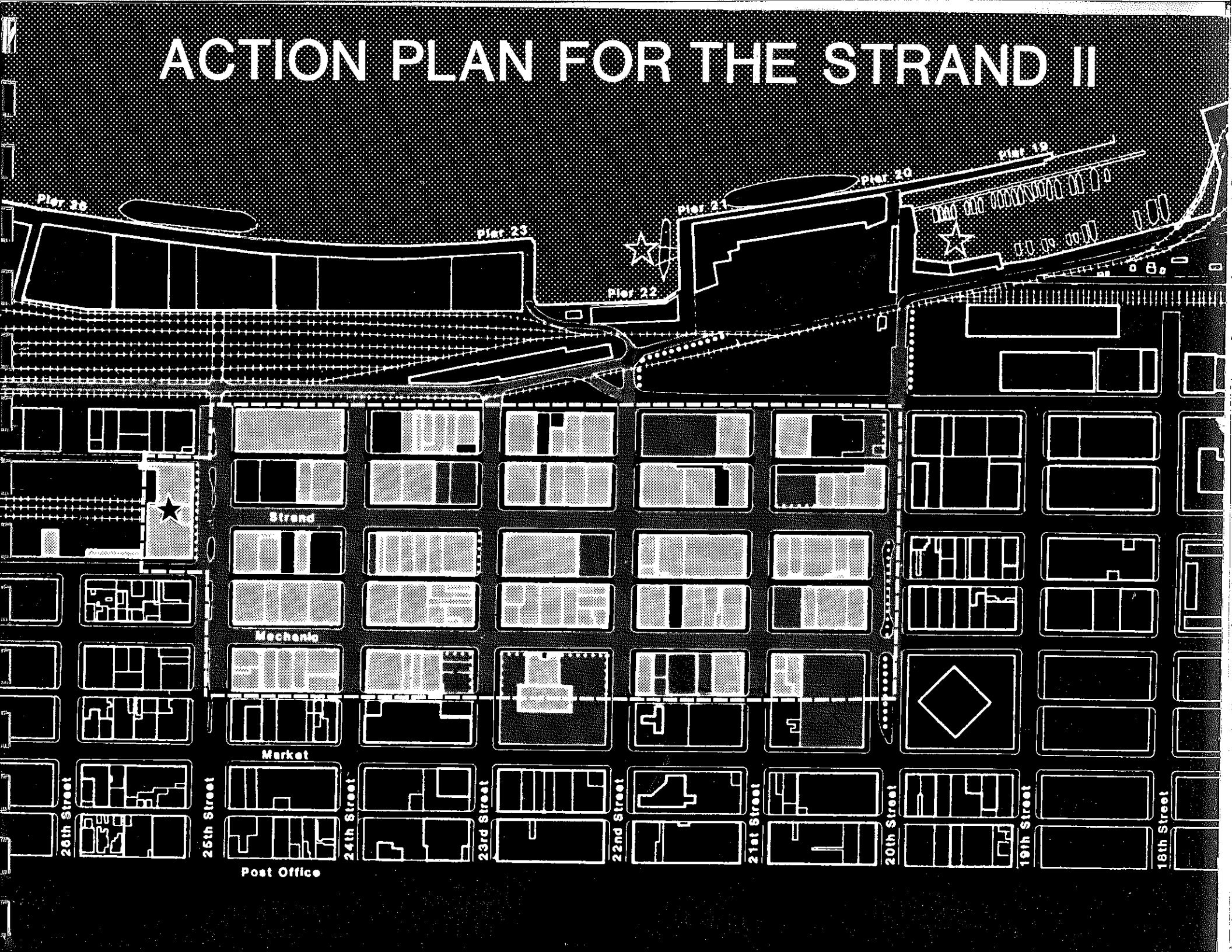
ACTION PLAN FOR THE STRAND II



ACTION PLAN FOR THE STRAND II

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The Galveston Historical Foundation

October 1983

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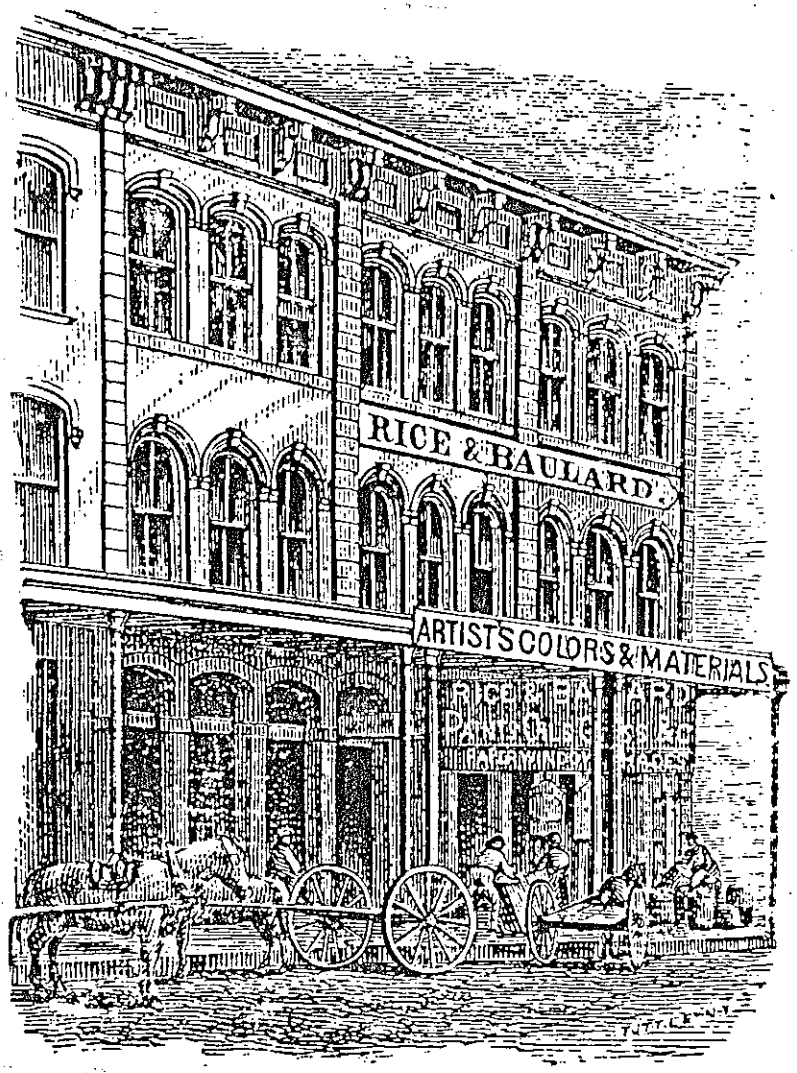
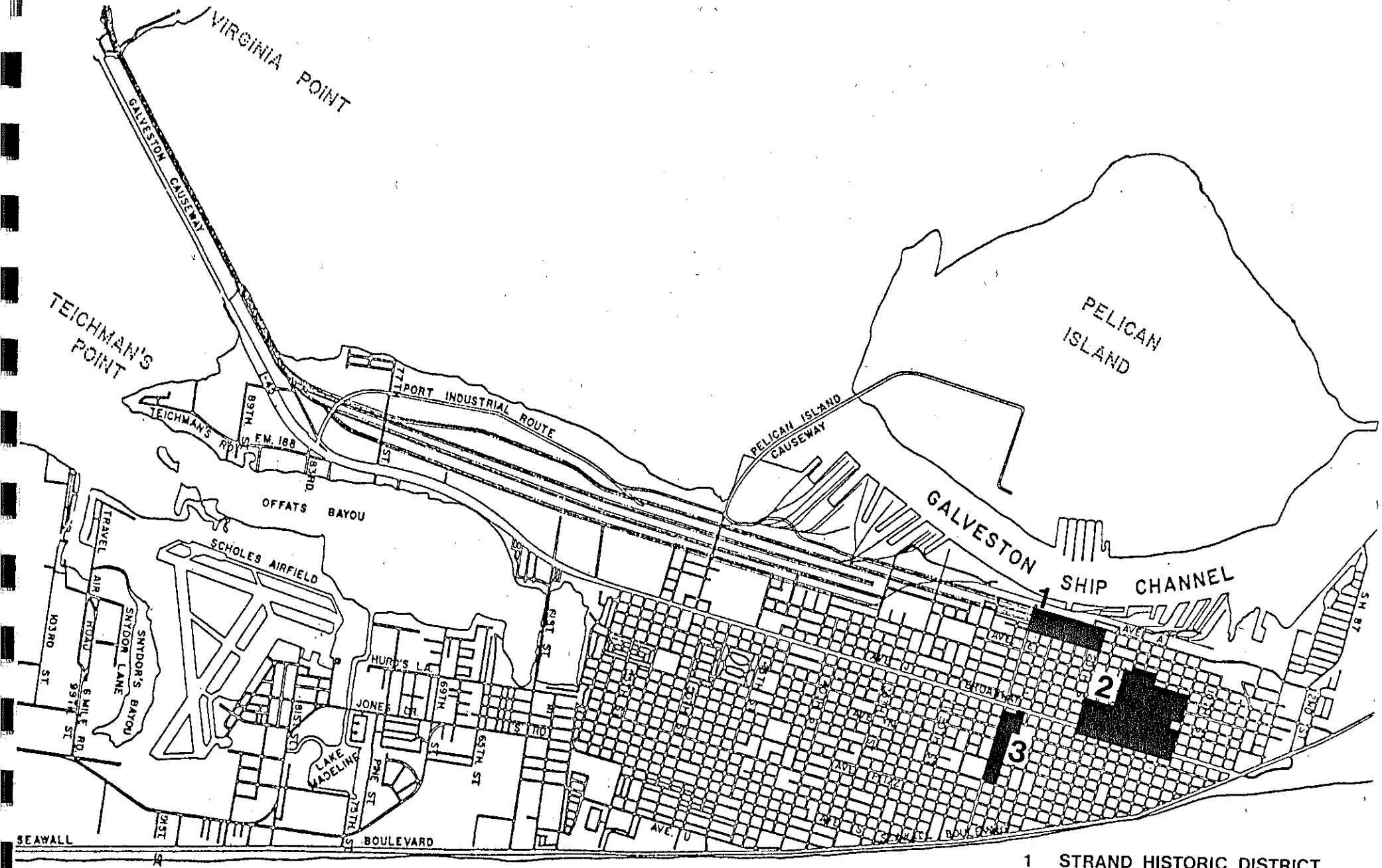


INTRODUCTION



1 STRAND HISTORIC DISTRICT
2 EAST END HISTORIC DISTRICT
3 SILK STOCKING PRECINCT

STRAND HISTORIC DISTRICT — LOCATION PLAN

Figure 1

In experiencing the Strand Historic District today, (Figure 1) it is immediately apparent that many of the planning goals established in previous studies have been achieved. Much has been accomplished since revitalization of the area began in the early 1970's. Significant time, effort, and monetary investment has been expended by individual property owners, local foundations, the City of Galveston, and non-profit community organizations.

The fruits of these labors are perhaps best illustrated by the radical change evident on the Strand itself. Only six or seven years ago the street would have been kindly described as a deteriorating commercial area with little future. Today, it is the central focus of a major historic area that has been significantly revitalized.

Many examples can be cited as cases in point, but typical of the numerous successes on the Strand are the following:

- The 1855-1859 Hendley Building housing the offices of the Galveston Historical Foundation, the Strand Visitors Center, The Hendley Market, and apartments.

- The 2300 block of Strand, with a number of important buildings adapted for a restaurant, shops, offices, and apartments.

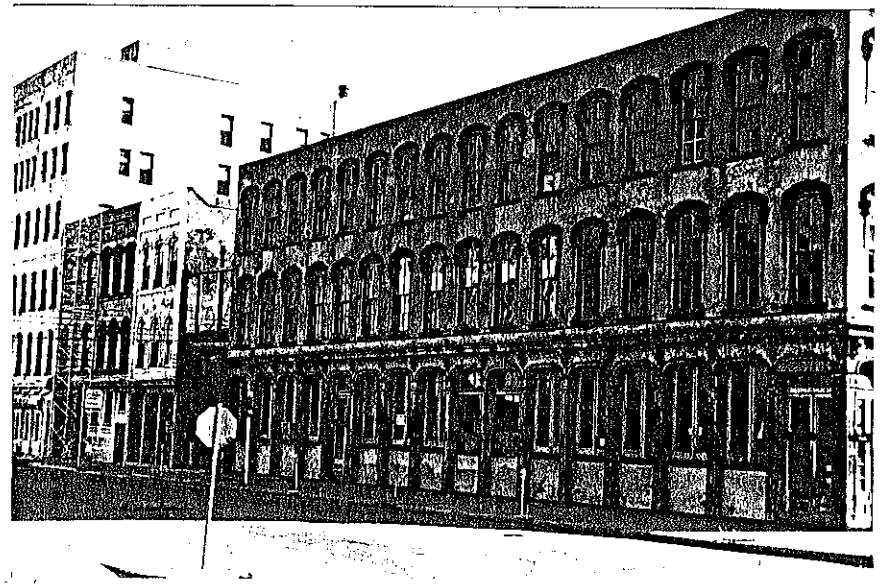
- The Santa Fe Railroad Terminal and Office Building, now Shearn Moody Plaza, recycled as space for public and institutional use, including The Center for Transportation and Commerce.

Comparison of "before and after" photographs (Figures 2-5) clearly underscores the substantial accomplishments of these projects and similar efforts elsewhere on the street. The fact that they have proven economically successful in addition to having made a significant contribution to the overall Strand environment is a significant preservation achievement.

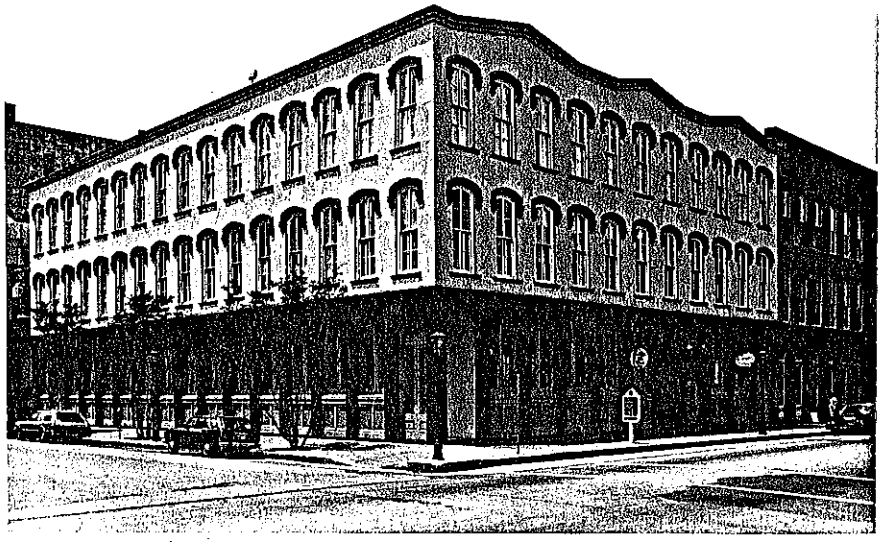
With the continuing success of the Strand development in recent years, the focus of redevelopment activity is expanding to Mechanic Street and other adjacent sections of the District. Already, the Stewart Title Company Building and Screwman's Hall are largely rehabilitated, and the Strand Street Theater is a focus of activity. Additional projects are underway on Mechanic Street including conversion of the Leon Blum and Electric Buildings into the Tremont House hotel; the refurbishment of the Berlocher, Washington Hotel, Heidenheimer (Hunter), Heidenheimer (Marine), and Belmont Hotel Buildings; plus the planned construction of a major new parking garage. Just outside the Strand District, Pier 21 is also redeveloping successfully with ELISSA, a restored sailing ship and maritime museum as its central focus (Figure 6).

In the past nine years several planning studies have been done concerning the Strand

(cont. on page 9)



Before



After

Figure 2

League and Rice, Baulard Buildings

The 1871 T. Jefferson League Building lay vacant in the early 1970's. Its wonderful cast-iron columns and trim were bulging with rust and deterioration. The 1871 Rice, Baulard & Co. Building also lay vacant. Already, however, GHF was purchasing Strand buildings with the Redevelopment Fund, and Emily Whiteside had begun rehabilitating one section of the Rice, Baulard & Co. Building for townflats.

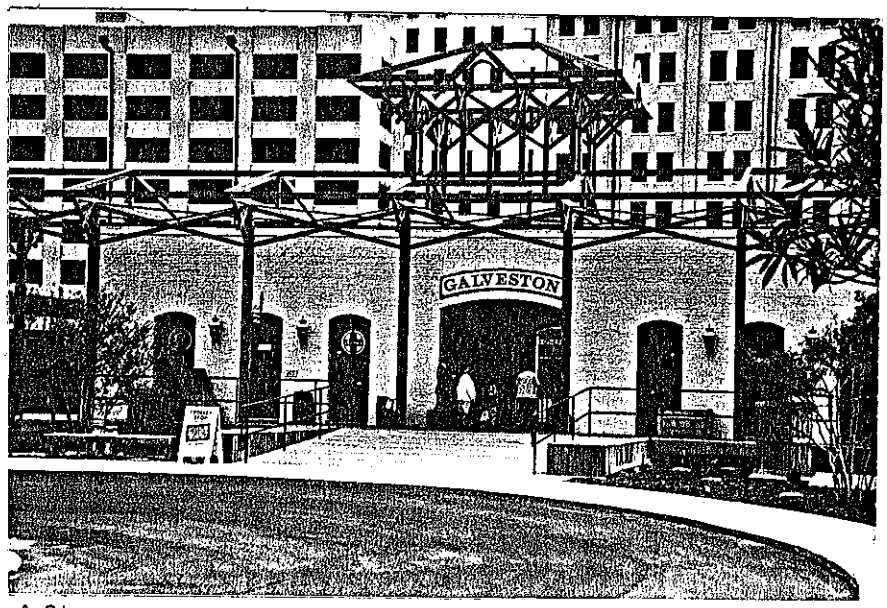
Today, the League Building has been beautifully rehabilitated by George and Cynthia Mitchell, and houses the Wentletrap Restaurant, shops, and offices. The award-winning design is by Ford, Powell & Carson. The Rice, Baulard & Co. Building now contains shops and ten apartments.

Santa Fe Railroad Terminal

The Santa Fe Railroad Terminal and Office Building was constructed in stages in the early 1930's in an Art Deco style. The last train to use the station was in 1954, and all tenants had moved out of the upper floors in 1973. The building is a crucial visual terminus for the western end of The Strand. It was nearly sold for demolition in 1974, with GHF leading the community-wide campaign to preserve it. In 1976, The Moody Foundation purchased the building, thus ensuring its survival.

Today, The Moody Foundation has totally rehabilitated the Santa Fe Building at a cost of $10 million. The Moody Foundation has also developed the Center as the Shearn Moody Plaza for Transportation and Commerce, a railroad museum, which occupies the original lobby and station area. The museum includes 30 railway cars, audio-visuall programs, and the "people's gallery" with 39 life-size travelers poised in a moment from 1932.

Before



After

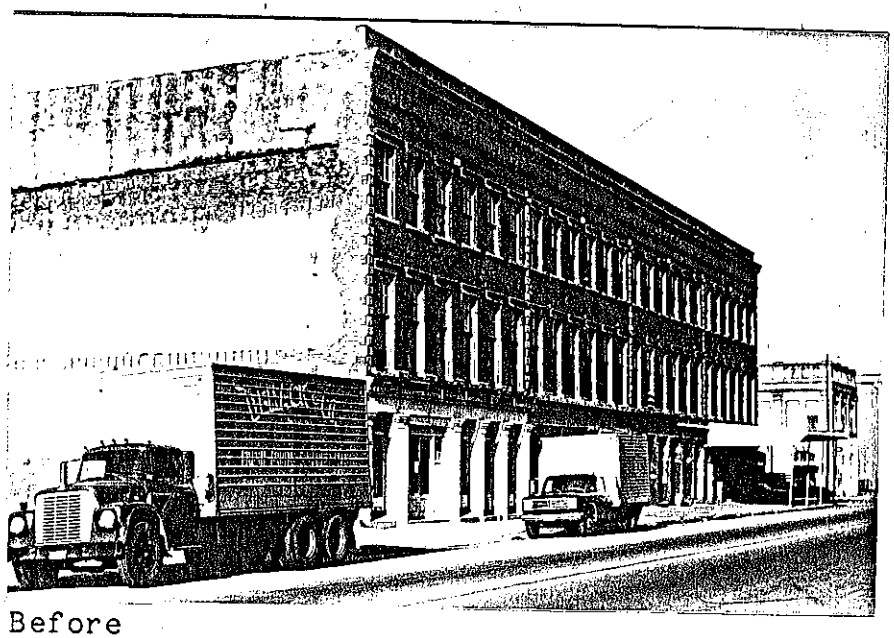
Figure 3

1855-59 Hendley Building

The 1855-59 Hendley Building, the oldest building on the Strand, originally housed William Hendley & Co., the largest shipping company in Galveston at that time. The building is actually a row of four structures with a uniform facade. The brick and beautiful granite trim were brought in by ship. Creosoted cotton bales were used to support the foundation, with the waters of the harbor coming up almost to the rear of the building.

In 1968, the then-owners had begun to tear down the deteriorated west section when Galveston preservationists paid the purchase price, saved this section, and donated it to the Galveston Historical Foundation. This photo shows the building in the early 1970's.

Until 1979 GHF had moved its offices from vacant space to vacant space on The Strand. As the Strand revitalization moved forward, space became more scarce, and GHF had grown to the point of needing an adequate home. With financial support from Texas founations and individual donors, restoration of the west section (left) of the Hendley Building was completed in late 1979, and GHF moved into its permanent home. Designers Taft Architects solved the problem of a deteriorated west exterior wall (you could see through it at points!) by a system of steel buttresses forming a new, narrow building. This in turn houses the second stairs and mechanical equipment, so that the interior could be preserved intact. The rehabilitation won an Honor Award from the American Institute of Architects.



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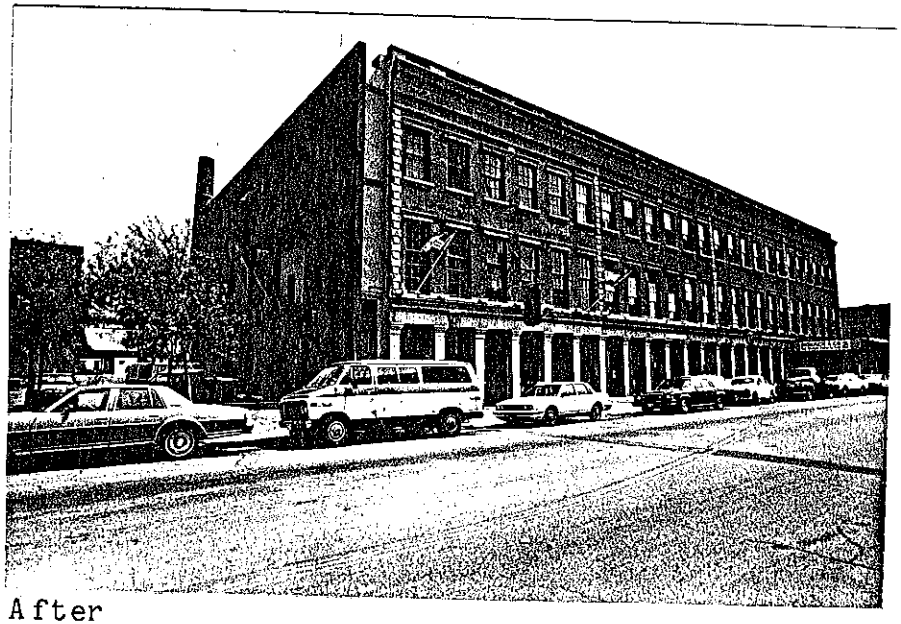


After

Figure 4

2300 Block of Strand

In the 1960's, Strand buildings were the cheapest storage space in town. Some were cinder-blocked up to increase security. All were deteriorating. Some wholesale businesses continued to operate, but many had closed or moved. On weekends, or evenings, one could shoot a cannon down the street and not hit anyone. Yet the buildings, dating from the 1850's through 1890's, survived with their unique beauty and intrinsic value intact.

Today, Strand buildings have been rehabilitated and contain shops, restaurants, apartments, and offices. The key to the revitalization is the Strand Redevelopment Fund operated by GHF and funded chiefly by the Moody Foundation. With this fund GHF buys Strand area buildings, places rehabilitation requirements and deed restrictions on them, and re-sells them to private investors and developers. An additional 12 Strand area buildings are now slated for rehabilitation.

Before

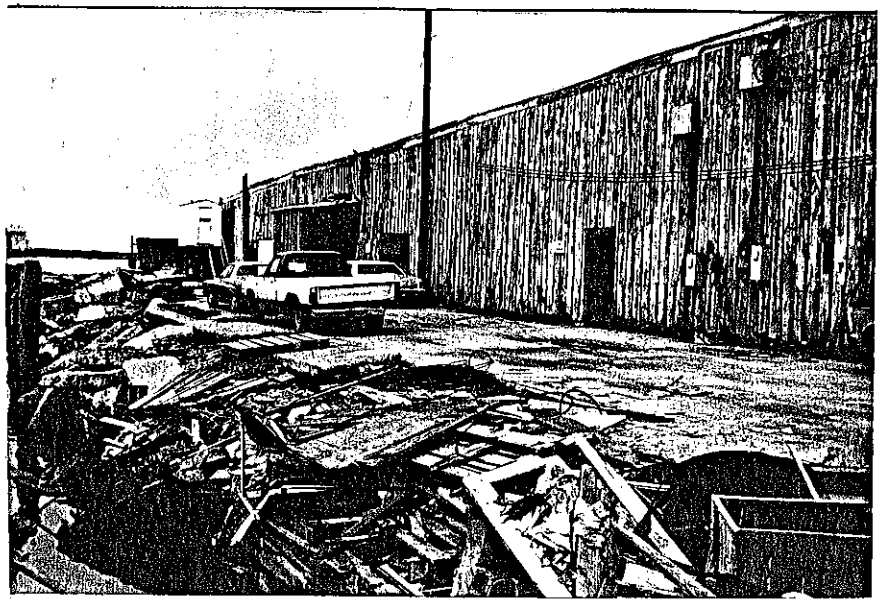
After

Figure 5

Pier 21 - Before

In the 1970's, the area around Pier 21 contained a retail seafood outlet with shrimp po-boys but no other visitor access. To the east, Pier 18 and 19 had been protected by a City-wide referendum for use by shrimpboats, seafood houses, and charter fishing boats.

Today, Pier 21 is the berth for the 1877 square-rigged sailing ship ELISSA. ELISSA called at the Port of Galveston in the 1880's and is typical of the sailing ships that were the life-blood of early Texas. Today, ELISSA, restored and operated by GHF, is the only authentic square-rigged merchant vessel between San Diego to the west and Baltimore to the east. ELISSA is a maritime museum, toured by over 100,000 visitors in her first year of operation. Each autumn ELISSA sails off the coast of Galveston, as she did a hundred years ago.



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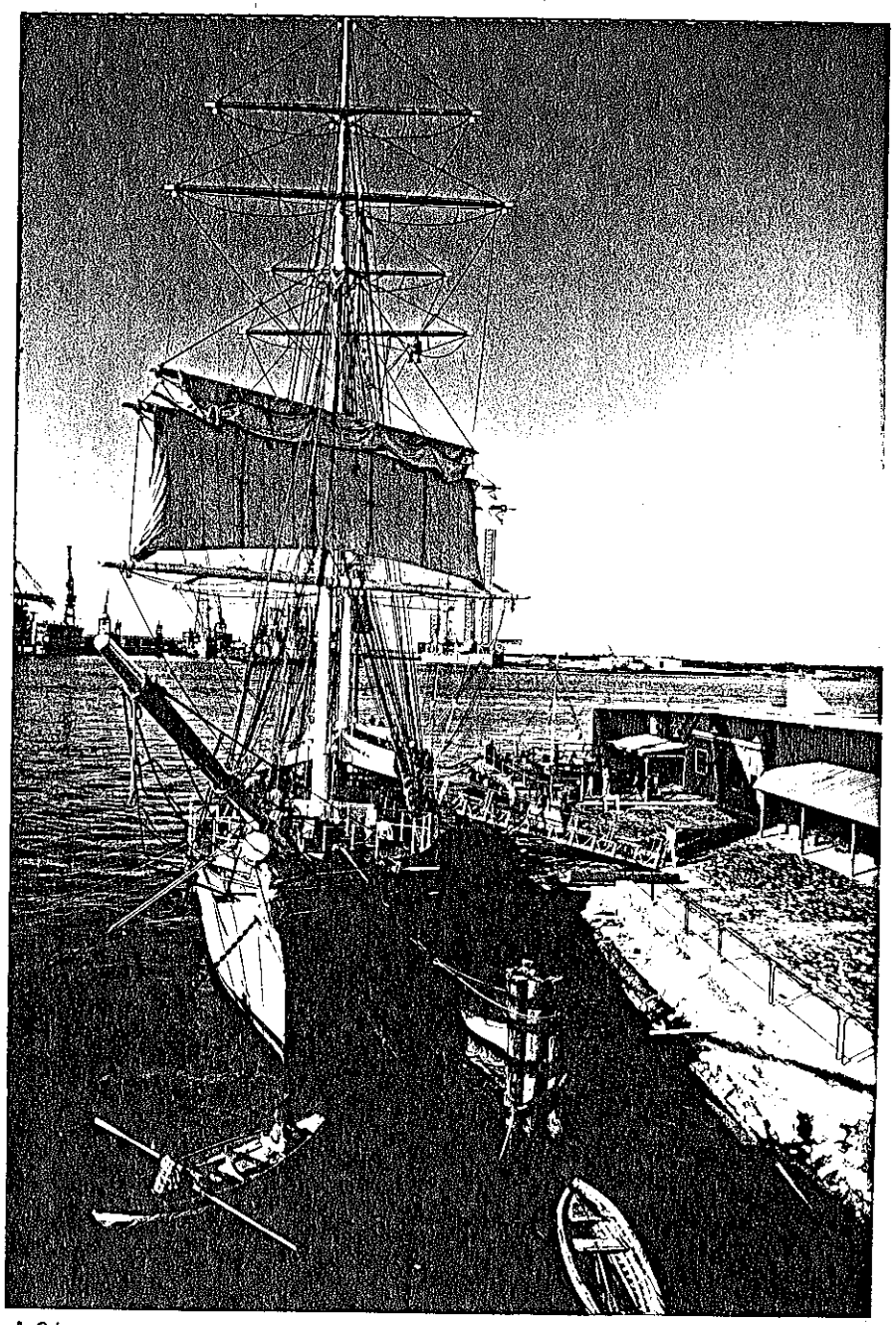


After

Figure 6

(cont. from page 3)
and its immediate environs. Most of these reports dealt primarily with the Strand itself as opposed to the entire historic district or with specific planning concepts that impacted the Strand.

The list of previous planning studies includes the following:

- The Strand: Restoration and Revitalization, 1973 (By Ford, Powell & Carson, Architects & Planners, Inc. for the Galveston Historical Foundation).

- Action Plan for the Strand, 1975 (By Venturi and Rauch, Architects & Planners for the Galveston Historical Foundation).

- Master Plan Study for Pier 19, 1978 (By Ford, Powell & Carson, Architects & Planners for the City of Galveston, the Texas Historical Commission, and the Pier 19 Development Committee).

- The Galveston Connection, 1979 (By Ford, Powell & Carson, Inc. and Barry Howard & Associates, Inc. for the Galveston Historical Foundation).

Although many of the recommendations made as part of earlier planning studies have been implemented as part of the revitalization, still others have not yet been pursued. For example, even though much progress has been made on the Strand, the street is still in need of basic infrastructure improvements. Similar needs exist elsewhere in the District as well. Also, in light of expanding redevelopment activity, it is essential that guidelines for the redevelopment of Mechanic and other streets in the Strand Historic District be established to ensure that development is complimentary and equally successful.

The present study was commissioned by the Galveston Historical Foundation with two principal purposes in mind. First, to evaluate the current growth and redevelopment potential of the Strand District as a whole, specifically incorporating Mechanic Street. Second, to identify further revitalization activities and development guidelines that are appropriate given projects which have been completed and those presently being initiated.

The planning work included an in depth analysis of the primary factors influencing current and future revitalization. An important element in this analysis was a series of walking tours initiated by the Galveston Historic Foundation at the beginning of the study process. Various interested individuals who are property owners, tenants, retailers, City representatives, developers, and concerned citizens participated. The tours encompassed the whole of the Strand District, including Mechanic Street, as well as the areas of the City immediately adjacent to the study area. In monitoring these tours, the wide range of comments and concerns expressed by participants served to help identify many of the critical issues which have been addressed as well as

potential planning directions.

An effort has also been made to make appropriate use of previous and concurrent planning studies. Both private groups and the City of Galveston have sponsored a number of pertinent planning documents, and a feasibility analysis of a proposed trolley system by Marr Engineering, Inc. is in progress. These materials were an important part of the analysis. A summary of comments that arose on the walking tours and summaries of the previous planning studies are contained in the appendices of this report.

Special emphasis was also given to assessing current market trends influencing the Strand area and to related traffic and parking issues.

An overall strategy for further redevelopment initiatives has been formulated in the context of the Strand District's present situation and what can reasonably be expected in the future. These strategies are structured to re-emphasize the guidelines contained in the previous planning reports, where still deemed valid, and specific recommendations regarding implementation approaches and development guidelines for related physical improvements.

The major elements of the ACTION PLAN FOR THE STRAND II can be summarized as follows:

Implement all private and public developments in accord with the ACTION PLAN FOR THE STRAND II.

Continue historic preservation/reuse of significant architecture in the district.

Emphasize rehabilitation of contributing structures.

Encourage redevelopment of sites with non-contributing structures, and development of vacant sites as infill.

Concentrate on substantially increasing residential uses.

Coordinate implementation of public and private redevelopment in the context of "development sectors."

Strengthen the Strand Merchant and Owner Association to promote and support appropriate continued development of the Strand District.

Add to the Galveston Historical Foundation's professional staff as required to effectively coordinate implementation of the ACTION PLAN FOR THE STRAND II.

Create a Tax Reinvestment Zone as a method of funding public improvements. This should include the Strand Historic District and the Central Business District.

Reinforce the pedestrian aspects of the District, especially on Strand and Mechanic, by appropriate introduction of street lighting.

Encourage the development of varied

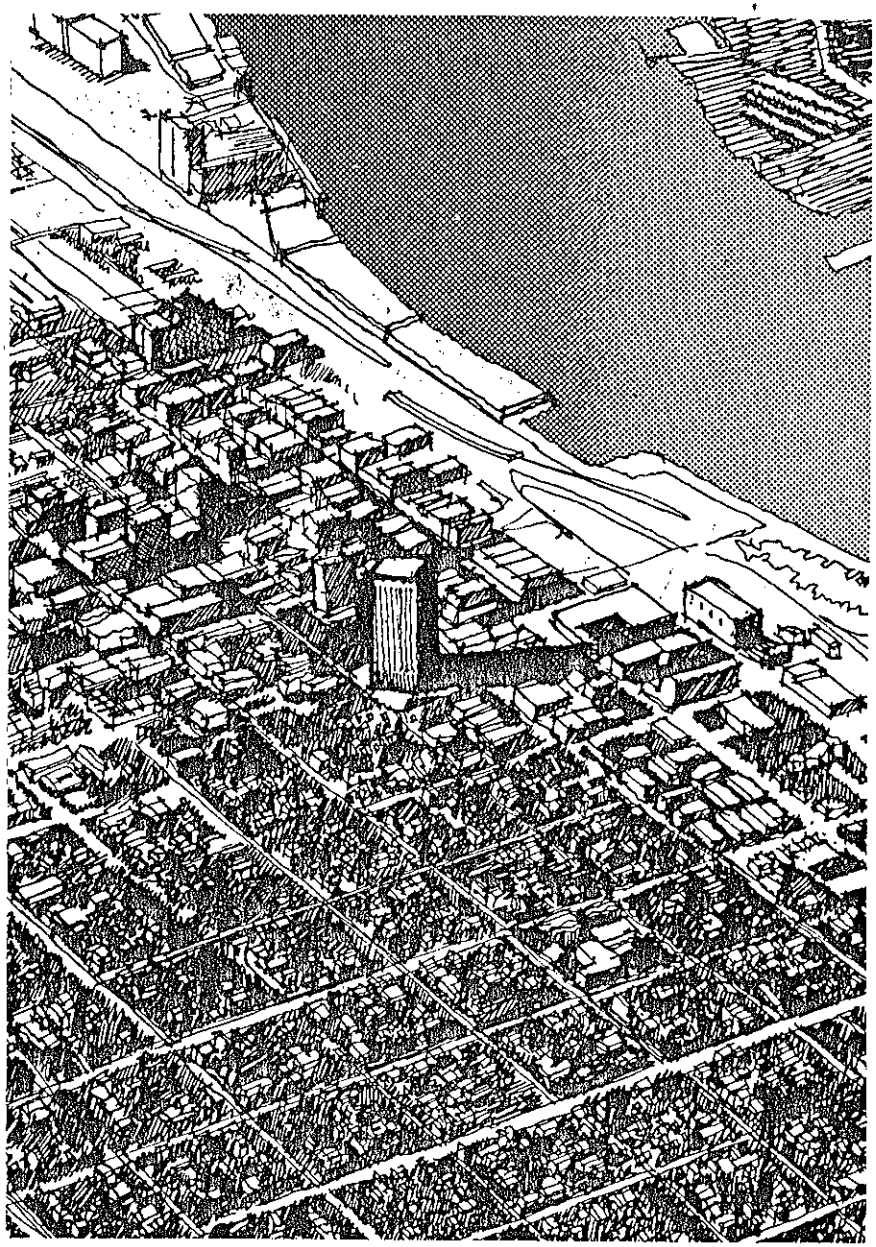
urban park spaces as "people places".

Develop strong pedestrian linkages between the Strand District and nearby attractions, especially along the water front from Pier 25 to Pier 19.

Implement all transportation-related improvements as part of an overall metropolitan transit plan that coordinates main vehicular access, peripheral parking structures, and the proposed trolley system.

Encourage the development of additional major attractions such as an aquarium.

Establish a comprehensive public relations program to communicate achieved redevelopment successes and promote remaining investment opportunities of the Strand District.



DEVELOPMENT STRATEGY

The continued success of redevelopment in the Strand District depends on a very broad, all-inclusive planning approach. The specifics of individual properties or projects must also be considered in the context of District-wide/City-wide needs, problems, and opportunities. In this way, further revitalization activities -- both public and private -- can best be identified, evaluated, and coordinated.

The present situation -- taking into account current circumstances and future projections -- indicates the following Development Strategy:

PRESERVATION AND ADAPTIVE REUSE

The emphasis on architectural preservation and adaptive reuse of significant buildings in the District should continue as the central element of redevelopment efforts.

The architectural and historic heritage of the Strand area and Galveston Island in general is indisputably valuable and unique. As illustrated by the many preservation successes both in the Strand area and elsewhere in the City, the special ambiance of Galveston has wide appeal to residents, the local business community, and tourists.

Given current economics, tax incentives, and general market acceptance of preservation-related activities, the potential of utilizing restoration and adaptive reuse to the fullest possible advantage is greater now than ever before.

Properly coordinated with new construction and other public and private improvements, preservation and adaptive reuse as the focus of revitalization is the best technique to satisfy the wants and needs of the community.

INFILL DEVELOPMENT

In combination with adaptive reuse, appropriate infill development in the Strand District and in nearby areas should be encouraged and supported.

Construction of new buildings and other types of infill development will add significantly to the potential success of revitalization. This will result in the fullest possible use of available vacant or under-utilized property for needed architectural space and essential support facilities such as parking and landscaped open spaces.

Two types of infill are recommended for the Strand area: landscaping and new buildings. In each instance infill elements should be designed and located to unify and emphasize the characteristic streetscape of the District.

Although not traditional in the Strand area until recently, landscaping is compatible with both contemporary use and preservation goals. Street trees for badly needed shade, and low hedges for visual screening will help create an illusion of continuous development on the street. Small urban parks as interim or permanent improvements are also appropriate and can be used for public open space purposes or as outdoor

"courtyard" extensions of adjacent buildings (Figure 7).

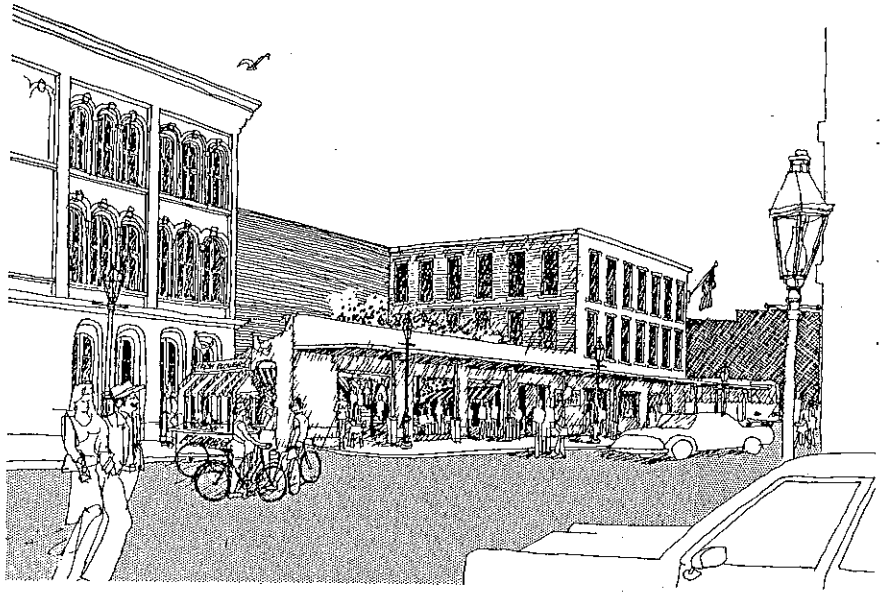


Figure 7

New structures should be introduced in appropriate context with compatible building design, proportions, and materials, and should not attempt to reproduce period architectural styles.

ACCESSIBILITY

Improved access to and within the Strand area for vehicles and pedestrians is essential to continued redevelopment. General accessibility from off-island and from other sections of the City should be safe, readily apparent, and as direct as possible. Proposed improvements to Port Industrial should be supported and coordinated with the needs of the Strand District. Within the District, circulation will be improved by locating parking facilities at the edges of the area, using two-way street patterns, and adding public transportation and pedestrian amenities.

The Strand Historic District is bounded on the south by the alley between Mechanic and Market Streets and by the wharves to the north. Because of the Strand District's overlap with the Central Business District and the barrier created by the railroad yards, all traffic into the Central Business District via Port Industrial Boulevard is presently filtered through the Strand Historic District. Port Industrial Boulevard is currently being reconstructed to form a major thoroughfare from Interstate Highway 45 to serve the full length of the port and to improve access to the north side of the island. As a result, its traffic load will increase, particularly with off-island commuter traffic. A significant amount of north-south through traffic will also occur.

Priority should be given to the expeditious completion of Port Industrial Boulevard. Construction of Strand area projects (particularly transportation improvements) should be coordinated with the construction schedule of Port Industrial Boulevard in order to minimize interruptions to area circulation. Plans for pedestrian access from the Strand to port attractions (Cruise Ship Passenger Terminal, The ELISSA, Pier 19) should also be carefully coordinated with Port Industrial Boulevard construction.

Once completed, east-west through-traffic adjacent to The Strand area should be encouraged to utilize Port Industrial Boulevard, and north-south through-traffic should be encouraged to utilize 19th Street and Rosenberg Avenue. All streets in the Strand Historic District should be designated as two-way. Consideration should be given to reducing the speed limit on the Strand and Mechanic Street. Additional traffic signals and four-way stop signs on these streets should allow priority to pedestrians.

In general, street designs for Strand area streets should include deterrents to through-traffic, but should not include speed bumps or any physical obstacle which may create an unsafe situation. Design considerations should include methods to minimize pedestrian/vehicle conflicts in creating a desirable pedestrian oriented environment. Visual elements (landscaping, streescaping, etc.) can create a psychological deterrent to through traffic, presenting an image of a pedestrian dominated area.

Extending the sidewalks at each intersection within the Strand Historic District should be considered to allow a gradual decline in sidewalk elevation and construction of wheelchair ramps. This additional space would also allow for traffic signals to be placed off the existing sidewalk, eliminating the problem of signal poles extending through canopies. Aesthically designed signals should replace the overhead signals on the Strand and Mechanic Streets, and on the north-south streets where practical.

These considerations along with a reduced speed zone and pedestrian oriented traffic signals would have a commulative effect in reducing through-traffic and enhancing pedestrian movement in a safe and efficient manner.

Adequate and convenient parking is also a prime consideration. On-street parking space should generally remain intact, with some displacement resulting from an increased pedestrian space. Designated loading areas may replace some existing automobile parking. All on-street automobile parking should be metered (preferably with double-head meters) with time limits to encourage short term patron parking. Painting on curbs should be eliminated except where absolutely necessary. Intensive analysis should be made to determine possible space for residential parking near residential buildings, including possible alley access. Similar analysis should be made in determining acceptable employee parking areas.

One multi-level parking structure is in operation between 24th, 23th, and Water Streets, and a second will soon be under construction on a site bounded by 21st, Market, 22nd, and extending to Mechanic (between the two Heidenheimer Buildings). Additional parking structures are recommended by this report; however, a more extensive and comprehensive study of the overall parking needs in the downtown area should be made to determine the locations of additional multi-level parking structures. Such structures should generally be located on the periphery of the Strand Historic

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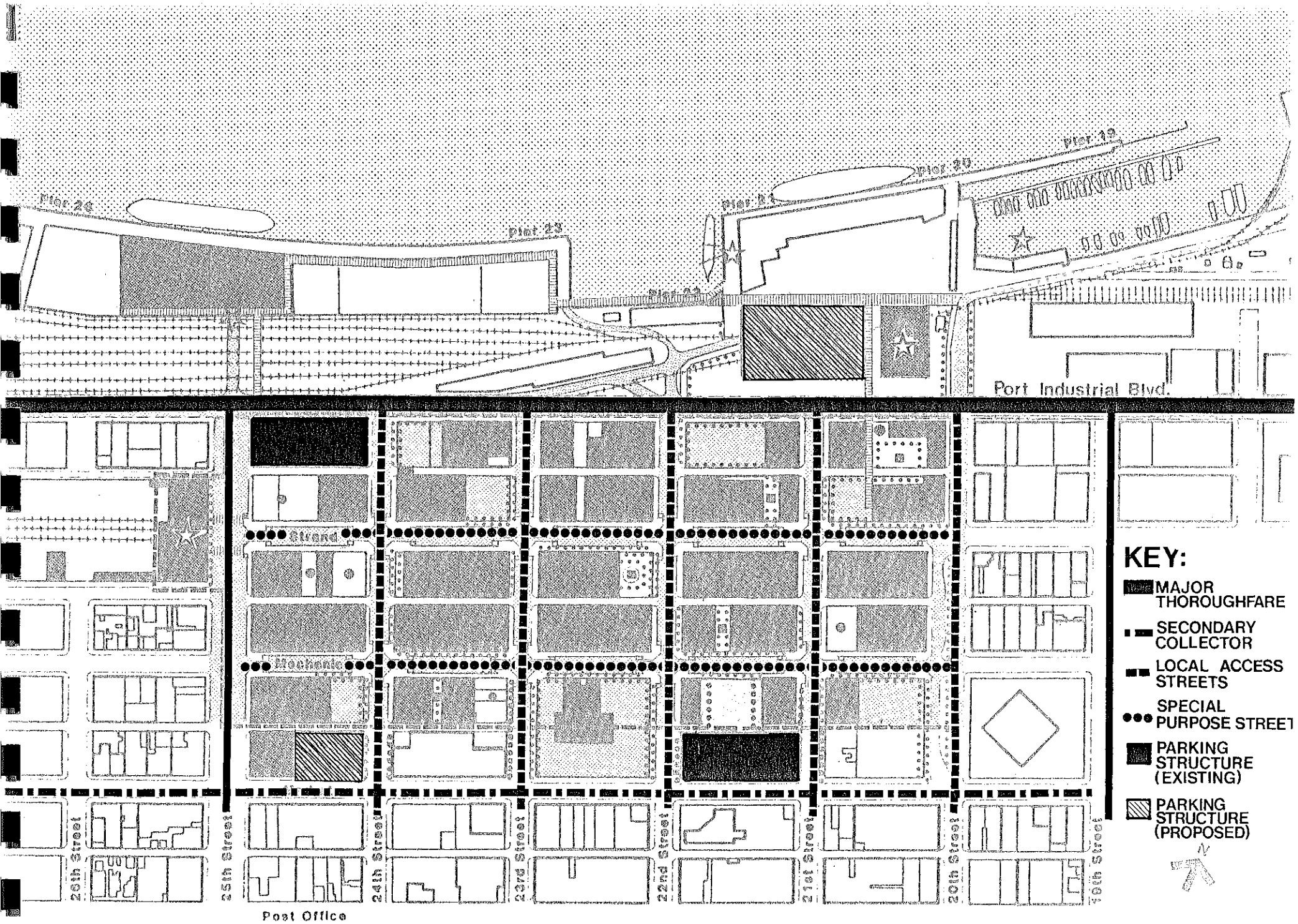


TRAFFIC CIRCULATION AND PARKING

Figure 8

(cont. from page 15)
District, and planned to complement existing and currently planned parking facilities (Figure 8).

A trolley loop, serving The Strand, Mechanic Street, and Central Plaza mall from 20th Street to Rosenberg with linkage to the Car Barn via Sante Fe Place, is being considered as a base unit for an extended people-mover system. Line extensions are also being considered for linking this loop to the Beachfront and Moody Civic Center, via Rosenberg. The results of the separate trolley system study by Marr Engineering will enable Strand and City leaders to move forward with this idea. Merging the trolley system with the transit system should be strongly considered. The City of Galveston should pursue legislation allowing cities of similar size to create metropolitan transit authorities. A tax-based authority for Galveston could enhance its public transportation system and would increase the possibility for incorporating a trolley system.

VISIBILITY

Increased visibility of the Strand Historic District as a distinct area of the City is essential to support existing development and to attract and maintain further redevelopment. Specific steps should be taken to increase awareness by both residents and tourists of Strand businesses and attractions.

The proximity of the Strand Historic District to the Central Business District makes the amenities offered by the Strand Historic District especially convenient to workers in the Central Business District during the lunch hour and early evenings. Marketing efforts for the Strand area businesses and attractions should emphasize this fact. Also, by encouraging north-south through traffic on 25th and 19th Streets, The Strand can become visible to people whose destination is the Central Business District. This visibility will encourage people to return to The Strand at lunch and after hours by reinforcing the image of The Strand in commuters' minds.

In terms of tourism, Galveston has attracted visitors to its beachfront for many years in the summer season and progress has been made for tourism to be a year-round activity. With the increased renovation activity in the Strand District and historic residential districts, tourist activity has progressively strengthened. By expanding promotional efforts to improve the Strand's visibility along with increasing the amenity level, the Strand will play an even larger role in making Galveston a viable year-round tourist center.

Some specific steps to increase the Strand District's visibility include the following:

- Implementation of the trolley as a link between various Strand attractions, and as a workable transportation connection between the Strand and other areas of Galveston.

- Continued and increased emphasis of the Strand in general publicity and

promotion for Galveston Island as a whole. Including Strand attractions and businesses in a "coupon passbook" along with other Island attractions for example, would increase visibility as well as patronage.

- Directional signage to the Strand area should be provided at all major points where traffic comes on to the Island. This is particularly important at the causeway; the State Highway Department's signage should include references to the Strand.

- In the District itself, streetscape improvements; street lighting, planting, and other techniques should be used to clearly define the boundary of the area and create a definite sense of arrival. The proposed "Battle of Galveston Diarama" at 19th Street is an example of improvement which would help create this effect.

- A street map/index system for pedestrians should be installed at strategic places through the CBD and the Strand. This system would orient visitors by clearly explaining where major attractions are located and the best routes to follow. The system should be designed so that it is easy to understand and easy to revise and update. A prototype model of the system could be installed at the Strand Information Center as a pilot project by the Galveston Historical Foundation.

MIXED USE

Continued emphasis on mixed-use development -- particularly residential use -- will give the Strand District an even broader economic base and greater viability. Keyed to market factors, mixed-use should be approached in the broadest possible context to encourage a variety of retail, entertainment, residential, and office uses.

Analysis of current and anticipated market trends points at strengths in a number of redevelopment directions, already established by revitalization activities during the past years. The apparent success of existing retail and entertainment operations indicates expansion potential for quality business catering to community residents and visitors. Increased dwelling units in the Strand will also create further demand for basic convenience services and related retail stores.

Additional office space designed for professional business and other office uses with limited "walk-in trade" requirements are also indicated by market conditions. These types of uses are ideally adaptable to the many upper-story spaces typical of the Strand area.

Of all possible uses, residential development has been the least pursued by private developers and is most vitally needed to balance the mixed-use concept.

Fortunately, the residential potential of the Strand is enormous. Its unique ambiance is condusive to establishing an extremely popular residential precinct, and its attractive existing building stock lends itself to restoration and conversion into residential apartments. This is particularly significant in view of the limited available land for construction of new housing stock in the City.

In terms of specific residential markets the University of Texas Medical Branch, Galveston's largest employer, is located only ten blocks east of the Strand District. This institution attracts a large number of young professionals who require housing and the proximity of the Strand District is ideal. Also, as financial and business activity increases in the Central Business District, other large employers will need to house increasing numbers of employees.

The results of the market report accomplished at the beginning of this study indicate that both condominiums as well as rental apartments could be absorbed at a conservative rate of 15 condominiums and 20 apartments per year under the current market conditions.

Contrary to this assessment of the market, most refurbishment projects presently being planned or in progress are for conversion to office use. This circumstance results from a number of significant factors which must be dealt with before residential redevelopment can increase substantially. The primary factor that has made office development more financially attractive is the availability of tax-exempt Industrial Revenue Bonds for office and retail, but not for living units. Additionally, investment returns from apartments are lower because of greater initial development costs (approximately one-third), lower rental rates, and higher maintenance costs. The lack of satisfactory solutions to parking, security, and other basic residential needs has also been a negative influence.

Even so, increased residential activities should be considered of the highest priority, and specific steps can be taken to achieve this goal. The Galveston Historical Foundation can play a major role by styling its revolving fund activities to be more supportive of mixed use development through specific deed restrictions and financial incentives. The GHF should also work with the City to establish special development programs and tax incentives that will help implement residential development and improve parking, security, and basic services.

LINKAGES

The concept of creating simple, safe, and convenient pedestrian circulation links within the Strand District and to nearby attractions and destinations is vital to continuing and expanding redevelopment activities. The proposed Trolley should be viewed as part of this overall linkage network and developed in conjunction with the pedestrian circulation elements.

The sidewalks and related streetscape amenities throughout the Strand area are the

backbone of the linkage network. The highest priority should be given to upgrading and improving sidewalks and curbs which are in poor condition. Because renovation of existing walks and curbs is the responsibility of individual building owners, these improvements should be included with each facade restoration. Rather than using a single paving material throughout the District, sidewalks may vary from building to building if designs and materials are complimentary. This will facilitate pedestrian movement and; together with appropriate lighting, street trees and landscaped pedestrian areas, will greatly improve the visual appearance and the general coherence of the District.

Similar improvements should also be extended to selected alleys to convert them to comfortable pedestrian thoroughfares. This will add another dimension to the unique pedestrian atmosphere of the area and take advantage of an as-yet-untapped urban design opportunity.

The net result of these efforts will be a safer, more inviting pedestrian environment that encourages walking and helps support all of the varied activities and commerce of the Strand area.

In combination with these improvements, providing efficient and effective connections to nearby areas of the City is equally crucial and should also be pursued vigorously. The linkage network should reach out from the Strand area to connect with the other important facets of downtown Galveston. To the east and south linkages will encourage increased interchange between the Strand area and the Central Business District. To the north and west, significant numbers of workers and visitors coming to the Port and Shearn Moody Plaza can be better accommodated.

Good linkages are especially important in terms of the major attractions located nearby. Most of the major completed and proposed attractions are located in the vicinity of The Strand/CBD area. These include:

1. The shrimp boat fleet, charter boats, and restaurant at Pier 19.
2. The Center for Transportation & Commerce at Shearn Moody Plaza.
3. The ELISSA berthed at Pier 21.
4. Strand Street Theatre on Mechanic Street.
5. The proposed Mallory Building Cruise Ship Terminal Development at Pier 25. (Figure 9)

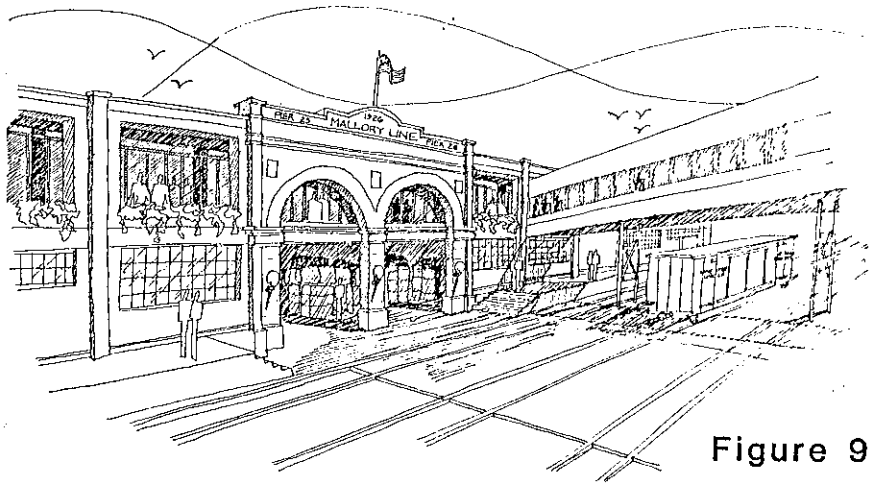


Figure 9

In order for these attractions to succeed, it is essential that they be easily accessible and visible to the general public and especially the tourist. At present the four completed attractions are independent of one another both operationally and in their physical locations. It is the recommendation of this report that linkages be created wherever possible between all attractions in the Strand Historic District and environs so that they may get maximum benefit from increased exposure and accessibility.

The linkage idea has particular potential in relation to the waterfront. The recently improved pedestrian connections to the attractions at Pier 19 and Pier 21 are significant beginnings of the waterfront link, as is the new overhead walkway between the City parking structure at 25th and Water Streets, and the Mallory Building/Cruise Ship Terminal at Pier 25 (Figure 10).

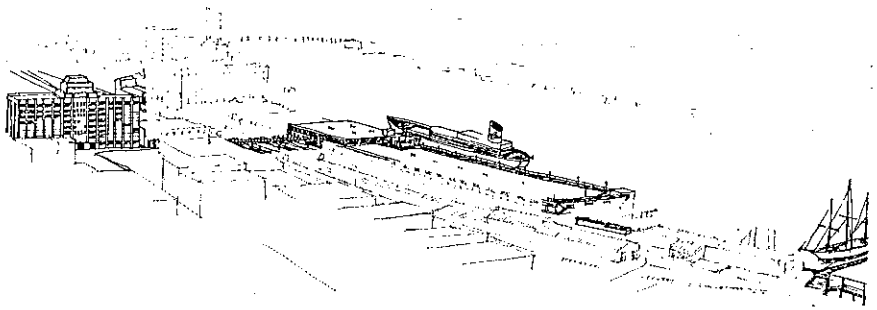


Figure 10

Potential for other similar links also exists, and these should be considered in future planning. For example, creating an elevated promenade between the Mallory Building development and the Elissa at Pier 21 would connect two important Port attractions while offering an outstanding view of wharf activities.

Similiarly, an overhead link between the eastern end of the Strand area and the Pier 19 area warrants consideration. Of course, any plans of this nature must effectively resolve possible conflicts between ongoing Port operations and public access. The old Ice House Smoke Stack behind the Hendley Building should be used as a special design element.

Yet another component of the linkage system is the proposed trolley route. The report currently being prepared by an engineering consultant deals specifically with the proposed trolley system, its economics and routing. Should the trolley be implemented, its routing will form another major circulation element and thus could aid in creating viable linkages. It is beyond the scope of this report to make any recommendations pertaining to the trolley's routing; however, a response to its impact on the Strand District is pertinent.

The major vehicular traffic flow through the Strand District is anticipated and encouraged to take place from north to south and vice versa. Heavy traffic should not be encouraged in a west-east direction due to the conflicts this sets up with the pedestrian activities and attractions. It is recommended that the trolley run in the west-east direction to best serve the attractions.

It is recommended that sidewalk projections

be constructed at street intersections in order to:

1) Restrict vehicular traffic to two lanes;
2) Create pedestrian cross-over points;
3) Serve as trolley stops;
4) Provide space for handicapped access ramps.

This plan will also allow traffic signalization to be removed from building canopies, and visually discourage heavy vehicular traffic on east-west streets (Figure 11).

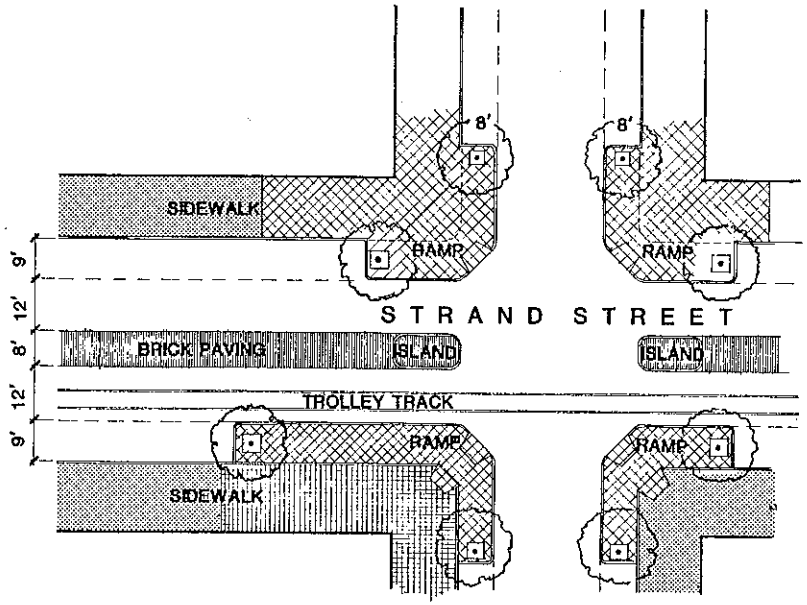


Figure 11

DEVELOPMENT SECTOR APPROACH

Further revitalization can best be projected and achieved by looking at redevelopment opportunities collectively rather than on a project-by-project basis. Development "sections" or "clusters" should be identified to help focus the collective energies of both public and private individual projects for broader benefit of the District itself and adjacent areas as well.

Individual restoration efforts, if undertaken in a cooperative spirit, can produce an optimum result which benefits the Strand Historic District as a whole. Planning for individual projects should be broadened to include relationships to neighboring projects or buildings and relationships to the sidewalk, street, and alley. In applying this approach, the concept of continuity of individual blocks and the District in general will be reinforced.

By recognizing the potential for redevelopment of "clusters" of lots of buildings, design guidelines can be applied more consistently, thereby affecting positively a larger area of the Strand District at one time.

Additionally, unity and compatibility of design can be attained that will improve the aesthetic quality of the District. Economies can be realized through sharing of common facilities, and joint management and marketing functions could be achieved. Construction economy can be optimized, especially if neighboring projects cooperate; and finally, the improvement of contiguous and nearby projects over a short term period will provide a measure of security for investment in the "cluster" area.

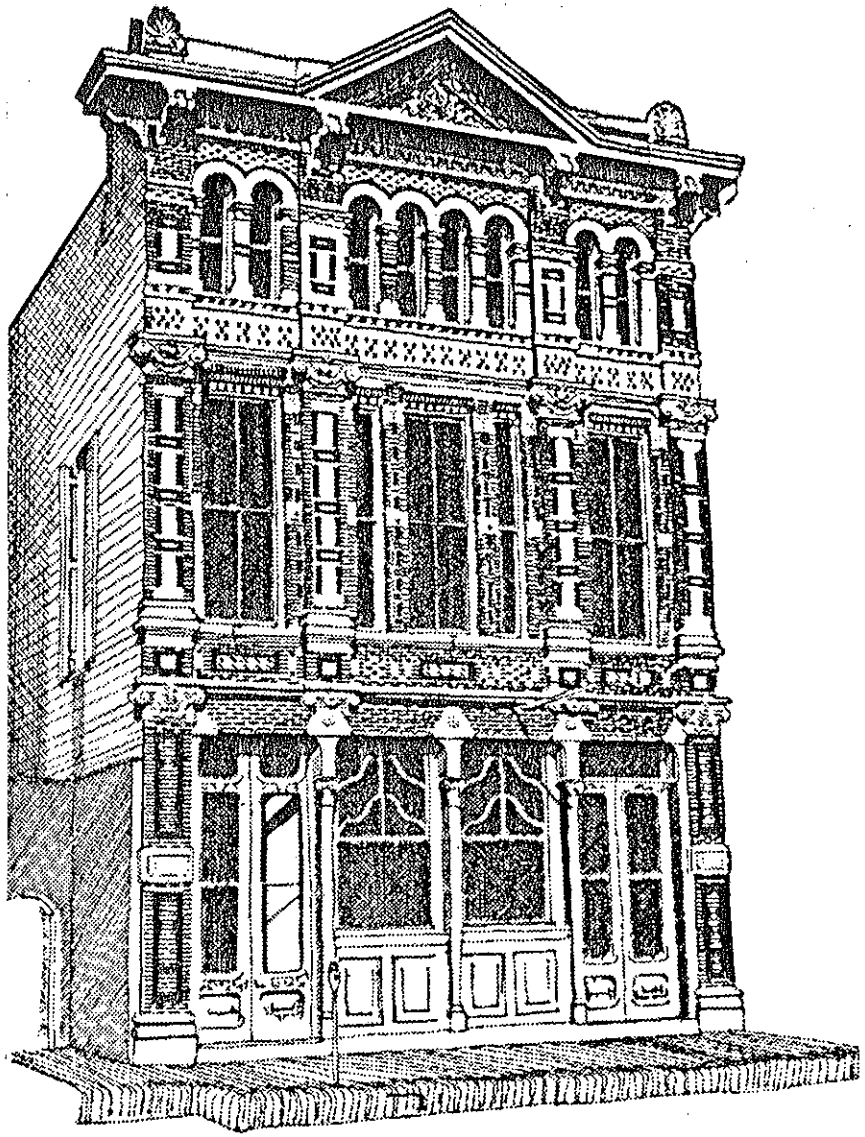
It should be emphasized that joint ownership is not essential, although this may be advantageous in some instances. Rather, certain redevelopment projects simply make more sense when considered in conjunction with each other.

As each development sector is defined, criteria appropriate to the Strand District can be applied to establish specific development guidelines suited to each cluster.

It is recommended that the individual property owners concerned be involved in this process which should be guided by the Galveston Historical Foundation or other Strand District administrative authority. Ultimately, development sectors would overlap further reinforcing overall continuity of development.

Considering the various projects that are currently underway in and around the Strand area, a number of possibilities for development clusters can be readily identified. Of these possible choices, five have been selected for inclusion in the Development Plan outlined in the Implementation section of this report.

It is not intended that these specific sectors preclude other combinations of projects from being pursued. Rather, they are offered as examples of applying the Development Sector approach.



IMPLEMENTATION

The conceptual Development Plan for the Strand Historic District (Figure 12) grows out of the momentum that has already been established by the many projects that are currently underway. The plan also reflects projects that are presently being considered and is presented to illustrate how the development strategies formulated by this study can be most effectively applied. In addition to the plan and suggestions for potential development sectors, specific recommendations for possible implementation funding are also outlined.

DEVELOPMENT PLAN

The major elements of the ACTION PLAN FOR THE STRAND summarized as follows:

Implement all private and public developments in accord with the ACTION PLAN FOR THE STRAND.

Continue historic preservation/reuse of significant architecture in the district.

Emphasize rehabilitation of contributing structures.

Encourage redevelopment of sites with non-contributing structures and development of vacant sites as infill.

Concentrate on substantially increasing residential uses.

Coordinate implementation of public and private redevelopment in the context of "development sectors."

Strengthen the Strand Merchant and Owner Association to promote and support appropriate continued development of the Strand District.

Add to the Galveston Historical Foundation's professional staff as required to effectively coordinate implementation of the Strand Development Plan.

Create a Tax Reinvestment Zone as a method of funding public improvements. This should include the Strand Historic District and the Central Business District.

Reinforce the pedestrian aspects of the District, especially on Strand and Mechanic, by appropriate introduction of street trees, sidewalk improvements, and street lighting.

Encourage the development of varied urban park spaces as "people places".

Develop strong pedestrian linkages between the Strand District and nearby attractions, especially along the water front from Pier 25 to Pier 19.

Implement all transportation-related improvements as part of an overall metropolitan transit plan that coordinates main vehicular access, peripheral parking structures, and the proposed trolley system.

Encourage the development of additional major attractions such as an aquarium.

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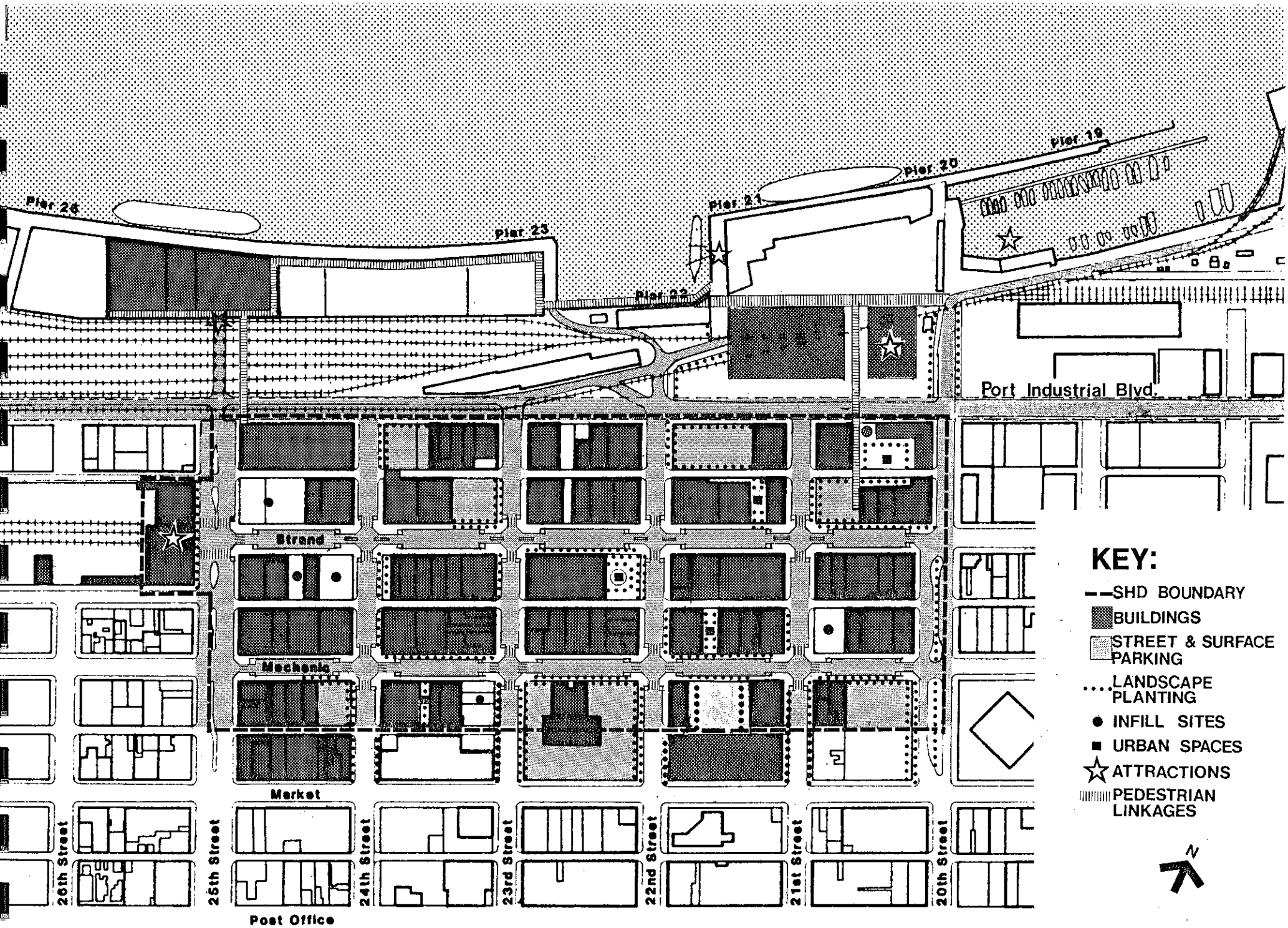

STRAND HISTORIC DISTRICT—DEVELOPMENT PLAN

Figure 12

(cont. from page 25)

Establish a comprehensive public relations program to communicate achieved redevelopment successes and promote remaining investment opportunities of the Strand District.

SUGGESTED DEVELOPMENT SECTORS

Of the many possible combinations of complete projects, proposed development, and unrealized redevelopment opportunities, the following clusters offer particular opportunities to implement revitalization by development sectors (Figure 13):

Pier 25 Cluster:

It is anticipated that within the next few years cruise ship dock activity will intensify and the operating terminal for these cruise ships will be located at Pier 25. A terminal consisting of customs and related facilities, such as loading and unloading of passengers and luggage, is being planned on the second level of the Mallory Building which is presently serving as a cotton warehouse alongside Pier 25. An elevated link has been constructed which, though of poor aesthetic design, spans the railway lines between the cruise ship terminal and the existing parking structure at Water and 25th Streets. Plans for the conversion of the Mallory Building into a cruise ship terminal could also include the development of a restaurant and cocktail lounge that would take advantage of the view of the dock activities. Other facilities that could be accommodated in the building are specialty retail stores, including gift shops. A pedestrian walkway would extend east from the second floor atop the one-story portion, thus providing a dramatic and intimate view of Port activities.

It is anticipated that the development of this facility will constitute a major attraction for tourists as well as for pedestrian recreation. In order to maximize its potential, the Mallory Building development should be linked closely with the Strand Historic District as well as other waterfront attractions. It should therefore be developed as a whole cluster with attention being given to creating a pleasant pedestrian connection from the intersection of Strand and 25th, north to the garage, then across the pedestrian bridge to the Mallory Building. The pedstrian system should be designed to be continuous around the Cruise Ship Terminal to the dock side of the building, and then continue east along a rooftop "boardwalk" to ultimately connect with the ELISSA at Pier 21.

Waterfront Cluster

At the east end of the Strand area's waterfront exposure is the shrimpboat fleet which is moored at Pier 19. Other interesting activities are located there such as the party boat hiring facility, two fish markets, and a restaurant. Access to Pier 19 has recently been improved by a major city public works project; however, a traffic signal and pedestrian crosswalk at 20th and Port Industrial Boulevard are still

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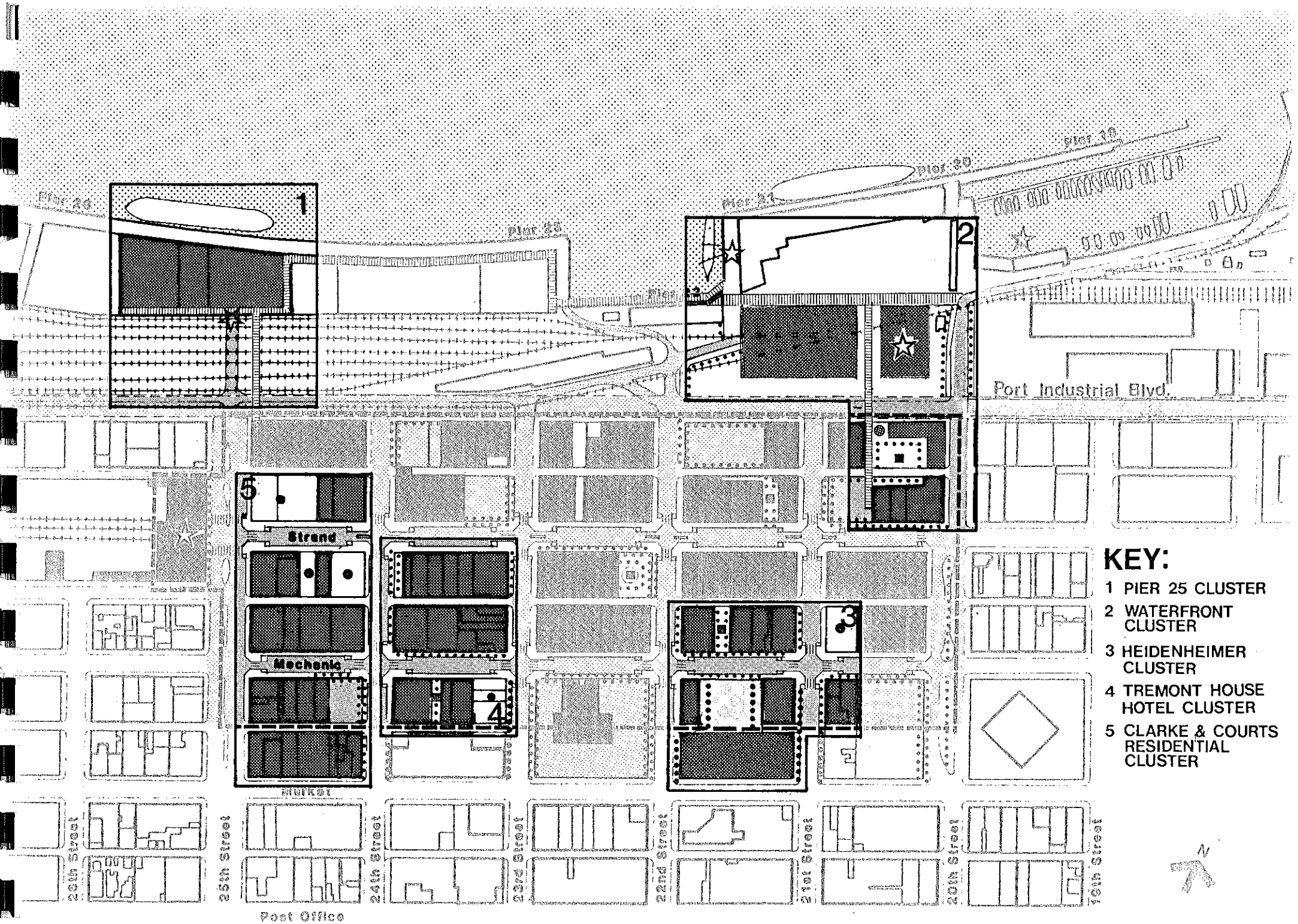

DEVELOPMENT SECTORS

Figure 13

(cont. from page 27)
needed. Between Pier 22 and Pier 19 are the banana boat and warehousing facilities. A parking structure is recommended to serve the northeast quadrant of the Strand District, constructed over the banana loading area. The parking deck should be planned so as not to disturb the ground level activity of the wharves, and could span the area between Pier 21 and Pier 19 along the northern edge of Port Industrial Boulevard. A major waterfront attraction such as an aquarium could be incorporated into this structure which would benefit from the pedestrian activity already generated by the Strand area as well as the parking facility adjacent to it and its close connection to other waterfront-related attractions such as the ELISSA. The pedestrian linkage system originated on the Strand and continued in the Pier 25 Cluster could extend from Pier 21 at the ELISSA, across the parking deck to the aquarium, and ultimately to Pier 19 (Figure 14).

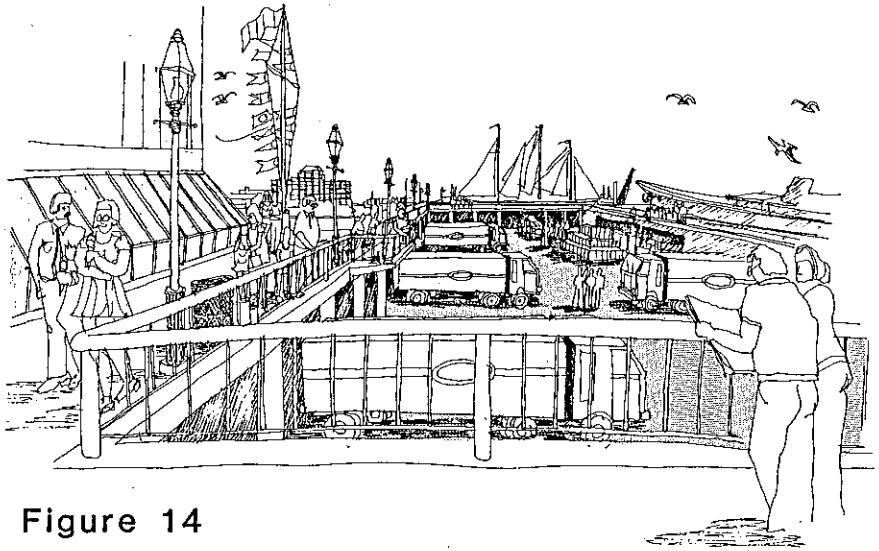

Figure 14

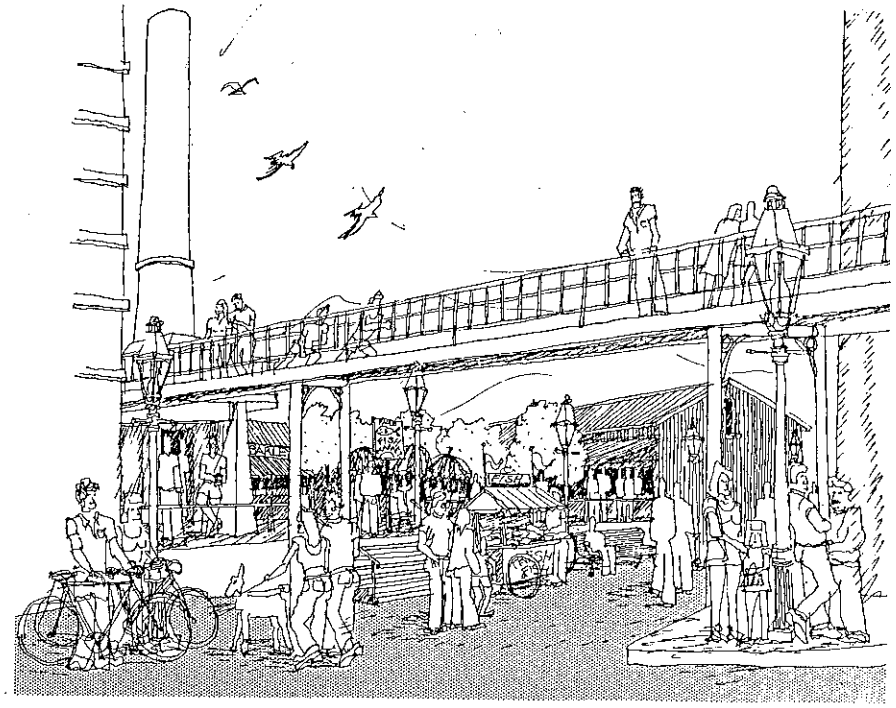

Figure 15

A further opportunity exists in connecting the Waterfront linkage system back to the Strand District by returning the pedestrian link south across the parking deck from the aquarium and over Port Indistrial Boulevard to the Ice House Smokestack. From the smokestack the pedestrian link would relate to the proposed "Fish Market Square", a suggested project that should be developed with Galveston's fishing industry as a primary theme. The square could be developed as a mixed use or specialty retail facility that would serve both tourists as well as residents. The final pedestrian link would continue south from Fish Market Square along the west side of the Hendley Building to the Strand, where the Visitor's Center is located (Figure 15).

Heidenheimer Cluster

This cluster contains several projects already complete, several that are currently underway, and several potential projects, all of which would benefit from the development sector approach. The Stewart Title Building and the Cotton Exchange are both in excellent condition and contribute to the streetscape. The Heidenheimer (Marine) and Heidenheimer (Hunter) Buildings are presently being planned for restoration, and a new major parking structure is scheduled just south of the District fronting on Market Street. It is essential that the architecture planned for these lots be sympathetic with the rest of the streetscape in scale and treatment. The lot on the northeastern corner of the Mechanic and 21st Street intersection is used as an open parking lot. Because of the proximity of the new parking structure, and also the resulting breakdown of the scale in the street, it is recommended that this site be used as an infill location for new construction. The alley between Mechanic and Strand within this development sector should be redeveloped as a pedestrian accessway. It is recommended that the handsome rear elevations of the Strand buildings adjacent to the alley be restored, and that the open lot east of the Stewart Title building be developed as a small urban park. The facades surrounding this park would contribute to the ambiance of the sector and the park would allow additional light penetration into the rear of the Strand buildings. This particular development sector is located closest to the business district of Galveston, and the park would provide a welcome outdoor seating area at lunchtime. In addition to Stewart Title Park, it is recommended that the Galveston News Building be restored. Other projects that should be executed in this development sector are sidewalk and curb refurbishment, street improvements, landscaping and signage.

Tremont House Cluster

The $12 million rehabilitation of the Leon & H. Blum Building as the Tremont House, a 125-room hotel, is now underway by George and Cynthia Mitchell. Special attention is being paid to restoring the facades of the buildings on Mechanic Street facing the hotel. An important complementary activity is the Strand Street Theater directly opposite the hotel. The theatre provides the opportunity for first-class evening entertainment for hotel and restaurant guests. Plans also include the development of the alley between the Tremont House and the Strand into an active pedestrian area. This would allow visitors to filter through Strand shops in this block into the alley space and into an attractive alley entrance to the hotel. Small shops and food operations would face on the alley space in the rear of the Strand buildings.

The Belmont Hotel next door is also to be rehabilitated as well as the Berlocher Building and Strand Street Theatre on the south side of Mechanic Street. The warehouses and buildings on the south side of the street should be refurbished and, where possible, be converted into commercial space along Mechanic Street. The southwest corner of the Mechanic and 23rd Street

intersection is presently used as open parking. Provision of alternate off-street parking in the future may make it possible to consider carefully designed new construction on this site to complete the handsome row of facades adjacent to the west. Other projects within this development sector that should be undertaken consistently throughout the cluster are sidewalk and curb refurbishments, street improvements, landscaping treatment, and signage. If this cluster is approached as a whole, the individual projects will derive benefits far in excess of what they may individually achieve (Figure 16).

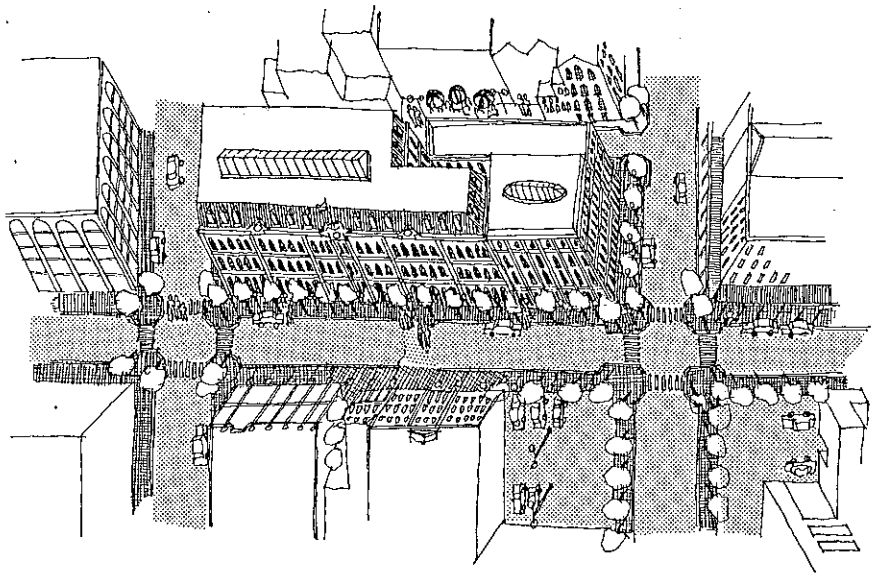

Figure 16

Clark and Courts Residential Cluster

Because of its ideal location, the Strand District comprises almost all the necessary components for making a most successful real estate venture. The major area that is lacking development to date is the residential component. However, because of the shortage of on-island housing, the opportunities offered by the Strand District for housing should be vigorously pursued. In order to guarantee that the residential development will succeed, necessary convenience retail facilities such as laundries, grocery stores, etc., should be available. Other essential components are security, lighting, and adequate convenient parking.

This "cluster" bounded by 24th Street, Market Street, 25th Street, and the Strand/Port Industrial Boulevard Alley, should be developed as a primarily residential sector. The following projects need to be developed and coordinated in such a way to create an optimum residential environment:

The Clark and Courts Building, The Panama Hotel, and the other existing buildings along 25th Street should be restored and converted to residential units.

New residential units need to be designed as infill construction to supplement and make use of vacant lots. The vacant site at Strand and 25th offers an excellent opportunity to do a model residential development as infill.

Construction of a new parking garage at the Northwest corner of Market and 24th Streets would serve the residential cluster.

Residentially-oriented commercial and retail space should be included within the cluster, such as a laundry, drugstore, grocery store, and health club.

All necessary infrastructure elements that are essential to the success of a residential sector should be planned in conjunction with other cluster elements. These include refurbishment of the alley into a residential "street", garbage disposal, lighting, walkways and pavements, and landscaping.

These five development sectors do not preclude other projects in the Strand District being pursued, but should be considered as examples of a method of approaching redevelopment. Figure 17 illustrates the relationships between existing attractions and projects in progress relative to projects suggested for development sectors.

FUNDING OPPORTUNITIES

Tax Credit for Rehabilitation Expenditures:

The viability of promoting the Strand Historic District as a good investment location was increased substantially in 1981 with the Economic Recovery Tax Act. The previously existing bias in favour of new construction has effectively been eliminated and tax incentives for rehabilitating older buildings have been substantially improved. The investment tax credit now allowed for certified historic rehabilitations is a significant stimulus. The effect of the incentives of the Economic Recovery Tax Act are already being felt in the Strand District. Appendix "B" contains a summary of the Tax Incentives for investing in Historic Properties as prepared by the Texas Historical Commission.

CIRCULATION SYSTEM FUNDING OPPORTUNITIES:

Several recommendations have been made in the preceeding chapters that pertain to transportation improvements. The following suggestions deal with possible means of funding these improvements.

Normal street and traffic flow improvements and maintenance in the Strand area can be financed through the City's general fund, general obligation bonds, and other funds available to the City for upkeep and capital improvements (under specified conditions) such as Community Development Block Grants and Federal Revenue Sharing. Circulation system improvements could also be financed as part of the overall Strand District improvements under an Urban Development Action Grant if an additional grant is awarded for the District. Loan repayment proceeds from earlier UDAG funds could also be used. Federal Aid Urban Systems funds administered by the Federal Highway Administration (FHWA) can be used for financing major street improvements as determined by established criteria. Currently, the City of Galveston's Urban Systems funds are committed to the construction of Port Industrial Boulevard, an essential element to the future viability of The Strand area.

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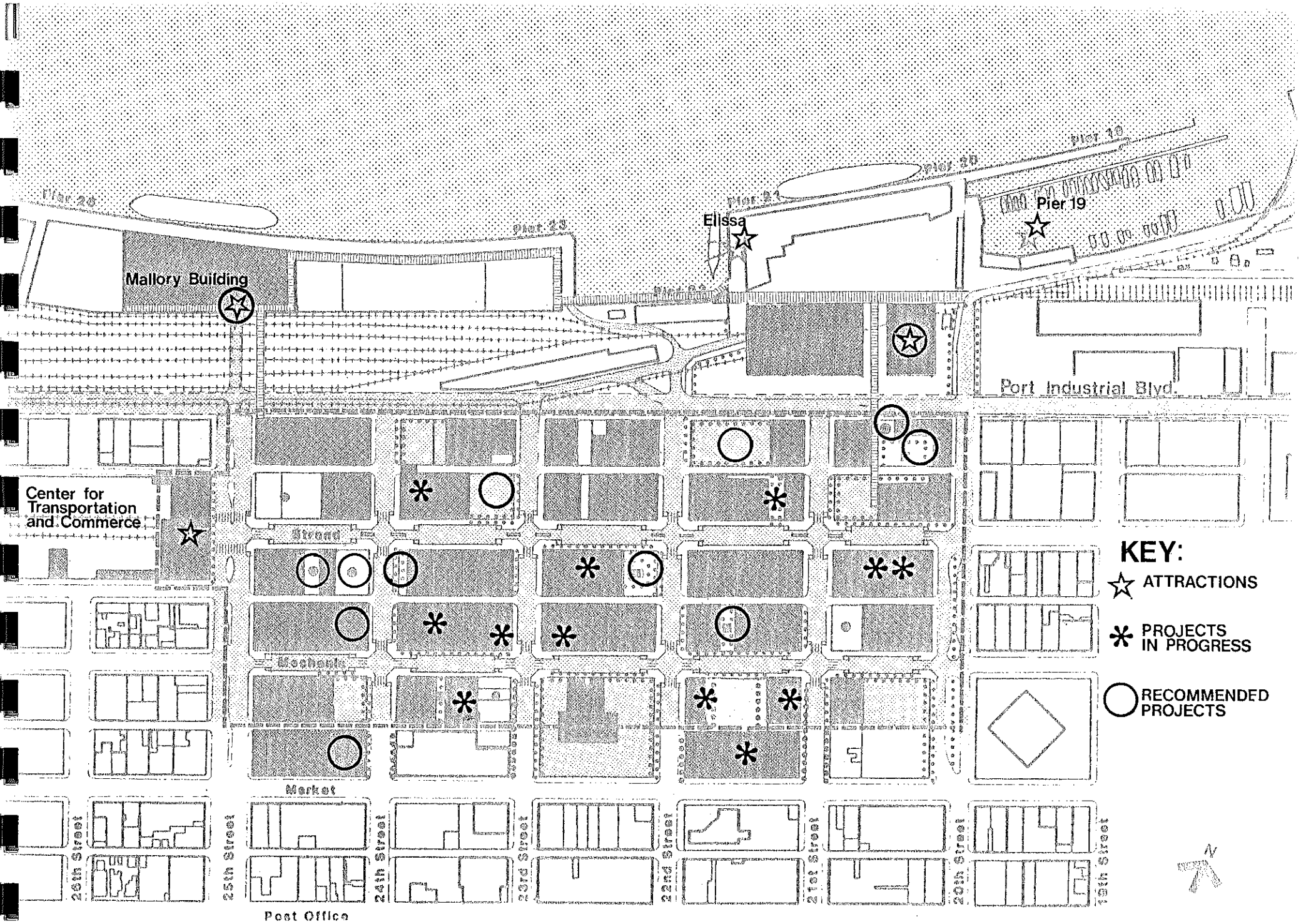


RECOMMENDED PROJECTS

Figure 17

(cont. from page 32)

Depending upon the selected street designs for The Strand and Mechanic Street (as well as adjacent north-south streets), modifications and improvements to the existing streets may be required which could exceed the scope of normal funding sources. Proposed special features unique to the Strand District (such as landscaping/streetscaping, center island, intersection modifications, and pedestrian space improvements) may necessitate additional methods of funding, including:

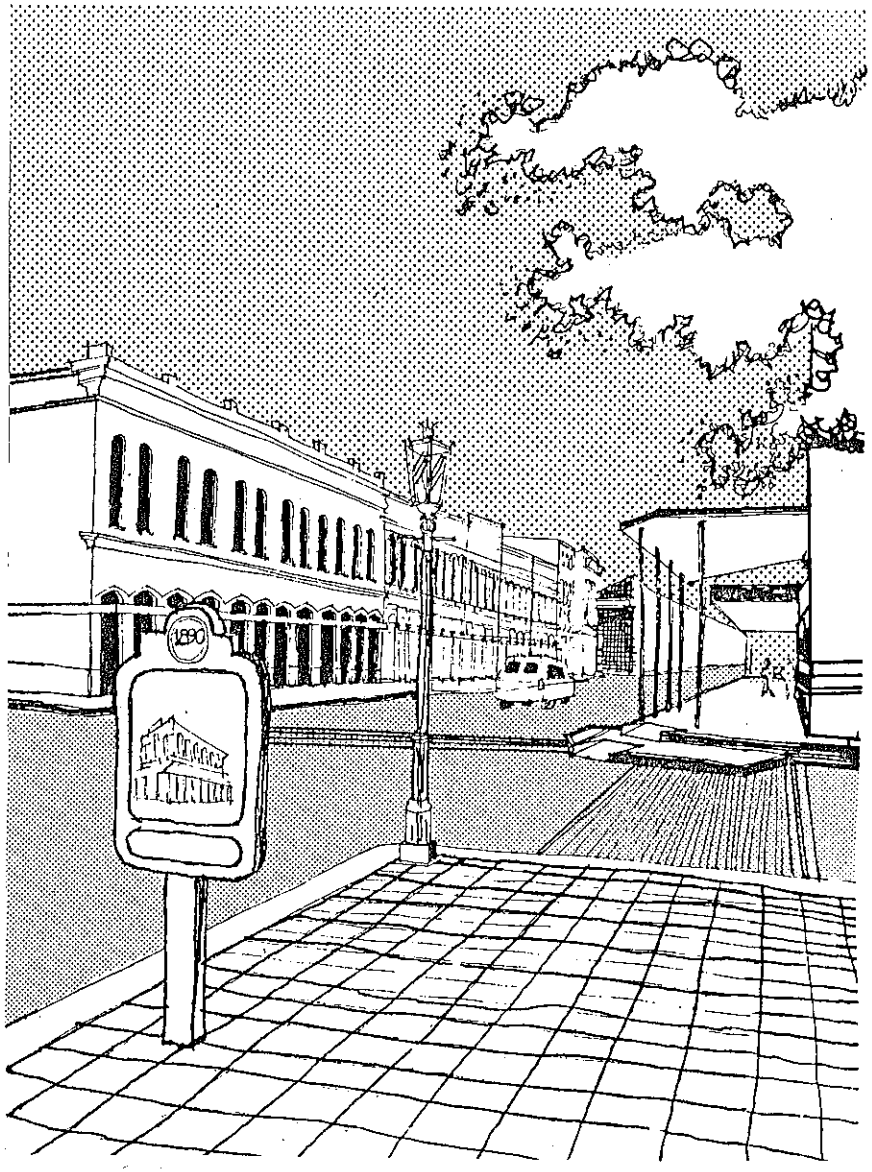
(1) Special Assessment District
(2) Cost Sharing
(3) Private Contributions
(4) Tax Reinvestment Zone (Tax Increment Financing)

The tax increment financing district method (known in Galveston as a tax reinvestment zone) allows a City to finance needed public improvements within a defined special assessment district through the increase in taxes generated by subsequent private development. The additional tax revenue generated within the designated zone is placed in a special fund which can only be used for funding improvements to the area or for paying off bonds that finance project expenditures. Cost sharing provides a public/private partnership in making overall improvements in an area which are of benefit both to public and private interests. Private contributions are normally used to provide specific public improvements, such as a fountain, statue, landscaping, or other amenities which are usually perceived as luxuries for expenditures of public funds.

In addition to funding methods previously identified, there are other financing possibilities for parking improvements. On-street parking is a public responsibility as public street space and right-of-way are used. The city can opt to meter each on-street parking space, thus producing revenue. Currently, parking meter revenue collected by the City of Galveston goes into the general fund. A municipal parking fund could be established for making public parking improvements (both on-street and off-street) using revenue collected from public parking areas, from private contributions in lieu of providing private off-street parking, and supplemented by issuance of revenue bonds for constructing large facilities. A parking improvement district, similar to an assessment district, could be created, allowing the city to make public parking improvements within a defined area, issue bonds, and levy taxes to retire the bonds. If such a district is controlled by a municipal parking authority, revenues collected from applicable parking areas could help retire the bonds and relieve part of the tax burden of the property owners.

Building and operating a trolley loop serving solely the Strand Historic District has limited financing opportunities. Such a loop by itself would not serve a public transportation need other than internal circulation, and would thereby be unlikely to receive any federal transportation funding. However, a trolley system (with this loop serving as the base) with extensions to other major destinations would serve a public transportation need, increasing the practicality of a merger with Island Transit. As part of a public

transportation system opportunities are increased for obtaining operating subsidies and capital grants from the Urban Mass Transportation Administration (UMTA). A metropolitan transit authority (subject to the approval of state legislation allowing the creation of such, and to approval by the voters of the Galveston area) would allow additional sales tax revenue to help support an expanded system in addition to fare box revenue and Federal assistance. A municipal bond program, subject to voter approval, could also be used to finance implementation of the trolley system.



DEVELOPMENT GUIDELINES

The quality and appropriateness of individual physical improvements are crucial to the continued success of revitalization. All public and private efforts must be planned and implemented with this standard in mind. The design of all improvements must complement and reinforce the very special historic and architectural character of the Strand Historic District.

The following development guidelines recommend standards that will protect and enhance character of the area as well as the long term interest of redevelopers.

BUILDING RESTORATION AND NEW CONSTRUCTION

The concept for revitalization of existing buildings and construction of new structures established in previous planning reports should be re-emphasized. A particular period for the "style" of architecture should not be settled upon as an implementation guideline, but rather design principles should be adopted that will lead towards appropriate design.

Individual buildings should be restored to the way they appear best, as long as it is in the spirit of their historic character. This allows for limited flexibility in the choice of elements to be incorporated; for example, canopy replacement. The desired streetscape may include the use of canopies and the opportunity should exist to use these, where appropriate.

The Strand Historic District should be evaluated block by block and not by each individual building. The block is a significant visual unit, especially when considered in conjunction with the design of a streetscape for the Strand Historic District. The unity of the block should be strengthened as a single entity. Within this concept, the visual quality of individual buildings should be preserved and enhanced.

In order to maintain the scale of the block, the height of new buildings should be within the range of heights already found along the block. Where increased heights are required, the primary facades should maintain the alignment of neighboring buildings.

Other architectural means of integrating new construction with the old and maintaining continuity on a block are to emphasize similarities in height, detail, and materials. By repeating the architectural elements found in existing adjacent buildings such as harmonious geometric proportions, rhythms created by door and window openings, building detailing materials, textures, colors, and graphics, new construction can be successfully integrated with its neighbors.

As a means of strengthening the block unity, and also to retain the sense of scale of the block, similar proportions in vertical and horizontal elements should be retained.

Most buildings in the Strand Historic District are built out to the sidewalk with no set back from the property line. This gives the streetscape a strong uniform edge of facades on either side. Where facades must be set back from the property line,

elements should be incorporated into the design to create continuity of alignment such as colonnades and landscape planting. Similar separations should be used between the sidewalk and parking areas to screen these open spaces.

OPEN LOTS:

Vacant lots in the Strand District are generally used for surface parking, whether formally laid out or not. These open lots should have a designated use either as parking, as sites for new construction, or as small scale urban parks. An effort should be made to screen these lots when used for automobile parking. The following projects are recommended as appropriate open lot developments.

Cafe Terrace:

An opportunity exists on the southeast corner of Strand & 24th to develop a sidewalk cafe.

Emporium Restaurant and Apartments:

It is recommended that the Emporium proceed with the development of the adjacent property as an indoor/outdoor garden restaurant with apartments above.

Stewart Title Park:

Along with the restoration of the facades to the west and east of the lot adjacent to the Stewart Title Building, the alley facades to the north should be refurbished. This lot should be landscaped and paved to connect to the refurbished alley and serve as a shady outdoor park space on Mechanic street.

STREET PAVING, SIDEWALKS AND CURBS

Because the Strand District once had brick-paved streets, the ideal circumstance would be to reinstitute brick paving throughout the area; however, the cost of exposing existing brick or repaving with new brick may be prohibitive. Quality asphalt paving in combination with good curbing and brick or patterned concrete pedestrian crossings is an acceptable alternative.

Building owners in the Strand Historic District should be encouraged to restore the sidewalk and curb adjacent to their property under the guidance of the Galveston Historical Foundation. Where sidewalks need to be repaired, this should be done with materials similar in scale and texture to those originally installed. Examples of appropriate materials used in the Strand District include brick paving, unglazed tile, or stone pavers.

The sidewalk materials may differ from building to building, however paving materials should be of complimentary colors and textures and, the curb should form a more or less continuous element.

Where possible, the original brick curbs should be restored; otherwise new concrete curbs following the profile of the original curbs should be produced to provide continuity and regularity of the street edge.

Figure 11 illustrates the recommended treatment of a typical intersection including varied paving materials, extended sidewalk areas, and provisions for wheelchair ramps.

ALLEYS

A number of alleys in the Strand District have a significant potential for use as pedestrian ways and loading areas, as well as providing additional access to the rear of buildings.

Desirable alley improvements would include:

a. Uncovering the original brick paving and refurbishing the pavement. Where not feasible, an appropriate uniform paving material should be used.
b. Centralizing garbage disposal.
c. Restoring the building facades fronting the alleys.
d. Installing alleyway lighting.
e. Burying the electric power lines.

By instituting these improvements, impetus would be given to the idea of utilizing the alley frontage portions of buildings for residential or commercial use.

Where alleys border on urban parks, the spaces should flow together and not have barriers between them. The alley facades facing the park should be restored. (for example Stewart Title Park).

CANOPIES

The use of building canopies to shade the sidewalk and protect pedestrians from the elements is an important aspect of the Strand's architectural heritage. Where appropriate to the building, canopies should be carefully restored or accurately reconstructed.

SIGNAGE

Previous planning studies discussed the issue of signage and specific recommendations were made regarding sign design and application. Many of the property owners and tenants on the Strand have pursued these recommendations in the design of their signs, and should be commended on the results achieved to date, especially with the representational signs. It is recommended that the guidelines contained in previous reports continue to be followed and that these standards be extended to signage throughout the Strand Historic District. The Texas Historical Commission markers in front of historic structures should be encouraged, as well as the building pictorial signs that have been installed. These markers all enhance the pedestrian environment and add another level of interest to the Strand area.

LIGHTING

The level of lighting in the Strand District is inadequate even though gas streetlights have been installed along the Strand. In order for the residential potential of the

Strand District to be realized, it is essential that the general level of illumination be raised so that the sense of security is increased in the area.

The following recommendations should form the basis of a lighting policy to be adopted throughout the Strand District:

a. Street Lighting:

The gas lights presently in use on the Strand should be retained due to their nostalgic significance, until such time as they become too expensive to maintain and operate.

A new light fixture sympathetic to the design of the one on the Strand should be selected and installed on Mechanic and side streets where needed. It should be adopted as the street light for use throughout the Strand District and would eventually replace the gas lights if that becomes necessary. This street light fixture would become a continuous lighting element throughout the District.

b. Supplementary Lighting:

Various other types of exterior lighting will be used on individual projects in the District which will augment the overall illumination level. These should be considered with each specific project and not be adopted uniformly throughout the Strand District.

- Lighting on the underside of canopies
- Floodlighting of facades
- Pole-mounted 12 foot high light fixtures in parking lots
- Tree lighting in landscaped areas.
- Spill light from interiors of stores

c. Quality of Light:

The quality of incandescent light is the most appropriate for the Strand District; however, from an economical standpoint, use of incandescent sources is not always practical.

It is recommended that only warm light sources be utilized, specifically good incandescent light fixtures where feasible. Other types of lights such as color-corrected mercury vapor and metal halide would be acceptable alternatives and are easily adaptable to the same fixture types as the incandescent. Sodium vapor lights are totally inappropriate and should not be used because of their harsh yellow quality. Neon light may be acceptable, but should be used with discretion and primarily in conjunctin with signage.

HANDICAPPED ACCESS:

It is recommended that efforts to improve access by the physically handicapped to the

facilities offered by the Strand District be continued. Where projects of a significant size are undertaken that would warrant these improvements, it is recommended that the owners be encouraged to extend their efforts to improving sidewalk and curb accessibility. Figure 11 illustrates how handicapped access ramps may be included at street intersections where the sidewalks are extended at corners.

LANDSCAPING & STREET FURNITURE:

Tree planting may be utilized as an element creating continuity and shade along the street. It is recommended that shade trees be planted along sidewalks where canopies do not exist. Trees may be planted in conjunction with dense evergreen shrubs around surface parking areas, or trees may be combined with low walls to achieve the same screening effect. The basic guidelines contained in the City of Galveston's Landscape Ordinance should be strictly enforced and supplemented with additional planting. Opportunities should be created to develop public open spaces in the Strand District that are extensively shaded by landscaping.

Street furniture should not be installed throughout the Strand District but rather in suitable passive areas, for example, small and large parks. The design of the bench used in Hendley Park is very appropriate and should be used elsewhere. Permanent trash receptacles should be installed in these areas and possibly on sidewalks where street-cafe-type commercial activity takes place.

The following projects are recommended for landscape planning and development:

Strand Park:

A public park should be created that would offer shady seating areas and also accommodate outdoor concerts, exhibits, and performances. The recommended location for this is on the southwest corner of the Strand and 22nd Street intersection.

Tackle Pac East Facade Treatment:

It is recommended that ivy be planted against the east facade of Tackle Pac. This will soften the visual impact of the blank wall exposed when the adjacent building was demolished. This treatment should be applied in other similar situations.

The ACTION PLAN FOR THE STRAND II required the cooperation of numerous people whose efforts were essential in compiling the information and resulting recommendations contained in this report. Special thanks are due to the following:

The City of Galveston

Doug Matthews
Joe Nadon
Roger Hedrick

Port of Galveston

G.E. Poe

The Strand Advisory Group

Ellen Beasley
Bill Cherry
Bob Ellison
Jack King
Robert Lynch
Gwen Marcus
Joe Nadon
Julie Towler
Susan Walsh
Ann Westerman

The Trolley Advisory Committee

Bob Albright
Bill Fullen
Dough Matthews
George Mitchell
Peter Moore
Joe Nadon
H.L. Trentham
Ann Westerman

Marr Engineering

Don Marr
Max Stanton

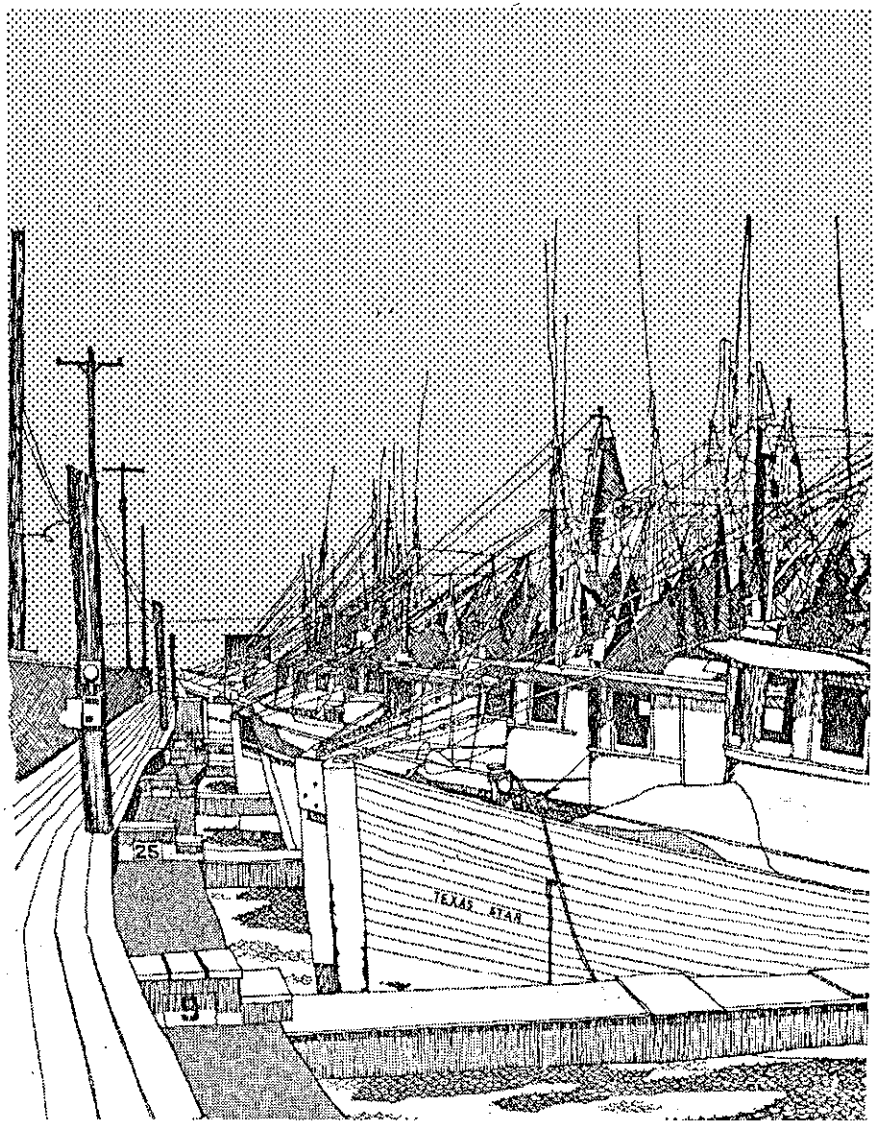
The Galveston Historical Foundation

Peter H. Brink
Jane Chapin
Laura Olafson

We would also like to thank the following:

Robert H. Heineman
Rapp, Fash, Sundin, Inc.
John Maroney
Louis Oliver
The University of Texas at Austin-School of Architecture

ACKNOWLEDGEMENTS



APPENDICES

APPENDIX "A"

SUMMARY OF COMMENTS FROM THE WALKING TOUR OF THE STRAND HISTORIC DISTRICT

Concern was voiced about the future of the brick smokestack at Water Street and 22nd: The Galveston Historic Foundation owns it including 1200 square feet surrounding it.

Traffic concerns: A general discussion took place with the specific opinion being expressed that 22nd, 24th, and 26th Streets be converted to two-way streets. There was general concern about the lack of parking space.

Tackle-Pac East Facade: A mural was suggested.

Alleys: The general discussion included strong opinion that the alleys be given attention: the brick paving exposed, and the electic power lines, at present accommodated in the alleys, be buried. Garbage disposal and alley lighting should be studied.

Infill Projects: A concern was expressed that guidelines should be established to control the design of infill projects.

The Galveston News Building: should be refurbished.

Canopies: These should be replaced or added where appropriate.

Brick Paving & Curbing: Bricked areas should be exposed. Curbs should be sand-blasted to remove painted parking lines.

Commercial Parking & Loading: A problem that demands attention.

Street Trees: Two opinions were expressed; a) trees are not historically appropriate except in parks and parking lots, and b) that ti... have changed and with people residing in the Strand Historic District, shade trees should be encouranged as a natural amenity.

Street Furniture: Ideas emerged regarding the design of street furniture items.

Businesses should be encouraged to open out onto the sidewalk.

Sidewalk Repair: Guidelines need to be established for the appropriate method of repair by the city.

Historic Plaques: Extend the theme to Mechanic Street.

Traffic Control Signs: These should be reduced to a minimum.

Present Street Lighting: The general response was that the lighting level is inadequate. The participants favored the completion of the Strand improvements prior to commencing Mechanic Street.

APPENDIX "A" CONT.

Parking Meters: For visual reasons, double-headed meters were preferred. The majority of the participants were against metered parking.

In order to encourage residential land-use, back-up retail and business should be established: (e.g., laundry, groceries, etc.).

City Landscape Ordinance: For parking lots should be enforced.

Residential: The apartments should not be so expensive that the "Bohemian" ambiance of the loft apartment is lost.

These issues do not constitute recommendations of this report but are opinions taken into consideration in the preparation of the report.

APPENDIX "B"

The following summaries discuss the historic preservation tax incentives established by the Economic Recovery Tax Act of 1981 and relevent changes to the Internal Revenue Code by the Tax Equity and Fiscal Responsibility Act of 1982:

"PRESERVATION TAX INCENTIVES: THE ECONOMIC RECOVERY TAX ACT OF 1981" by the Texas Historical Commission (4/15/82).

Widespread recognition that the rehabilitation of our older structures is an important sector of our national economy prompted on August 13, 1981 approval of the Economic Recovery Tax Act. This legislation, which replaced the Tax Reform Act of 1976, created dramatic changes in the federal tax treatment of certain income producing property undergoing rehabilitation after December 31, 1981; the most attractive tax treatment is available to historic structures.

DEFINITION: to be a "qualified rehabilitated building" a structure must retain 75% of its existing exterior walls and be income producing. The rehabilitation costs must exceed $5,000 or the adjusted basis of the building, whichever is greater.

Non-Historic Structures

"Qualified rehabilitated buildings" which are not "certified historic structures" are eligible for the following advantages:

-if at least 30 years old - 15% Investment Tax Credit (ITC)

85% (cost recovery depreciation) of allowable rehabilitation expenditures spread over 15 years or, if elected, 35 or 45 years (straightline method only; 60 month rapid amortization provided by the Tax Reform Act of 1976 has been eliminated)

-if at least 40 years old - 20% ITC

80% (cost recovery depreciation) as above

These two levels of tax incentives do not apply to residential properties, nor are they available to "certified historic structures". Reviews of the project work at the state and federal level are not required for these two incentives.

Historic Structures *

The highest level of tax incentive is available for a "certified rehabilitation" of a "qualified rehabilitated building" which is a "certified historic structure." A 25%

ITC is permitted, as well as 100% depreciation. Unlike the other two incentive levels, this incentive is also applicable to income producing residential property which is not owner occupied. It should be noted that this tax incentive applies only to a "certified historic structure," and the rehabilitation work must be reviewed by the Texas Historical Commission and be approved by the National Park Service Regional Office.

DEFINITION: A "certified historic structure" is a building individually listed in the National Register of Historic Places, or certified to be a contributing member of a National Register Historic District. The contributing status is automatically assumed for all buildings within National Register districts unless determined to be non-contributing.

DEFINITION: To be a "certified rehabilitation," all work must conform to the Secretary of Interior's Standards for Rehabilitation, 1979. The Texas Historial Commission makes a recommendation as to whether or not a project should be determined to be a "certified rehabilitation"; the Department of Interior makes the final ruling.

Lessees may also be eligible for these tax benefits provided the remaining term on their lease exceeds 15 years at the time of project completion.

All three levels of tax incentives are also subject to substantial recapture penalties if the property is sold within 5 years of project completion.

The Rehabilitation Certification Process for Historic Structures

For a historic structure to receive these tax benefits, a Historic Preservation Certification Application must be completed. Part 1 of the application addresses historical significance. It must be completed for all structures within a National Register District when applying for any of these three levels of tax benefits. This portion is used for the determination of contributing status.

Part 2 of the Application is a description of the rehabilitation work. It is strongly recommended that the Texas Historical Commission be consulted as soon as planning begins. If plans are already complete, it is advised that Part 2 be submitted prior to beginning any rehabilitation work so as to allow the input of the Historical Commission and the National Park Service. An approved Application will be issued a preliminary certification by then National Park Service, which ensures certification upon project completion. Final certification is given after the rehabilitation work is complete, adequate documentation from the owner is presented to indicate that the work was done according to the Application, and a site visit from the state or federal staff has been made. In the Application

Appendix "B" cont.

each area of the building where work is to be done should be documented with photographs of the existing condition. A written and/or graphic description of all proposed work should also be submitted.

One original and one copy of the Application with two original sets of supporting documentation should be submitted to the Texas Historical Commission. Upon completion of the review, the original Application and one set of supporting documentation is forwarded to the Regional Office of the National Park Service for a final decision.

Rehabilitation projects begun prior to January 1, 1982, may continue to use the old tax benefits. If those ongoing projects meet the test of substantial rehabilitation for work to be completed after January 1,1982, those expenditures before January 1 would be carried under the old law, and those expenditures after January 1 would fall under the new law.

For additional information please contact:

National Register Department
Texas Historical Commission
P.O. Box 12276, Capitol Station
Austin, Texas 78711
(512) 475-3094

* The new Tax Equity and Fiscal Responsibility Act of 1982 (H.R. 4961) has changed only the provisions of the incentives for "certified historic structure". The 25% I.T.C. remains unchanged; however, the percentage eligible for cost recovery depreciation must now be reduced by one-half the amount of the I.T.C. (12-1/2% of the allowed costs). Therefore, 87-1/2%, rather than 100% of the allowed costs may now be depreciated. Certain aspects of the new legislation allow the provisions of the Economic Recovery Tax Act of 1981 to apply to projects under way. A consultation with the Internal Revenue Service is recommended to determine the eligibility of a specific project.

Revised 10/82

"CHANGES IN FEDERAL TAX INCENTIVES FOR HISTORIC PRESERVATION", Supplement Information Sheet No. 30, Copywright 1982, the National Trust for Historic Preservtion in the United States.

This supplement updates Information Sheet No. 30, "Summary of Preservation Tax Incentives in the Economic Recovery Tax Act of 1982."

The Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) among numerous changes to the Internal Revenue Code intended to increase federal revenues, amends the Code provisions allowing an investment tax credit (ITC) for expenses incurred in the certified rehabilitation of certified historic buildings. These historic preservation tax incentives

were included in the Economic Recovery Tax Act of 1981 (ERTA).

In addition, the Congress is expected to enact the noncontroversial Technical Corrections Act of 1982 (H.R. 6056), which was pending at the time this information sheet was printed. The Technical Corrections Act makes certain technical amendments to the preservation tax incentives contained in ERTA to resolve ambiguities and to correct Code language to avoid unintended results.

Historic Preservation Changes Contained in TEFRA

Section 205 of TEFRA contains a broad amendment that requires a reduction in basis of assets by one-half of the amount of the regular and energy investment credits as well as the credit for the qualified rehabilitation expenditures for certified historic structures. Subject to certain exceptions described below, this adjustment to basis rule will be effective for certified rehabilitated buildings placed in service after December 21, 1982.

Thus, starting on January 1, 1983, taxpayers placing such a building in service (commencing the use of a certified historic structure in a trade or business, or making the property available for rental purposes) must subtract 12-1/2 percent of the qualified rehabilitation expenses incurred (i.e., 50 percent of the allowed 25 percent ITC for those expenses) when calculating the basis of the building for depreciation deductions under the Accelerated Cost Recovery System (ACRS). These depreciation deductions must be taken by the straight-line method, that is, in equal annual increments over the 15-year recovery period (or optional 35 or 40-year periods) for real property.

For example, in the case of a certified rehabilitation costing $100,000, a 25 percent ITC of $25,000 can still be deducted from taxes owed. However, the amount that can be depreciated under ACRS is reduced by one-half of the credit or $12,500.00. Therefore, the taxpayer could deduct $5,833 of rehabilitation costs per year ($87,500 divided over 15 years) from income in computing taxes owed.

For qualifying rehabilitated buildings placed in service by December 31, 1982, the full amount of rehabilitation expenditures would be included in basis for computing depreciation. Thus, in the example, the 25 percent ITC of $25,000 can be deducted from taxes owed, and the taxpayer could deduct $6,667 of rehabilitation costs per year (the full $100,000 divided over 15 years) from income in computing taxes owed.

Generally, the new adjustment to basis rule applies to credits claimed on qualified progress expenditures as well as on ordinary credits. Also, a deduction is allowed for one-half of unused credits in the year in which they

expire. This lower adjusted basis will also be used to compute gain or loss when the property is sold.

In the case of rehabilitation of buildings at least 30 and 40 years old, for which investment credits of 15 percent and 20 percent are allowed respectively, taxpayers must continue to subtract the full amount of the credit taken in computing basis for depreciation deductions and other purposes.

Thus, certified historic rehabilitations continue to be favored by the adjustment to basis rules, as well as by the larger credit of 25 percent.

Treatment of Lessees

A lessee, like an owner, is eligible for the 25 percent ITC for qualified rehabilitation expenditures incurred by the lessee if, on the date the rehabilitation is completed, the remaining term of the lease is at least 15 years. Therefore, a lessee qualifying for the ITC after December 31, 1982, will also make an adjustment to basis by one-half of the credit in computing depreciation deductions under ACRS.

In situations where a lessor performs the actual rehabilitation work and elects to pass through the ITC to a lessee who places the building in service after December 31, 1982, the lessor does not have to make a basis adjustment. Instead, the lessee would include in income an amount equal to one-half of the credit allowable in equal annual increments over the ACRS recovery period for the property.

Effective Date and Transition Rules

Generally, the new adjustment to basis rule applied to all certified rehabilitated buildings placed in service after December 31, 1982. However, TEFRA provided three exceptions to the adjustment to basis rule:

First, if there is a contract to rehabilitate the property, which was entered into after December 31, 1980, and was on July 1, 1982, and at all times thereafter, binding on the taxpayer, and the property is placed in service before January 1, 1986; or

Second, if rehabilitation began after December 31, 1980, and before July 1, 1982, and the property is placed in service before January 1, 1986; or

Third, if before July 1, 1982, a public offering with respect to the certified rehabilitation was registered with the Securities and Exchange Commission as well as an application with respect to the property was filed with the U.S. Department of Housing and Urban Development (HUD) under Section 8 of the United States Housing Act of 1937, and the property is placed in service before July 1, 1984.

Under the first exception, the required binding contract is likely to be interpreted to mean a contract with a general contractor for the total rehabilitation work. It is not likely to include one or more separate contracts for parts of the rehabilitation work. The second exception may cover these situations.

The Congressional reports accompanying TEFRA do not include a comprehensive explanation of the transition rules for the historic rehabilitation ITC. However, guidance for the conditions for what would be considered a binding contract can be found in the Senate Finance Committee's Report on TEFRA under the discussion of a similar transition rule for new restrictions on ACRS deductions for property with respect to which tax-exempt financing is provided.

Generally, under this discussion, whether or not an arrangement between a taxpayer and a contractor constitutes a contract is to be determined under the applicable local law. A binding contract would not be considerd to exist on July 1,1982, however, unless the services to be rendered are specifically identified or described before that date, and it exists only with respect to property or service for which the taxpayer is obliged to pay under the contract.

A contract may be considered binding on the taxpayer even though (a) the price of the services rendered under the contract is to be determined at a later date, (b) the contract contains conditions the occurrences of which are under the control of a person not a party to the contract, or (c) the taxpayer has the right under the contract to make minor modifications as to the details of the subject matter of the contract. On the other hand, a contract that is binding on a taxpayer on July 1, 1982, is not likely to be considered binding at all times thereafter if it is substantially modified after that date.

The second exception is intended to cover those situations in which the taxpayer has commenced the physical work by July 1, 1982, regardless of whether all or part of the work is being conducted under one or more contracts. Therefore, if some part of the rehabilitation work had begun in a continuos single rehabilitation, all of the expenditures of the rehabilitation should qualify.

In any event, under the first and second exceptions, the rehabilitation must be completed and the building must be placed in service by December 31, 1983.

The third exception applies to the limited circumstance under which, by July 1, 1982, necessary registrations and applications have been made for the syndication of interests in the certified rehabilitation of historic properties to be used for federally

assisted low-income housing under HUD's Section 8 program.

Limitation on Tax Reduction with the Investment Credit

TEFRA reduces the limit on the amount of income tax liability (in excess of $25,000) that may be offset by an ITC from 90 percent to 85 percent. This lower limitation, which may increase income taxes payable, is effective for taxable years beginning after December 31, 1982.

Unused credits for a taxable year may still be carried back first to each of the 3 preceeding taxable years and then carried forward to each of the 15 following taxable years.

Technical Corrections to ERTA

The Technical Corrections Act of 1982 makes a number of clarifications or corrections to the Code provisions applicable to the ITC for qualified rehabilitations. The consequences of these may be summarized as follows:

- A building on which a rehabilitation began before January 1, 1982 and which is not eligible for the new investment credit will not lose its eligibility for 60-month amoritization under Section 191 of the Internal Revenue Code.

- A taxpayer can elect to have the end of the 24-month period, with respect to which the expenditures on a rehablilitation project are measured for the substantially rehabilitated test, fall at any time during the taxable year in which the building is placed in service.

- An appropriate basis adjustment for any allowable investment credit would be required, whether or not the credit is used or carried forward.

- A taxpayer may make an election to use the straight-line recovery method for a building which has been rehabilitated up to the date which is 3 years after the building was placed in service.

- Only a qualified rehabilitated building is eligible for the rehabilitation credit.

- The basis of land is not taken into account in determining whether a rehabilitation is substantial.

This information sheet supplement was prepared by Aubra H. Anthony, Jr., Deputy General Counsel for Public Policy, National Trust for Historic Preservation.

The opinions expressed in this Information sheet supplement are not necessarily those of the National Trust.

APPENDIX "C"

PREVIOUS PLANNING STUDIES

A summary of the planning reports and feasibility studies that have been prepared over the past nine years follows:

In 1973 the firm of Ford, Powell & Carson, Architects & Planners, Inc., were engaged by the Galveston Historical Foundation to develop a study dealing with planning and development proposals for the Strand. This report, "The Strand - Restoration and Revitalization " was submitted in February 1974 and set forth basic principles to guide the development and the restoration work of the Strand effort.

The following broad recommendations were made:

Both the private and public sectors should be involved in the Strand revitalization process.

Linkages should be created between downtown and the wharves.

A transportation system should be developed linking the beachfront, downtown, and the University of Texas Medical Branch (UTMB).

Architectural controls should be established for the development of new buildings in order to maintain architectural scale.

The existing significant building stock should be revitalized where possible, with emphasis on facade restoration plus infrastructure improvements, i.e. curbs, etc.

Detailed recommendations were made, accompanied by cost estimates, dealing with street lighting, landscaping, signage, sidewalks, curbs, and paving.

In November 1975, the Firm of Venturi and Rauch, Architects and Planners, submitted their "Action Plan for the Strand" which consisted of policy and design recommendations for the revitalization of the Historic Strand area. The report was accompanied by separate submissions of maps, drawings and slides, an appendix, and economic and market studies by Christopher J. Brown & Associates.

The following is a summary of the report's goals statement:

Preserve and restore architecturally and historically important structures.

Attract activities that would complement and enhance architectural character -- create a viable 24-hour precinct.

Create functional linkages to major activities throughout Galveston.

Maintain and improve vistas and pedestrian connections to the Wharves area.

Maintain the Strand's scale and character by appropriate new infill construction.

Appendix "C" cont.

Minimize possible negative impact of the Strand's redevelopment on existing Strand businesses and on neighboring areas (i.e., traffic and parking conflict).

To reduce automobile, pedestrian, and truck conflicts on the Strand.

The City of Galveston, The Texas Historical Commission, and The Pier 19 Development Committee, engaged Ford, Powell & Carson, Architects & Planners, Inc., to prepare a Master Plan Study for Pier 19 which was submitted in June 1978. A plan was developed for the six acre tract immediately north of the Central Business District which is part of the Galveston Wharves complex. The Master Plan and recommendations were accompanied by a select list of proposed capitol improvements considered as priorities in the implementation process.

Led by Ford, Powell & Carson and Barry Howard & Associates; a study team consisting of Economics Research Associates, Alan M. Voorhees & Associates, Inc. and Peter Spurney & Associates was formed and "The Galveston Connection" was submitted in April 1979. The report responded to the potential benefit of developing a planned and systematic enhancement to tourism and a stimulus for development of many facets of Galveston Island. "The Galveston Connection" proposed a network of transportation and linkage systems designed to draw together all the existing and proposed attractions of Galveston.

The following summarizes the goals set forth in the study:

Identify and implement a unique, economic, and efficient system of connecting people with major tourist and commercial activities in Galveston.

Attract people to the Central Historic Area and particularly to The Strand.

Identify ways of providing interesting interpretive experiences for visitors at specific locations as well as in transit between attractions.

Provide an opportunity to observe the wharves operations.

Reappraise the resumption of mass transit between Galveston and Houston by rail.

Determine the need for a feasibility of potential new interpretive facilities.

Create the potential for increasing the quality and quantity of tourism.

Promote a spirit of cooperation between beach front and downtown commercial interests.

Contribute to the revitalization of The Strand as both a place to live as well as to work.

Establish a concept that is adaptable to accommodate future activities and developments that may occur.

APPENDIX "D"

SUMMARY OF TAX REINVESTMENT ZONE FINANCING (TAX INCREMENT DISTRICT)

The following summarizes how a Tax Increment District, or Tax Reinvestment Zone as it is known in Galveston, can be used as a funding approach. It should be noted that the Tax Reinvestment Zone designated may include the Central Business District if a larger district proves more beneficial financially. The general activity level of the whole business district may be upgraded with central city improvement benefitting a larger sector of the business community.

Basic Principal: Public improvements -- streets, sidewalks, landscaping, lighting, etc. are important catalysts in generating private investment. Tax reinvestment financing is a method of paying for such improvements through the increase in taxes generated by the subsequent private development.

First the project area is designated. The assessed value of the land and improvements as of January 1st of the year following designation is established as the tax base for the lifetime of the zone. During the ensuing period, taxes are collected by the City and other taxing entities based on increased evaluation due to private investment. Of this amount, taxes levied on the "frozen" tax base go into standard revenue accounts. The remainder, the captured value on the incremental difference, is deposited in a separate tax reinvestment fund. The proceeds of this fund, including any interest, may only be used for project expenditures. Any remaining revenue at the close-out of the zone must be distributed back to the various taxing authorities.

Steps in Forming a Reinvestment Zone:

1) The city identifies an area to be designated as a Tax Reinvestment Zone, works with property owners in the area, and schedules a public hearing.

2) The area may not contain more than 10% residential properties (defined as housing which contains less than 5 units) and may not represent more than 15% of the city's assessed taxable value.

3) At least 60 days prior to the public hearing, the city must notify all of the taxing jurisdictions. This notice must include the tentative plans for development or redevelopment of the Zone, and an estimate of the general impact of the proposed zone on property value and tax revenues.

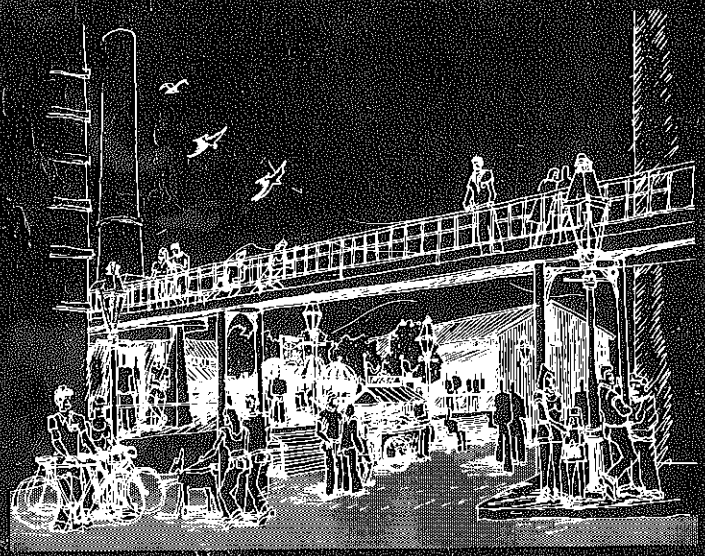
4) Before adopting an ordinance providing for a Reinvestment Zone, the city must prepare a Preliminary Reinvestment Zone Financing Plan and mail to each taxing entity.

5) The city establishes the Zone by ordinance and names a Board of Directors for the Zone composed of

between 5 and 15 area property owners. Each taxing entity can also appoint a board member as well.

6) A final project plan is then prepared by the Board of Directors. This plan must be as consistent as possible with the preliminary plans developed for the zone prior to the creation of the Board. At least the following items are included in the plan:

   a) Qualifications of the Area.
   b) Existing and Proposed Land Use
   c) List of Improvements to be Made
   d) Economic Feasibility Study
   e) Budget
   f) Relocation Plan
   g) Determination of the Tax Increment Base and a Timetable for Captured Value

7) Final project plan is approved and implementation begins.

Each year the city's taxing office must provide an accounting to each taxing authority of the status of the tax increment fund, the amounts and types of project expenditures, and the current level of captured tax value.