

The background features a white field with large, stylized orange geometric shapes. At the top, two orange trapezoidal shapes point downwards towards the center. At the bottom, a large orange triangle points upwards towards the center. On the right side, a portion of an orange triangle is visible, pointing leftwards.

**SMALL
SCALE**

**DEVELOPER
FORUM 17**

a flagship program of

[the] Initiative to Make Small Big

Curated by **CRAFT Development**
in collaboration with **ULI San Antonio**



SAN ANTONIO, TEXAS
MAY 22-24, 2022

AGENDA

Sunday May 22nd

6:00 'A Night on the River'
Drinks and Appetizers sponsored by Ed Cross

Monday May 23rd

7:00 Breakfast on your own

7:30 **Registration Opens - Elephant Room | Hotel Emma**
Coffee and Pastries Sponsored by Zac Harris, 36 Real Estate LLC

8:00 **Welcome and Forum #17 Overview**
Jim Heid, Founder CRAFT Development and Small OG

8:30 **Panel 1: An Orientation to San Antonio**
Kathryn ORourke, Ph.D., Trinity University
Irby Hightower, Principal, Alamo Architects

9:45 Break

10:00 **Panel 2: Making of Pearl**
Bill Shown, CEO, Pearl BUILD, LLC
Omar Gonzalez, Director of Development, Pearl BUILD, LLC

11:00 **Case Study 1: Pearl Walking Tour (Four groups of 15)**
Bill Shown, CEO, Pearl BUILD, LLC
Omar Gonzalez, Director of Development, Pearl BUILD, LLC
Kristina Good, Development Manager, Pearl BUILD, LLC
Allen Sikes, Design and Construction Director, Pearl BUILD, LLC

12:30 Networking Lunch @ Botika
With support from Frank Pakuszewski, 1886 Assets

2:00 **Panel 3: Creative Leasing Techniques | Elephant Room Hotel Emma**
Lorenzo Perez, Founder, Venue Projects
Liz Dunn, Principal, Dunn + Hobbes
Natalie Smith, Director of Property Management, Pearl BUILD, LLC

3:15 Break Sponsored by Lake | Flato

3:30 **A Small Conversation with David Lake**
David Lake, FAIA, Founder, Lake|Flato

Lost? Need Directions?
Call Cody 210-913-2639

Zoom for Walking Tours 1-346-248-7799
Meeting ID 997 3281 9540

Monday May 23rd (Cont)

- 4:45 Hosted Cocktail Hour – Hotel Emma Patio
- 5:30 **Small Scale Forum #17 Pecha Kucha** – Hotel Emma Elephant Room
- 6:30 **A Small Dinner** | Hotel Emma Patio
- 9:00 Day 1 ends (or does it?)

Tuesday, May 24th

- 7:00 Breakfast on your own
- 7:30 Depart Hotel Emma Lobby as group
Stroll along San Antonio River Walk: Museum Reach
- 8:00 **Case Study 2: 203 East Jones**
Madison Smith, *Principal, Overland*
David Adelman, *Principal, AREA Real Estate*
John Byrd, *Overland*
Coffee and Tacos Sponsored by Overland and AREA Real Estate
- 9:30 **Firm Profile: DADO Group**
Case Study 3: 500 6th Broadway
Kristin Hefty and Clay Hefty, *Founders, DADO Group*
- 11:00 **Case Study 4: The Boheme**
Gerardo Ituarte, *Founder, Artz Development*
- 12:30 Networking Lunch – Box Street All Day in Hemisfair
- 1:30 **Case Study 5: Hemisfair**
Andres Andujar, *CEO, Hemisfair Park Area Redevelopment Corporation*
- 2:15 **Case Study 6: Boston Commons**
Ben Bowman, *Founder, Assets and Architects*
- 3:30 Bus to Alamo Beer Company
- 3:45 **Help! Desk**
Sponsored by Eugene Simor, President, Alamo Beer Company
- 4:15 **Closing Conversation: What's Next for Small?**
- 5:00 Bus returns to Hotel Emma

David	Babcock	Lafayette	CA
Candace	Baitz	Okla Cty	OK
Otto	Beatty	Columbus	OH
Colin	Brice	New York	NY
Pegy	Brimhall	San Antonio	TX
Hunter	Buwick	Fayetteville	AR
Christopher	Calott	Oakland	CA
Jared	Chase	San Antonio	TX
Monique	Chavoya	San Antonio	TX
Cady	Chintis	Tacoma	WA
Jeremy	Connell	Richmond	VA
John	Cooley	San Antonio	TX
Liz	Dunn	Seattle	WA
Kaitlyn	Fondano	Fayetteville	AR
Patrice	Frey	Issaquah	WA
Charlie	Fulton	San Antonio	TX
Clayton	Garrett	Houston	TX
Manuel	Gomez	Los Angeles	CA
Jennifer	Gonzalez	San Antonio	TX
Jose	Gonzalez	San Antonio	TX
Darwin	Harrison	Austin	TX
Jim	Heid	Healdsburg	CA
Kelly	Hnatt	Brunswick	GA
Jeremy	Hudson	Fayetteville	AR
Christian	Hulme	Phoenix	AZ
Hector	Jimenez	Tucson	AZ
Jeff	Johnston	Boston	MA
Miles	Kamimura	Honolulu	HI
David	Komet	San Antonio	TX
Noah	Koretz	Salem	MA
Michael	Lander	Minneapolis	MN
Jody	Leidolf	Chapel Hill	NC
Bandon	Lodge	Edmonds	OK
Elyse	Lombardi	Austin	TX
John	Michailidis	Osprey	FL
Douglas	Moss	Austin	TX
Lorenzo	Perez	Phoenix	AZ
Todd	Phillips	Weatherford	TX
Evan	Ransome	Austin	TX

Aamil	Sarafani	San Antonio	TX
Ben	Sellers	Okla City	OK
Hal	Shapiro	Leawood	KS
Rob	Simmons	South Boston	MA
Taylor	Steed	Austin	TX
Tim	Strange	Okla City	OK
Alex	Vartan	Santa Cruz	CA
Richard	Walter	Folsom	CA
Robert	Walter	Folsom	CA
Russell	Wantland	Okla City	OK
David	Wanzer	Okla City	OK
Chris	Warren	Charlotte	NC
Adrian	Washington	Washington	DC
Cary	Westerbeck	Bothell	WA
Michael	Winningham	Austin	TX
Ryan	Young	Orlando	FL
Ryan	Zampardo	Detroit	MI

SPEAKERS + GUESTS

Irby	Hightower	Alamo Architects
Katheryn	O'Rourke	Trinity University
Omar	Gonzalez	Pearl Build, LLC
Bill	Shown	Pearl Build, LLC
Kristina	Good	Pearl Build, LLC
Allen	Sikes	Pearl Build, LLC
David	Lake	Lake Flato
Ed	Cross	San Antonio Commerical Advisors
David	Adelman	AREA Real Estate
Madison	Smith	Overland
John	Byrd	Overland
Kristin	Hefty	DADO Group
Clay	Hefty	DADO Group
Gerardo	Irturo	Artz Development
Andres	Andujar	Hemisfair
Ben	Bowman	Assets and Architects
Eugene	Simor	Alamo Beer Company
Cindy	Chance	Urban Land Institute
Janis	Ploetz	Urban Land Institute San Antonio
Cody	Shown	Urban Land Institute - San Antonio
Zac	Harris	36 Real Estate

PEARL

303 Pearl Parkway, San Antonio, TX 78215

Developer: Pearl BUILD, LLC

Project Type	Mixed Use District
Project Description	23+ acre redevelopment project converting an 1883 brewery into a mixed-use community gathering place. Highlights include Hotel Emma (#7 hotel in USA); 654 residential units including The Cellars (highest \$/sf rental in SA); 24 food & beverage amenities; 4 parks/open spaces; 463K SF office including a Net Zero building. Location is just north of San Antonio CBD.
Website	www.atpearl.com
Year Built	2003 - present
Size	23 acres
Deal Structure	Initial capital from in-house equity Southline Residences (223 units) financed with HUD Credit Human Office Building (200K SF)
Timeline	<ul style="list-style-type: none">• 2002 – Acquisition• 2006 – River/Flooding improvements• 2008 – Opened Culinary Institute of America• 2010 – Full Goods• 2012 – Can Plant Apartments• 2015 – Hotel Emma• 2017 – Cellars Residences• 2018 – Food Hall• 2019 – Southline Residences• 2021 – Credit Human & Oxbow Office Towers
Lessons Learned	<ul style="list-style-type: none">• Lead with vision• Pay attention to details



DIRECTORY

SHOP

- 1 Adelante Boutique
- 2 Allora**
- 3 Arrosta*
- 4 Bike World
- 5 Curio
- 6 Dos Carolinas
- 7 Feliz Modern POP
- 8 LeeLee
- 9 Limatus Bespoke*
- 10 Niche at Pearl
- 11 Rancho Diaz
- 12 Ten Thousand Villages
- 13 The Tiny Finch
- 14 The Twig Book Shop

LIVE

- 15 Can Plant
- 16 Cellars
- 17 Southline

LEARN

- 18 Culinary Institute of America (SA)
- 19 San Antonio Area Foundation

STAY

- 20 Hotel Emma

EAT & DRINK

- 21 Bakery Lorraine
- 22 Best Quality Daughter
- 23 Blue Box Bar
- 24 Boiler House
- 25 Botika
- 26 Brasserie Mon Chou Chou
- 27 Cured
- 28 Food Hall at Bottling Dept.
- 29 High Street Wine Co.
- 30 Jazz, TX
- 31 La Gloria Ice House
- 32 Larder
- 33 Lick Honest Ice Creams
- 34 Local Coffee Founders
- 35 Savor
- 36 Southerleigh
- 37 Sternewirth
- 38 Supper

SERVICES

- 39 Bank of America*
- 40 Bank of San Antonio
- 41 Credit Human Financial Services Center**
- 42 Hiatus Spa + Retreat





MAP LEGEND



Weekend Market



Via Bus Stop



City Sightseeing
San Antonio Bus Tour



Go Rio River Cruises



Parking



Valet



Pedestrian Bridge



Restrooms



Gustav's Geysers



Pavilion



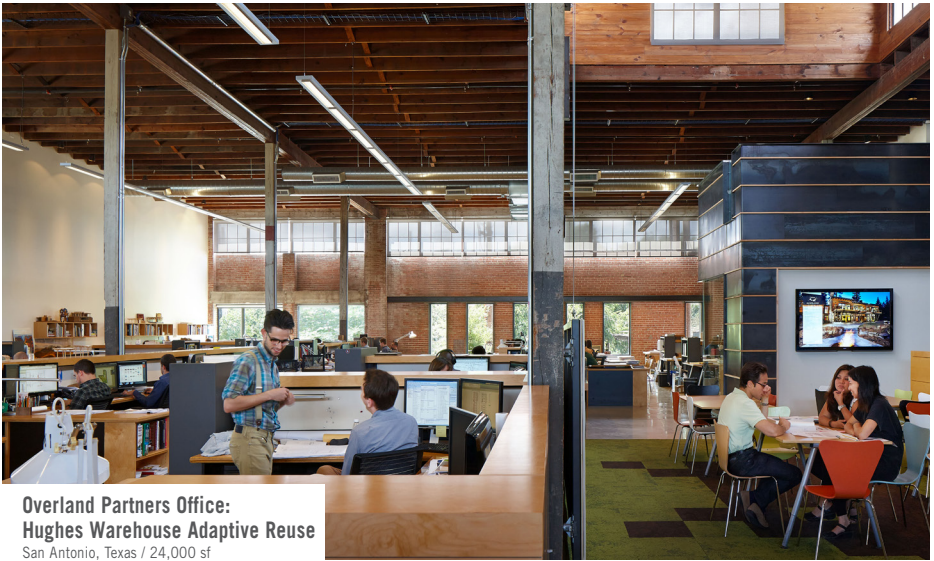
Pearl Arch



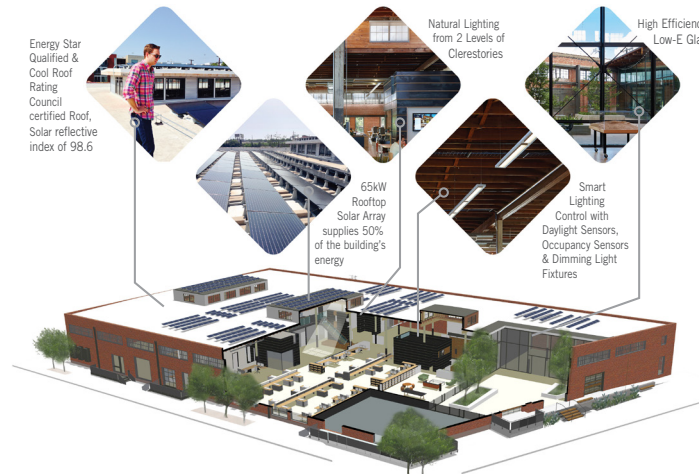
ADA Access



Bike Share



**Overland Partners Office:
Hughes Warehouse Adaptive Reuse**
San Antonio, Texas / 24,000 sf



Integrated energy efficiency strategies have led to a 24 EUI and 73% reduction in energy usage from the national average for buildings of this type.

ENERGY FLOWS + ENERGY FUTURE

203 EAST JONES

203 East Jones

Developer: AREA Real Estate

Project Type	Adaptive Reuse Warehouse Conversion to Retail/ Office
Project	Mixed Use Office and Retail
Website	www.overlandpartners.com
Year Built	Original 1920 Renovation 2013
Size	26,788 SF
Deal Structure	<p>\$4,000,000 Total Project Cost (\$148 per SF)</p> <p>\$3,025,000 Initial Loan (Broadway Bank)</p> <p>8.75% Pro Forma unleveraged return</p> <p>Tenant: Overland Partners; 14,895 RSF initial lease for 10 Years 56% of overall area</p>
Timeline	<ul style="list-style-type: none">• July, 2007 initial purchase• May, 2012 Overland signs initial 10 year lease• March, 2015 Overland expands• July, 2017 Owner signs a 10 year loan with Assurant for \$3,100,000 @ 3.85%, 25 year amortization
Lessons Learned	<ul style="list-style-type: none">• ROFR....pro's and con's• Great design• Contingency• Relationships matter• General Contractor: no good deed goes unpunished
AIA National (COTE) Top Ten Winner in 2015	<p>Existing exterior walls were left intact</p> <p>Punched openings in east and west for daylight & views to nature</p> <p>Building has an EUI 24 (Energy Use Intensity – kwh/sq/year which is 73% lower than a building of same size and use</p> <p>65kw Array accounts for 50% of energy consumption</p> <p>Offsets 31.6 tons of CO2 per year</p> <p>Energy Star Cool Roof with a solar reflective index (SRI) of 98.6%</p>

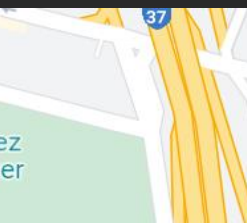


500 SIXTH STREET

500 Sixth Street San Antonio
Developer: DADO Group

Project Type	Adaptive reuse of a former Print Shop on the edge of Downtown San Antonio. The existing print shop was converted into coworking space. Duke Electric was the original owner. They manufactured headlights / auto parts.
Project Description	500 Sixth is a Coworking Community offering private office suites, dedicated desks, and shared spaces. We strive to create a modern, comfortable work environment and culture that our tenants are able to enjoy and be proud of.
Website	Website www.500Sixth.com ; Follow us on Instagram @500sixth
Year Built	Originally 1951, purchased and remodeled the building in 2018
Size	5,700 square feet with 760 square foot workshop
Deal Structure	Owner Occupied
Timeline	<ul style="list-style-type: none">• Purchased in February 2018, gradually remodeled over time:• First, made the downstairs of the building habitable for Architecture / Construction Firm, moving in April of 2018.• Then remodeled the garage space into the workshop space. It was the first space to have a tenant in February 2019.• Then took the leap to build out the private office suites upstairs, completed in May 2019.• Began renting dedicated desks in December 2019.• Spaces were filled before Covid Shut downs in March 2020. We were able to weather the Covid storm through having the private and flexible spaces.• After Covid restrictions eased, began renting private and shared desks in downstairs open area. Also added four more private office spaces downstairs toward the end of 2021.
Lessons Learned	<ul style="list-style-type: none">• Location is important. Outskirts of downtown is key. We are in a walkable area, but we are also able to offer parking.• You have to be there. We office in the same space.• Create the culture. Being there, we created a space where we would want to work.• Permitting is important. We were able to break up the overall project in to pieces over time, and we met with the city at each phase.

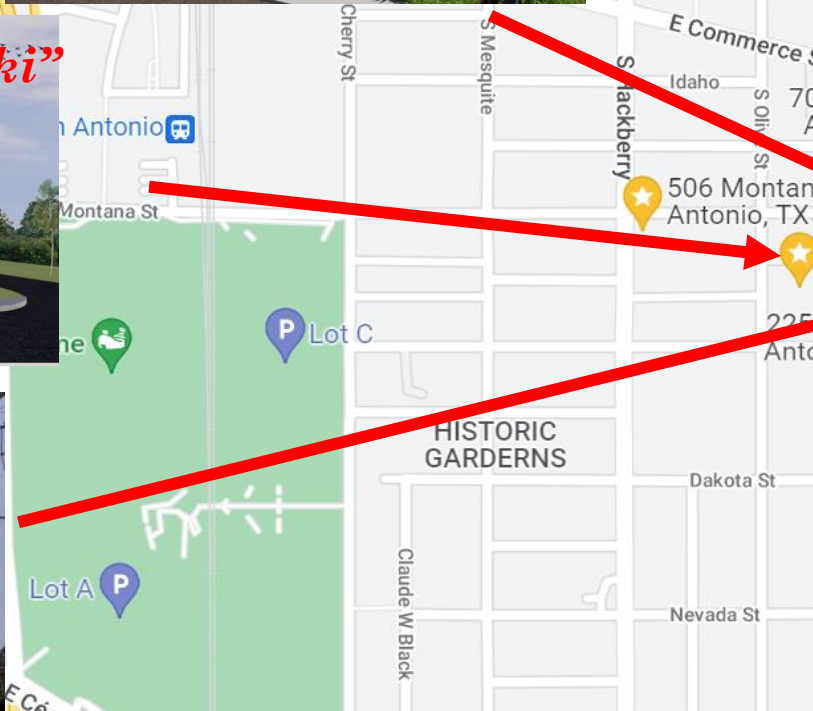
“ARTZ Plaza”



“Laki”



“SPine”



THE BOHEME

811 Montana Street
Developer: ATRZ Development

Project Type	Mixed Use
Project Description	Four Units from 500 to 1,200 sqft 2.5 Story Height Live+Work, Offices, Artisan Studios Art Gallery, Retail Two Townhomes: 1,400sqft L1: Open Kitchen, Half Bathroom, Bar, Pantry, Storage L2: Two Bedrooms, Full Bathroom, Laundry L3: Master Bedroom Roof Top Terrace One 2 Story Townhome: 1,550 sqft L1: Open Kitchen, Bedroom, Full Bathroom L2: Master Bedroom, Bedroom both with in suite bathroom and walking closet. Office or TV room
Website	www.artzdevelopment.com
Year Built	Originally 1951, purchased and remodeled the building in 2018
Construction	Steel Framing: Cold and Hot Steel Non Combustible Wall/subfloor panels Concrete Subfloors Insulation: R25 Solar Panels Permits: Residential and Commercial
Size	5,700 square feet with 760 square foot workshop
Deal Structure	Developers Equity: 40% Private Equity: 60% Total Equity Holders: 5 Debt Free For more than 20 years the Business Model has been not to use Debt as a funding source

Lessons
Learned

Subcontractors Learning Curve

Materials Sourcing

A Mixed Use project diversifies the income sources when selling or leasing

Private equity funding provides the flexibility of responding better to market conditions

City permit/inspection process. Staff is not used to deal with this type of project.

***Developers: Create - Institutional Developers: Follow/Copy
Builders: Execute - Entrepreneurs: Hustle Innovate***

Need to Love and to have passion.

Be ready to deal with frustration

Always have different exit strategies.. have a Plan B, C, D...Z

This is a Marathon not a 100m Race

Light at the end of the tunnel is the train coming, but if you work hard and have a good strategy that light is your New Venture

BOSTON COMMONS

118-130 Boston St.

Developer: Assets and Architects

Project Type	Residential Infill
Project Description	A scattered-site residential infill project composed of 4 single family homes and 3 duplexes. The project is structured around a central common courtyard with gathering spaces at each end.
Website	www.BostonCommons.co and www.AssetsAndArchitects.com
Year Built	2020-2021 (Covid 19-concurrent)
Size	There are approximately 9,700 SF of conditioned space spread across 10 dwelling units of varying sizes, from approximately 600 SF to 1,300 SF each. The project is composed of 4 adjacent residential lots totaling +/- 19,000Sf (.43 AC), creating density metrics at 23 Du/AC and a FAR of 0.51
Deal Structure	<p>The project was constructed with conventional commercial construction financing with a minimum DSCR of 1.25 and 25-year fully amortized term with a rate adjustment to WSJ prime + 1 every 5 years. A 20% equity position was required, and deferred fees were not used to meet the equity threshold (though they can be). Voluntary bridge fund (approximately 75k) used to increase construction speed, backfilled by traditional construction draws.</p> <p>Hard cost on vertical construction at \$132/SF. Similar construction typical at \$250-\$300/ SF. Lots of sweat equity captured in the construction process (self-preform Architect, Developer, Contractor, Broker).</p>
Sequence	<ul style="list-style-type: none">• Purchase and renovate existing triplex with FHA 203(k) loan. Live in the smallest unit.• Purchase a single family home and renovate, signature line of credit. Refinance into conventional loan at lease-up.• HELOC on increased value of triplex provides funds for purchase of a second single family home. Renovate, refinance at stabilization, free up HELOC. Repeat once more. Secure a second HELOC on one of the single family homes.• HELOC funds used to purchase 413 N. Pine and most of the Boston Commons site. Subdivide, reposition historic property and sell to a local architect for renovation. Retain land.• Construct the first building in Boston Commons (Homestead residence) next door to 413 N. Pine with the HELOC money (cash construction).• Equity position in land, first structure, and design entitlements adequate to fulfill 20% equity requirement of construction loan for the remainder of Boston Commons.• Sell everything in steps 1-3 approaching completion of Boston Commons to eliminate all outstanding HELOC debt and capitalize the next project.

Lessons Learned

HELOC is a great revolving work fund. If you can gain access to equity in your primary residence through this tool, you will be able to use it only when you need it, for whatever you like, at a generally favorable interest rate, and without much red tape.

Small scale and missing middle housing is easily differentiated from larger apartment buildings. Very little supply. Can improve quality of life and offer soft benefits that are hard to value.

Quality over quantity is appreciated by users and creates better, longer-lasting buildings that are more reliable and easier to manage.

Your current work will largely shape your future workflow. It is important to be intentional about the trajectory of your work.

Tour Notes

Assets & Architects, Background:

- Architect, Real Estate Broker, Contractor
- Company of 1 with external workforce
- Terrible employee, performance-based compensation
- Aiming to produce design-focused work that is also financially solvent
- Fulfillment in meaningful service

Project Vision:

- Product type: bungalow court. Courtyard Housing in Los Angeles.
- AMI, inclusion, diversity, community, retention





MAKING SMALL BIG

thank you to our sponsors and collaborators

CATALYST

Ed Cross

PLACE MAKERS

David Adelman

AREA Real Estate

Zac Harris

36 Real Estate, LLC

Lake | Flato

Overland Partners

Eugene Simor

Alamo Beer Company

Frank Pakuszewski

1886 Assets

BUILDING SMALL

Emerging Developer Scholarship Sponsor

Michael Lander

COLLABORATORS

ULI San Antonio

Janis Ploetz - Director

Cody Shown - Senior Manager



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San Antonio

[the] Initiative to Make Small Big

www.jheid.com