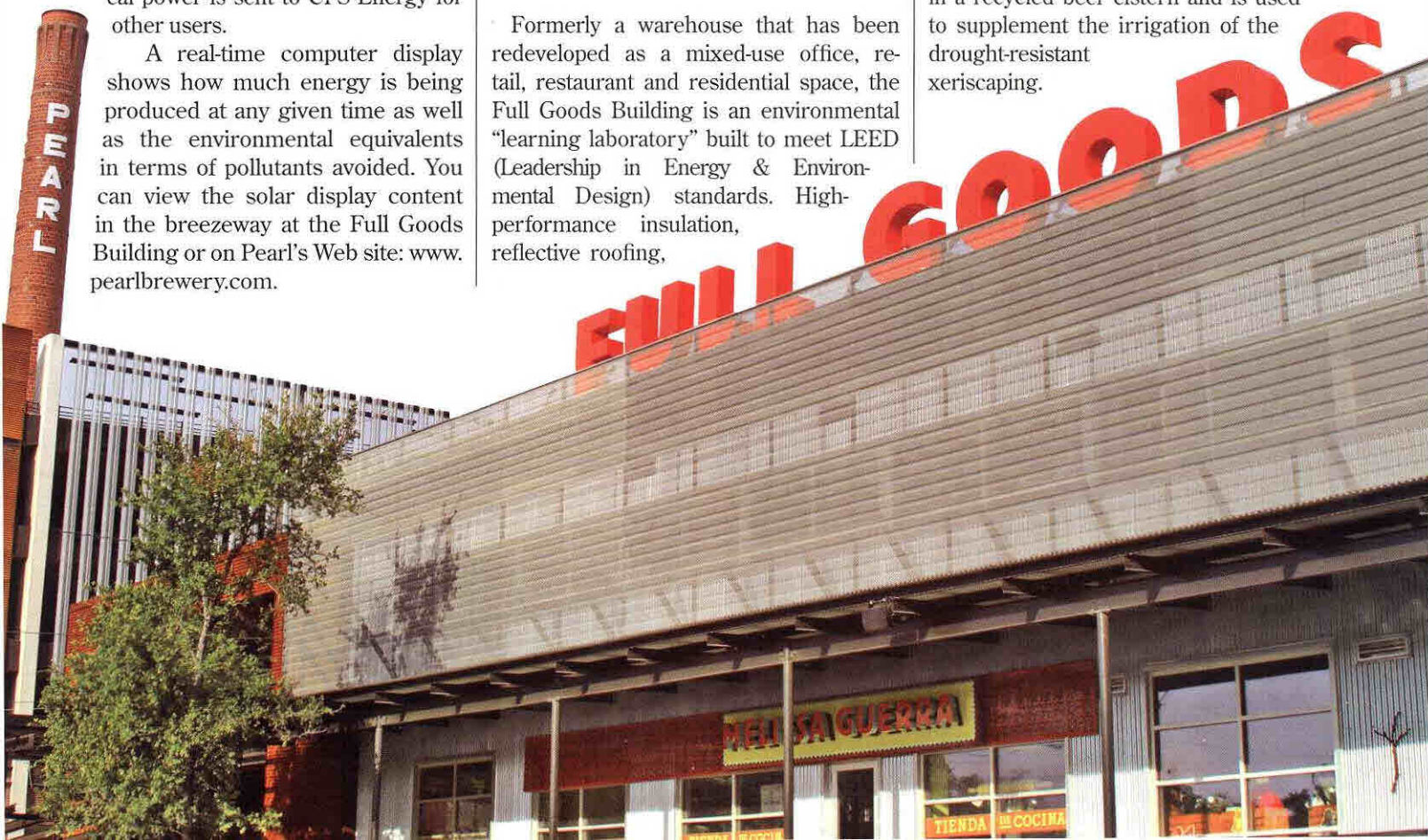
A real-time computer display shows how much energy is being produced at any given time as well as the environmental equivalents in terms of pollutants avoided. You can view the solar display content in the breezeway at the Full Goods Building or on Pearl's Web site: [www.pearlbrewery.com](http://www.pearlbrewery.com).



high-performance glass, solar blocking screens and low-energy lighting are among the energy conservation measures.

Along with a Daikin mechanical system for cooling and heating that uses less energy than other systems and requires no chilled water, the building also features a rainwater collection system with a 22,500-gallon capacity. The rainwater is stored in a recycled beer cistern and is used to supplement the irrigation of the drought-resistant xeriscaping.

Formerly a warehouse that has been redeveloped as a mixed-use office, retail, restaurant and residential space, the Full Goods Building is an environmental "learning laboratory" built to meet LEED (Leadership in Energy & Environmental Design) standards. High-performance insulation, reflective roofing,







**'WE HAVE SUCH A  
GREAT COMMUNITY  
AND GOOD NEIGHBORS  
AT PEARL.'**

**Claudia Maceo Sharp**  
Twig manager

Twig manager, says. "We have such a great community and good neighbors at Pearl. The other retailers have been so supportive. Besides having a lot more space, we've been able to schedule more special events. We're even coordinating events with the San Antonio Museum of Art so people will walk up the Museum Reach and see us."

**DAN R. GODDARD** is a San Antonio freelance writer.

The CIA building is being built to meet Silver LEED standards, and the college plans to experiment with composting so it won't need garbage disposals.

A host of celebrity chefs are expected for the CIA's grand opening Oct. 9 and several are expected to sign their cookbooks at the Twig, the city's beloved independent bookstore that moved to Pearl last fall. Besides building up its cookbook section, the Twig is stocking more architectural books to complement the exhibits being presented by the nearby AIA Center.

"I'm ecstatic about being here," Claudia Maceo Sharp,



The Twig Book Shop recently moved from Broadway after 10 years at that location.