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# Management study of La Villita

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MANAGEMENT STUDY OF LA VILLITA

By

ROBERT PECHÉ, B.A.

Presented to the Faculty of the Department of Urban Studies  
of Trinity University in Partial Fulfillment  
of the Requirements

For the Degree of  
Master of Arts in Urban Studies

TRINITY UNIVERSITY

August 17, 1978

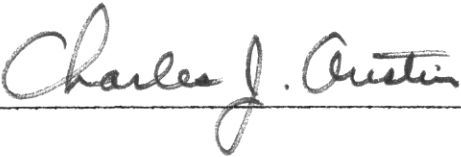
MANAGEMENT STUDY OF LA VILLITA

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APPROVED BY THE GRADUATE SCHOOL:



August 17, 1978

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One of the final requirements for a Masters Degree in Urban Studies from Trinity University is the successful completion of a nine month internship with a public or private agency. From September 1977 to June 1978, I had the genuine pleasure of completing my internship requirements as a member of the immediate staff of the City Manager of San Antonio, Texas.

I would like to take this opportunity to thank all of those persons who aided in the formulation of this project and also those who helped to make my internship the invaluable experience which it was. Specifically, I would like to thank the City Manager, Thomas E. Huebner, and his immediate staff for their time dedicated towards the development of my career and this project. They include: Louis J. Fox, Assistant City Manager; Alexander E. Briseño, Assistant to the City Manager; J. Rolando Bono, Assistant to the City Manager; Joe E. Madison, Executive Assistant; Bill R. Arnette, Administrative Assistant; Skip Noe, Administrative Assistant; Shirl Thomas, Administrative Assistant; and the Executive Secretaries, Rosalie Rizzo, Rose Rangel and Mary Ellen Rodriguez. These individuals were those who worked the closest with me throughout the ten months of my internship and aided me in the development of not only my professional skills, but also the human relations skills which are just as valuable for personal

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Robert Peché

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## CHAPTER I

### INTRODUCTION AND GENERAL OVERVIEW

The purpose of this research project is to analyze management and operations at La Villita and to formulate recommendations to remedy management problems persisting on site. La Villita is the copyrighted name of a historic area which contains many buildings and plazas owned by the City of San Antonio, and operated by the City's staff for the enjoyment of local citizens and tourists alike. This facility is only one of many operated by the City for this same purpose, but this project will concentrate only on La Villita and its problems. Before the discussion of operations and areas of concern in the following chapters, it seems wise to give the reader the benefit of a review of the various reasons why more effective management of this facility is important to a city of the size and character of San Antonio.

San Antonio is one of the ten largest cities in the United States and has recently surpassed Dallas in population within the city's boundaries. Current population figures show San Antonio as having almost 817,000 people which solidifies its claim on the position of second largest city in the state.<sup>1</sup> An important fact about San Antonio and its population is that 52% of the citizens of San Antonio are Mexican American. The remaining percentages are Anglo, 39%,

and Black, 8%.<sup>2</sup> This is by far one of the most unique features of the City and one which reinforces the cultural richness of the area.

This large Mexican American population caused the Justice Department of the United States to bring suit in a federal court to require revision in the pattern of representation on San Antonio's City Council. Before the suit there were nine members on the City Council, all elected at-large. This system was found by federal court to underrepresent minorities in the city and their ruling required change to single member districting. City voters amended the City's Charter and adopted a ten district plan for councilpersons with the Mayor remaining elected at-large. This plan directly resulted in members of minority groups winning a majority of City Council seats for the first time. Naturally, this has begun to change the political power structure in the City from one that was widely viewed as monolithic to a more pluralistic pattern after single member districts were adopted. Growing pains are apparent and conflicts have been numerous; however, it seems that there are also many goals which all elements consider important to the future development of the city.

One of these goals is economic development. The geographic location of the city has not proved to be conducive to development of any heavy industry. San Antonio is located where the Texas hill country and coastal plain meet, 150 miles from the coast of the Gulf of Mexico. It is located

on the San Antonio River, but the river is not attractive to heavy industry because it is not navigable. Also, raw materials required by heavy industries are not plentiful in this portion of the United States. Consequently, extensive industrial development has never taken place in San Antonio and most sources of employment come from government and service industries. Indeed, manufacturing ranks fourth in providing jobs for San Antonians behind the federal government which employs 28% of the labor force; trade which employs 25% of the labor force; and service industries, which employ 17%. Manufacturing employs a total of 12% of the labor force in San Antonio.<sup>3</sup> A simple examination of these figures will suggest the importance of government employment and the trade and service industries. An interesting fact is that on a national scale, federal government employment only reaches 16%. Trade and service industries in San Antonio, which rely on local and tourist dollars, support 43% of the labor force.

The lack of industrial development, and consequent lack of skilled labor seems partially responsible for the somewhat low median family income levels.

The 1970 median family income for Bexar County was just over \$8,000 which was a full \$1,500 below that of the National average.<sup>4</sup> This low median income level is a factor in maintaining a relatively low amount of property value within the community. These rather low values, in conjunction with the lack of industrial development and extensive

property tax exemptions, contribute to make up a fairly low property tax base for city revenues. For example, the two other Texas cities with comparable and larger populations, Houston and Dallas, illustrate the differences in tax bases. Houston uses an assessment ratio of 53% to reach a total assessed valuation of just over \$9.6 billion; Dallas utilizes an assessment ratio of 75% to reach an assessed valuation of \$9.3 billion. In comparison, San Antonio uses an assessment ratio of 45% to reach an assessed valuation of \$2.4 billion.<sup>5</sup> It is obvious from these figures that the actual wealth of the individual cities is very unequal. The product of these differences is the per capita ad valorem tax revenue which is derived by multiplying the assessed valuation by the adjusted tax rate and dividing by the population. From these figures, San Antonio ranks last among the seven largest Texas cities with a per capita tax base in assessed values of \$23.34. The highest among these cities is Dallas with \$103.65, and the sixth city is Fort Worth with \$47.15 per person.<sup>6</sup> These figures graphically illustrate the biggest challenge facing San Antonio: economic development.

One of the best assets of the City of San Antonio is the cultural richness which permeates everything within the city. As stated earlier, San Antonio's population is fully 52% Mexican American. The most obvious reason for this fact is San Antonio's physical and historical relationship to Mexico. The city is located only 150 miles from the border between the United States and Mexico. This proximity is seem-

ingly the most important reason for the concentration of this large minority population. This population has maintained the physical link with its Spanish and Mexican heritage.

San Antonio was founded by Spanish settlers who established missions here in the early seventeen hundreds. The city withstood recurring bad weather, wars and political turmoil repeatedly but has never lost its original Spanish name-- San Antonio, Spanish for Saint Anthony. This heritage is easily seen in its numerically dominant population and also in many of the historic buildings and points of interest throughout the city.

San Antonio has maintained most of the original missions and some of the early homes which were the nuclei of the small settlements which collectively became San Antonio. They have since become some of the major tourist attractions for which the city is noted. Undoubtedly, the most famous of these points of interest is the Alamo. Originally established as mission San Antonio de Valero in the early seventeen hundreds, it eventually became the scene in 1836 of one of the most historic battles of the Texas Revolution. The Alamo has been restored and is maintained as a testimonial for the men who died there for the cause of Texas independence. Of San Antonio's historic sites, the Alamo is held as the most valuable in terms of tourist appeal, for it is the most widely known of all. Also interesting are the various missions found on the Mission Trail, which is located on the south side of the city. This mission trail leads visitors to several old

Spanish missions which were founded at approximately the same time as the Alamo. These missions, most of which are still active Catholic Churches, are fine examples of the rich Spanish heritage in which this city is steeped. Another notable structure which is operated as an attraction is the Spanish Governor's Palace which was used as a residence for the Spanish Governor before Mexico gained her independence from Spain.

Perhaps one of the most interesting of all of these attractions is the area known as La Villita. This area physically consists of a group of old residences which are excellent examples of Spanish and Mexican architecture, located on one of the oldest known settlements in the United States. Also of importance, is the fact that these buildings are also reflective of German influences on the architecture and history of San Antonio.

The named above facilities comprise some of the major tourist attractions in the city and are indicative of the dominant culture. This cultural confluence makes San Antonio unique and attractive to visitors from all parts of the country and other nations as well. These specific attractions are some of the most valuable assets in the city, for they help support those service and trade industries which represent approximately 43% of the labor force in San Antonio. Obviously, anything which helps to support that much of the local labor force is very important to the local economy.

With the importance of tourism in mind, the San Antonio City government has assumed responsibility for certain functions which directly or indirectly affect and support tourism in the city. These functions are performed by three different departments: the Convention and Visitor's Bureau, Market Square, and Convention Facilities.

The first of these city departments is the Convention and Visitor's Bureau. It is basically a public relations operation. Specifically, its job is to attract both tourists and conventions to the city by developing and executing promotional programs and attending convention planning conferences in order to convince organizations to hold their conventions in San Antonio. The individuals in this Department are truly the promotional experts who are vital in the development of policies for tourist and conventions promotions.

Another department which deals with tourist related operations is the Market Square Department. This department deals directly with the daily operation and development of Market Square. The facilities of the Square consist of the Farmers Market, a parking deck, El Mercado (a Mexican Market), a new Cultural Center, a large mall area and numerous private businesses in newly renovated buildings. The entire area is located on two city blocks bounded by Dolorosa Street on the south, Santa Rosa Street on the east, Commerce Street on the north and Interstate 35 on the west. While this facility is still under development, it has already realized a great amount of success in both the private business and the city

owned areas. Market Square is publicized as a people place and has had the benefit of both an aggressive promotional effort from its staff plus effective support from the Convention and Visitor's Bureau. This is presently regarded as the most successful facility of this type which is owned and operated by the City and has proved to be a very valuable asset to the city.

The third and last department to deal extensively with visitors in San Antonio is the Convention Facilities Department. This department has two functions: (1) booking conventions into and maintenance of the Convention Center, including the Arena and Theatre for the Performing Arts, and (2) maintenance and contract supervision of Hemisfair Plaza, La Villita and the Tower of the Americas which comprise three divisions of the Convention Facilities Department. Essentially, all of these divisions require the same types of staff work, but the Convention Center itself is the facility which has experienced the greatest amount of success with both out-of-town and local clientele. The Tower of the Americas, Hemisfair Plaza and La Villita have all been somewhat less successful in attracting the same amount of business traffic, but are still devoted to the attraction of individuals and groups for the support of secondary industries in the city. These facilities, with the exception of La Villita, are all approximately ten years old, constructed for Hemis Fair '68, a world's fair held in San Antonio in that year. La Villita, on the other hand, contains historic structures

which are at least 100 years old. This feature highlights special maintenance and construction needs.

Although La Villita is an old area with all structures dating back over 100 years, its ownership by the City of San Antonio dates back to the late nineteen thirties. The historic buildings in La Villita have been on this site since they were built and for the majority of their use were occupied as residences.

La Villita covers an area of about four city blocks bounded by the San Antonio River on the north, South Presa Street on the west, Nueva Street on the south and Alamo Street on the east. This area has been redeveloped in segments since the first redevelopment occurred in the late nineteen thirties and early nineteen forties. Since then, several additions have been made to the area which now reaches the previously stated boundaries.

Before the first renovation efforts, the La Villita area was literally a slum in which people lived. Through Federal Works Projects Administration funds issued through the National Youth Administration and a grant from the Carnegie Foundation, titles to homes in the area were cleared and the slums were eliminated from what was referred to as the disgrace of San Antonio. Titles were cleared and homes were purchased by the City for renovation and eventual establishment of La Villita.

The preservation of La Villita is important since it is the site of the first settlement of what is now the City

of San Antonio. The original settlement of what is now San Antonio stemmed from the desire of Fray Antonio de San Buenaventura Olivares to establish a mission in this vicinity to instruct the Indians in Christianity. His dream came true in 1718 with the founding of Mission San Antonio de Valero, later known as the Alamo. This mission was built on the east side of the river because of the naturally higher ground on that side. The mission was defended by a garrison of Spanish soldiers assigned specifically for that purpose. Inevitably, marriage between Indian women and Spanish soldiers took place and these couples established a small settlement outside of the mission in what is now the La Villita area, directly south of the original mission.

In 1731, the Canary Islanders arrived with the intent of establishing a Spanish settlement in the area. They settled opposite the river from the Mission Valero and its small settlement. This settlement of Canary Islanders became the Villa de San Fernando built around San Fernando church. These two small settlements, although distinct in location and self-perceived status, comprised the base upon which San Antonio was built. Indeed, La Villita is publicized by the Convention and Visitors Bureau as the first settlement of San Antonio. This fact is what makes La Villita so valuable to San Antonio. It is physical evidence of the first settlement and dominant Spanish and Mexican culture of this city.

Because La Villita has existed since the beginning of this city, it has been witness to all of the growth and de-

velopment this part of the nation has seen. The most famous events to take place in the San Antonio area during the Texas Revolution actually took place in or adjacent to La Villita. Specifically, in 1835 the surrender of General Martin Perfecto de Cos took place in the Cos House located on Villita Street. General Cos, brother-in-law to Mexican President Santa Ana, had held and defended the city with a small force. This set the stage for the Battle of the Alamo six months later, during which La Villita was a Mexican army stronghold.<sup>7</sup>

Specifically because of these historic facts and the cultural richness of the area, a renovation project was conceived by Mayor Maury Maverick in the mid nineteen thirties. The area had become quite run down and was considered a slum. Using the monetary and human resources mentioned earlier, plus the labor of a young architect named O'Neill Ford, the area was acquired and renovated to specifications of the architect. Purposes of the renovation project were stated in an ordinance adopted by the Commissioners of San Antonio:

. . . to obtain possession, complete titles and physically clean La Villita and restore and develop it into a comprehensive community center for the life, liberty and happiness of the local citizenry. . . .

. . . to promote world peace. . . .

. . . [for the] preservation of early Texas and Spanish culture. . . .

. . . to foster the production of arts and crafts which are useful, true in design, of good quality and workman-

ship and which can be sold at a profit; and the training of youth to fit into the modern complex of life in a merciless age.<sup>8</sup>

Although the original ordinance does ramble and includes many superfluous statements, the above passages can be identified as the four major purposes of the rehabilitation. The last two have also been adopted by city staff as guides for operation. It seems to this writer that there may have been one other unwritten purpose for the renovation which was to clear undesirable citizens from the central city area, not unlike the effects of the urban renewal efforts of the mid nineteen sixties. Some of the newspaper articles written after the project contain references to the fact that La Villita was once the "disgrace of San Antonio."<sup>9</sup>

The fact remains that the City owns a facility which has stated purposes of operation which can add to the economic and cultural well-being of all citizens. Smooth and efficient operation of La Villita can be an asset to the entire city, while problems with operations can hurt the well-being of the economy and cultural vitality of the city.

With all of the above in mind, the present City Manager, Thomas E. Huebner, requested that this writer perform an analysis of the operations of and areas of concern which have arisen pertaining to La Villita. The following chapters therefore represent the operations and areas of concern from a management perspective only, since the study was undertaken while the writer was a member of the City Manager's staff. Although

recommendations have been previously submitted in an abbreviated form to the City Manager, this analysis is submitted to the City Manager and the Department of Urban Studies of Trinity University for information and completion of Master's degree requirements, respectively.

## CHAPTER II

### OPERATIONS OF LA VILLITA

To begin the discussion of operations of the facility known as La Villita, it seems wise to discuss the four areas of responsibility which are assumed by City staff. This responsibility is automatic because of policy decisions made by past City Councils which are: (1) retain ownership of La Villita but lease individual structures to the private sector and (2) provide plaza areas for conducting special events by private citizens or groups. This is the basis from which staff responsibilities are derived. The four are: (1) contract supervision, (2) maintenance, (3) promotion, and (4) personnel supervision. The first of these four requires the City to supervise and monitor all tenant lease contracts for daily adherence to provisions included in the contracts. Provisions in the contracts include minimum hours of operation, securing a performance band, obtaining necessary liability insurance and prompt remittance of monthly rent, among others. There are 36 leases of this type presently in force at La Villita which must be monitored in this fashion.<sup>10</sup> To compound the task, staff must also monitor all contracts for special events at the three plazas on La Villita plus the Arneson River Theatre. In 1977, there were 410 such events with independent contracts.<sup>11</sup> These contracts require similar

supervision to assure safety and proper operation during various events. The plazas are used for activities such as concerts, dances, and private parties. The only other contract which must be monitored is with the La Villita Concessionaire, which has exclusive right to the beverage concession at La Villita. In this case staff must also assure that the concessionaire provides adequate service to all customers served. Contract supervision is possibly the most demanding job at La Villita for it requires supervision of different types and large numbers of revenue contracts and the proper handling of the revenues generated.

The second major responsibility of staff centers around maintenance of the entire area. Since these buildings and plazas are owned by the City, staff is responsible for any and all major work to be performed in the area, interior or exterior. One factor that compounds this responsibility is that all of La Villita has been designated as historic by the City Council of San Antonio. This means that any and all work done on the exterior of the building must be approved by the Historic Review Board, and in many cases, the Fine Arts Commission. Consequently, all work is delayed to some extent, even somewhat routine work such as painting and plumbing. The La Villita area consists of 25 buildings and several thousand square feet of plaza and walkway area that must be maintained.<sup>12</sup> Maintenance not only means cleaning and organizing, but also some plumbing, electrical, carpentry and painting work. Indeed, the scope of the maintenance responsibility is

quite extensive.

A special note must be made of the unusually high cost of maintenance of the buildings and plazas of La Villita. The foremost reason for the unusually high maintenance costs of the buildings is that all these buildings are at least 100 years old. This in itself is a major consideration when one begins to think of the maintenance needs of these historic buildings. The ones most in need of major structural improvements are those which were renovated as part of the original project. Naturally, the ones with the least amount of maintenance needs are those which were last renovated in 1975 by the Parks and Recreation Department. On the other hand, the original renovation project took place in the late nineteen thirties and early nineteen forties. Consequently, all of these buildings which are made of adobe, stucco, plaster and brick are in constant need of repainting, replastering, mortaring or other common maintenance attention to preclude extremely rapid deterioration. Also, many of the older buildings have outdated wiring, inadequate plumbing and other problems which must be remedied. The plazas at La Villita are Plaza Nacional, Plaza Nueva and Plaza Juarez which contain a net total of 53,785 square feet of rentable space. These plazas must be set-up before and cleaned after every function and the electrical systems must be maintained.

The third responsibility which is maintained by the City is promotion of the facilities using both the Convention and Visitors Bureau and private means of promotion.

This role is and should be dictated by the degree of success of the facility as a whole, which is primarily determined by La Villita staff and the tenants themselves. The different possibilities are quite numerous and are only limited by the imagination and drive of the individuals involved.

The last responsibility is that of personnel supervision. To insure adequate performance of the preceding roles, staff must be utilized in the proper fashion. The La Villita Manager is responsible for all activities at La Villita, including staff performance or lack thereof. Consequently, all La Villita staff reports directly to the Manager who, in turn, reports to the Director of Convention Facilities. The La Villita Manager, then, is directly responsible for the supervision of maintenance personnel plus the contract supervision and promotion.

All of these responsibilities at La Villita are handled by the La Villita staff with help from other City departments and Comprehensive Employment and Training Act (C.E.T.A.) personnel resources. The distinction here is between City's General Fund resources and C.E.T.A. (federal) resources, which have proved to be an invaluable asset in complementing the resources of the City as a whole. The general fund positions of La Villita staff are arranged in order of authority as follows:<sup>13</sup>

<u>Position</u>	<u>Number Authorized</u>	<u>Number Filled</u>	<u>Pay Range</u>	<u>Salary</u>
Municipal Enterprise Manager	1	1	28	14,508
Assistant Municipal Enterprise Manager	1	1	26	11,082
Building Maintenance Foreman II	1	1	22	8,004
Maintenance Mechanic I	2	2	20	9,703 Average
Laborer I	5	5	211	7,356 Average

Of these ten positions, the Municipal Enterprise Manager and the Assistant Municipal Enterprise Manager are the only two located in the La Villita office building. These two individuals are responsible for supervision of all operations at La Villita, including maintenance and tenant liaison. Other responsibilities include contract monitoring, promotion of the facilities, budgetary and personnel matters.

The positions listed above are all provided by General Fund money, which is the main support for La Villita. Examination of La Villita's General Fund budget does reveal a troubling fact about the operation of La Villita--present expenditures are running far in excess of revenues.

Presently, in total figures, the budgets for the fiscal year 1977-78 anticipate a negative ending balance of approximately \$64,000. Anticipated figures for the coming fiscal year project a similar deficit and actual figures from the

two previous fiscal years reflect the same. Actual breakdown of the budget figures are as follows:<sup>14</sup>

<u>Revenues</u>				
	Fiscal Year 1975-76 <u>Actual</u>	Fiscal Year 1976-77 <u>Actual</u>	Fiscal Year 1977-78 <u>Estimated</u>	Fiscal Year 1978-79 <u>Proposed</u>
Rentals	49,890	58,386	59,170	59,670
Equipment	10,790	9,408	12,000	12,000
Concession	43,700	26,369	25,000	35,000
Other	<u>455</u>	<u>60</u>	<u>450</u>	<u>500</u>
Total	104,835	94,183	96,260	107,170

<u>Expenditures</u>				
	Fiscal Year 1975-76 <u>Actual</u>	Fiscal Year 1976-77 <u>Actual</u>	Fiscal Year 1977-78 <u>Estimated</u>	Fiscal Year 1978-79 <u>Proposed</u>
Personal Services	97,640	105,487	120,025	123,355
Contractual Services	17,633	30,215	30,045	37,780
Commodities	8,875	9,183	11,010	12,070
Other	<u>1,434</u>	<u>1,192</u>	<u>1,615</u>	<u>1,330</u>
Total	125,582	146,077	162,695	174,355

On the revenue side, rentals include rental of plazas and buildings under lease. Increases in this figure would most likely come from increased usage of plaza areas and some rental fee increases in leases. Equipment figures reflect rental of tables, chairs and other items which can be rented from the City during different events staged at the plazas. The figures under the heading of concession are a represen-

tation of the amount expected from the La Villita concessionaire. The difference in this figure reflects a change in concessionaire and a new contract. For example, in 1975-76 the concessionaire was Snacks, Inc. which paid the City 37% of its gross receipts at La Villita. The drop in the 1976-77 figure reflects increasing financial difficulties realized by that concessionaire and his inability to pay the contracted minimum fee to the City. The 1977-78 figure represents a conservative estimate for revenues from the new concessionaire contract and the following year reflects increasing business.

On the expenditure side, the largest expenditure seen reflects personnel costs in salary and fringe benefits. Those are constantly increasing costs which make up approximately 60% to 80% of the total expenditures. Other expenditures are rather small in comparison but include supplies, materials, and contractual services.

The budgetary figures reflect most of the support given La Villita. However, there are other sources which provide substantial support. The first of these is support from C.E.T.A. laborers. Presently, eight C.E.T.A. employees are assigned to the crew of La Villita to aid in executing the staff responsibilities. Although these laborers are not skilled, they do absorb the brunt of most of the everyday labor tasks. This enables the regular employees to attempt to remedy other problems which are faced on site. Also, one C.E.T.A. position is assigned to the La Villita office as a clerk typist to aid the managerial staff.

Other monetary support is quite difficult to come by. The only sources available for capital projects are Community Development Block Grants and Revenue Sharing funds. Staff at Convention Facilities has submitted numerous requests for funds to upgrade both La Villita and the rest of the Department, but with limited success. Cost of totally renovating La Villita is now estimated at a minimum of \$1.8 million. Consequently, when requests are considered along with drainage, streets, and other pressing needs, "beautification" projects are generally the first to be omitted. The only monetary support La Villita has received from Community Development Block Grants or Revenue Sharing has been in the form of a \$21,000 allotment from the Revenue Sharing budget of 1977 to be used for electrical work. From that allocation, only \$6,000 has been spent. This money was designated for electrical renovation of four specific buildings and the \$6,000 spent was for electrical equipment which is yet to be installed. The delay of installation is due to the fact that although specific needs are already identified, the skilled staff is not available.

Quite obviously, La Villita and its staff are pressed to deliver all the services which it has been assigned. It presently offers services for all individuals who wish to utilize the facility. Local citizens have come to depend on La Villita as a place for social functions and special gatherings of one sort or another.

La Villita staff is aided in the performance of the

Public Works provides all emergency and non-emergency skilled maintenance and Parks and Recreation provides the same resource plus gardeners to care for the many plants and shrubs on the grounds. This work is performed in response to work orders submitted by La Villita staff.

A discussion of operations at La Villita must include a survey of the facilities and their present use. La Villita consists of 25 buildings and three plaza areas which are available for lease or public rental. These areas are rented by the general public for different events mentioned earlier. These areas see quite a bit of activity as attested by the 410 events held at these plazas and the Arneson River Theatre in 1977.

The buildings at La Villita are the main attraction of the area. They are leased to the private sector for business, retail, office, and craft shop operations. The buildings, including their present usage, are listed below.

1. 416 Villita Street--This building is presently used for the La Villita office and contains approximately 700 square feet of space. It is utilized by La Villita administrative staff for performance of all administrative work. Staff presently using this space are the Manager, the Assistant Manager and Secretary. Also, the crew of laborers reports for work at this site. The building has plumbing and restroom facilities.

2. 420 Villita Street--This is the Craft Center building. It is used as a craft gallery by the Southwest Craft

Center. No actual craft work is done on site. Previously the La Villita Manager's residence, the building contains 850 square feet and all necessary plumbing facilities.

3. 212 South Presa Street--This building is known as the Canada House and is presently occupied by the Margaret Putnam Gallery. The structure contains 935 square feet and plumbing facilities. No actual work is done on site and it is the first of two leases with Margaret Putnam.

4. 102 Hidalgo Walk--The Caxias House is a building which contains only 580 square feet of space. It is the site of the La Villita Glassblower and has been for years. The only actual display of craftwork in progress is located here.

5. 104 Hidalgo Walk--The San Martin House is adjacent to the Caxias House and is almost the same size at 550 square feet. Presently is occupied by Angelita Boutique, a sales operation. Public restroom facilities for both sexes are located at the east end of the building.

6. 106 Hidalgo Walk--This structure is the kitchen building which contains approximately 450 square feet. Previously used as a service building for caterers in the area; this year it has been leased out to the La Villita Cantina, a small cafe.

7. 212 South Presa Street--This is known as the Ceramic Building and contains 1,500 square feet with available plumbing. Two shops occupy the building: La Chaminade Gift Shop and Ceramic Galleries, both are display and sales operations.

8. 104 Guadalupe Walk--The Weaving Building is another

large building named for the use for which it was intended. It contains 2,300 square feet of space on two floors. Presently it is occupied by Casa Manos Allegres, a gift and curio shop displaying and selling handcrafted work.

9. 106 Guadalupe Walk--This is Bolivar Hall, the largest single block of indoor space in La Villita. There exists over 9,000 square feet of space on three floors. Although it has a great deal of potential, the building has two major flaws, absence of both air conditioning and a freight elevator. These are major problems when one examines present utilization. The second floor is used as a special events rental area for parties and such; it has, however, seen very little use in this capacity. In fact, the second floor was rented a total of nine different days during 1977. Primary use is as a back-up for Plaza Juarez during inclement weather. The first floor is utilized by the San Antonio Conservation Society for their Old San Antonio Exhibit. This is a \$1 per year rental arrangement for the mutual benefit of both parties. The basement area is presently used for storage, workshop and painting areas during the winter months. Still, these operations are hindered by the lack of a freight elevator. Moreover, the building has little rental value.

10. 502 Villita Street--This is a two story structure with identical floor plans for each. Net square footage is 1,560 which is divided into several small shops.

11. 504 Villita Street--This is also a large two story

structure with a variety of partitioned shop areas. Net square footage is approximately 1,700. One definite problem exists in that the second floor is accessible only through the first floor.

12. 506 Villita Street--This building can serve only one purpose. Presently it is the Little Church of La Villita and contains 1,200 square feet of space.

13. 510 Villita Street--A building known as the Florian House. It is functionally arranged as two structures. The front portion is occupied by the River Art Group for a gallery. The rear two story portion is occupied by Country Villa, a shop for display and sales of handicrafts. The first floor houses storage space and public restrooms. Total square footage is slightly over 1,800 square feet.

14. 514 Villita Street--Known as La Casita, this small structure contains only 1,260 square feet of indoor space. The unique feature of this building is that it also has a tile patio with 2,000 square feet of space. Restroom facilities have recently been added. Presently, it is leased by the Budapest Restaurant.

15. 506 Villita Street--A large two story structure which contains approximately 3,200 square feet on both floors. Tenants in this building are Barrera Studios on the second floor and the Colonial Tea Room on the first.

16. The McAllister House--This is a large two story structure which houses a variety of tenants in numerous small areas which have been divided on both floors. The building

does not seem conducive to its present use; individual shops are too small and consist of everything from an antique shop to art studios to a spice shop. Plumbing is available on both floors.

17. 305 1/2 South Alamo Street--The Barber Shop building is presently being used as a photography studio. It is a small building, containing only 325 square feet of space which includes a restroom and storeroom.

18. 101 King Phillip Street--This building is presently leased to Garcia's Woodcarving and is a rather small building containing just over 600 square feet of usable space. Plumbing facilities are available.

19. 102 King Phillip Street--This building presently houses Pallisado Gallery, a display and sales operation. No plumbing facilities are available and the building contains approximately 850 square feet.

20. 507 Nueva Street--This is a wood frame structure containing approximately 1,300 square feet. It presently houses the offices of the Hotel Plaza Nacional.

21. 103 King Phillip Street--This building contains 864 square feet of usable space and is occupied by Little Studio Gallery. No art or craft work done on site.

22. The Concessionaire's Building--This is a brick building located directly west of 507 Nueva Street which contains good plumbing facilities and 1,260 square feet of space. This space is almost wasted in that it is used only for storage space and not leased.

23. 218 South Presa Street--This building contains 1,218 square feet of usable space and has plumbing facilities. It is leased to La Manzanita Tile Shop, with some actual craft work done on the site.

24. The Cos House--This is the most historic structure on La Villita and contains 750 square feet of indoor space. The building also has kitchen facilities and restroom facilities for both sexes. Its patio contains 2,200 square feet which augments the desirability for rental. It is utilized as a facility for special events.

25. The last separate building is a restroom facility located between 218 South Presa Street and the Concessionaire's building. This building is approximately 500 square feet in size and houses toilet facilities for both sexes.

This concludes the survey of existing buildings in La Villita and their uses. When one takes into consideration that the City is responsible for all exterior and major interior work on these buildings, the scope of the task takes form.

The importance of the City operation of La Villita is supported by the fact that La Villita provides services for three different groups of clientele. The first group is comprised of local citizens who mainly utilize the plaza areas; secondly are the tourists who primarily utilize shop areas; and finally, the conventioners who use the entire area to some extent. The utilization patterns of these three groups has evolved in a natural way. There does not seem to

have been any promotional effort to bring local citizens to shop in La Villita nor any effort to have conventions utilize La Villita to any great extent. Present staff members at La Villita seem to view their role as simply maintaining the status quo.

Change is something which comes slowly to La Villita and usually comes in the form of a change of custom instead of written rule or policy. In the original ordinance establishing La Villita, one of the purposes listed was a dedication of the area for development of the arts and crafts. This purpose has been embraced by staff at La Villita for their operational policy. Consequently, in establishing rental rates for structures in the area, unusually low rental rates were established. For example, when compared to Market Square, a similar facility with strictly commercial space, La Villita rates are six to thirty-two cents per square foot per month less expensive,<sup>15</sup> yet it houses almost 100% commercial establishments. This points to a lack of operational policy in La Villita for consistent rental rates. Also, the underrepresentation of working artists at La Villita emphasizes the absence of a comprehensive tenant recruitment policy.

## CHAPTER III

### AREAS OF CONCERN

In the preceding chapters, an attempt has been made to familiarize the reader with the public facility known as La Villita. From the initial redevelopment to the present, City staff adopted one overriding theme which has always been held as its primary function: providing a place for the development of the arts and crafts. Over the years, however, strict adherence to the practice of leasing to working artists has not been the rule. There are some working artists and craftsmen presently in La Villita, but the majority of leases are to individuals running retail operations exclusively. Indicated in the building survey included in the preceding chapter was a summary of the present uses of those structures in La Villita. This readily identifies the fact that there are few, if any, working artists on the premises. Although these shops may be selling and displaying art and craft work done by the shop lessee, little of that work is done on site. The only actual craftwork done by any of the shopkeepers is performed by Mr. Larry Williams who has run the glassblower's shop for many years and still proves to be the most popular attraction on La Villita. Consequently, throughout the years, the City of San Antonio has become engaged in subsidizing small private businesses instead of working craftsmen. The

ideal would be to have craftsmen and artists on location actually performing their skills in full view of the public. What comes to mind at this suggestion is a potter actually working on a wheel or an artist painting. This is seemingly the type of operation envisioned by the proponents of the original establishing ordinance. This objective, in turn, was adopted by City staff at the facility in establishing criteria for seeking tenants. In practice, this policy has never been written or carried to the point of specifying the desired use for each specific building. Consequently, without written operational policy, the type of tenants now being subsidized are small businesses. Staff has simply leased space to whoever expressed interest at the time and made no overt effort at recruiting specific types of tenants.

The reason for describing the City's role as subsidizing is that with inexpensive space costs, operational expenditures are held to a minimum. The small shops existing in the area pay a very low operational cost; their major expenditures are devoted to the cost of their merchandise. For example, a review of the thirty-eight existing leases reveals that the maximum amount spent for any one lease per month is a total of \$175. The minimum amount of revenue received is \$45 per month and a rough average would be \$100 per month. For a private business, rental space for \$100 per month is a bargain. Their most expensive investment therefore is in whatever merchandise they wish to carry. This clarifies the point that the City is now in a position of subsidizing

these small business enterprises instead of working craftsmen. This, obviously, is a policy question which should be addressed comprehensively through a policy statement and guide.

Another obvious problem is that La Villita is a very seasonal operation. The three plazas and the Arneson River Theatre cannot be used during winter months due to their outdoor nature. Although San Antonio enjoys comparatively mild winters with some days reaching 70 to 80 degrees, most functions in these areas are evening functions when the temperature drops sharply. Also, it is almost impossible to plan a daylight event for one of the warm days due to the unpredictability of the weather during the winter months. Consequently, these areas see little, if any, use during the winter. As stated earlier, plaza usage is the service of La Villita which is predominantly used by local citizens; therefore, the area is almost abandoned during the winter months by the local clientele. Shops in the area rely on tourist clientele and conventioners for their livelihood and the amount of these activities is directly related to the temporal seasons. With less tourists in the City, La Villita will also see less activity in the shop areas.

Most businesses in general do realize seasonal fluctuations in their trade to some degree. These same businesses, however, also take action to increase sales during these periods of low trade in an effort to increase activity and defer operational costs while still holding a profit. For most of the businesses in La Villita, no action of this kind

is taken, instead many of these shops simply close, in direct violation of their lease contract. This alternative is easily adopted because of the low operational costs realized by most of the businesses in La Villita and lack of staff enforcement of contract provisions. Personnel costs are minimal, rent is low and the lessees' most expensive cost is that of their merchandise. Therefore, many in La Villita find it rather simple to close for the major portion of the winter season. This problem compounds that of less tourists in the area, because the closed shops discourage the few prospective customers from coming back. Tenants interviewed for the purposes of this project say that they close because of the lack of tourists and business in general. However, is that really the case or does business drop so sharply because of the consistently closed shops? The answer to this question, of course, is speculative, but there needs to be more businesslike conduct seen in the area if any improvement is ever to be realized.

Specifically, the situation where the private sector makes such a minimal investment is one which could be modified. It seems that if individual tenants had to make more of an investment in their operations, they could less afford to close their shop at will. The value of private investment in partnership with the public sector investment is best demonstrated in the operations of Market Square. Granted, the situation here is different in that private sector interests own their respective buildings while this would not

be advisable in La Villita. Nevertheless, private sector efforts are seen here as very valuable in assuring the success of the area. For example, last year, merchants at Market Square contributed \$30,000 for promotion alone which is definitely a factor in their success. On the other hand, at La Villita, tenants do not engage in any organized efforts at promotion and expect the City to do so. Although the City should promote more effectively, the tenants also should make more effort on their own behalf.

Compounding the problem of little, if any, private investment is the fact that the City's efforts at promoting La Villita have been minimal. As stated previously, there exist two pamphlets which are available for distribution to the general public. This is the sum of all the efforts of both the Visitors Bureau and the staff at La Villita. Staff efforts of both could be much improved by simply being more aggressive. This remains a major problem at La Villita, which will hinder any effort at revitalization and must be dealt with in a comprehensive manner to coordinate staff and tenant efforts to tap all available resources and develop a strategy for a complete promotional program.

Lack of effective promotion maximizes the impact of otherwise minor problems, which in turn compound one another. In discussions with some of the tenants and staff, one of the major problems seen is that La Villita offers no parking on the premises itself for either employees or potential customers. In actuality, there are two parking lots and one

multilevel parking structure within one city block from La Villita. However, the major problem is thought to be that this is paid parking which discourages customers. Also, some feel that since people cannot just drive by and drop in but instead have to plan to go to a specific shop, many potential drop-in customers are lost. Indeed, this parking situation exists; but the fact remains that La Villita was designed to have pedestrian access solely. The only access to vehicles is for service. The reason for this was to insure the preservation of the facility. There simply is not enough space between the existing buildings to effectively provide for thoroughfares. Again, with a bit of effort, possibly on the initiative of the tenants, there could be an arrangement where a certain amount of time at these lots could be paid for by the tenants. This is a definite possibility but the initiative must be from the tenants. This would still not effectively address the argument of the loss of drop-in business, but it seems that this problem will not be effectively handled until a good promotional program is developed and local citizens are again brought into the mainstream of clientele.

The only other related problem is that many individuals thought that the extension of the El Centro bus route around La Villita would prove an effective link to the main shopping district of downtown San Antonio. The extension was made by the VIA Metropolitan Transit Authority but the impact on business at La Villita has been minimal. Again, this seems

to point out that a coordinated, comprehensive effort at promotion of La Villita is necessary. The effort must be to educate people that La Villita is available for their enjoyment. This is the same type of promotion which has proved so effective at Market Square.

The need for promotion is apparent and recognized by both tenants and City staff other than those at La Villita. In fact, conversations with some Convention Facilities staff indicates the aggressive promotional program undertaken for Market Square may be viewed enviously. Indeed, Market Square has had the benefit of a very aggressive promotional program, but it is the result of the effort of both staff and the merchants. The combination of these efforts is essential for the successful completion of this type of program. This effort, however, has been lacking on the part of both parties in La Villita's case. City staff must receive the brunt of the criticism on this part, however, because of the examples of successful efforts at Market Square. This aggressive pursuit of the promotional campaign is one essential element missing from both the staff at La Villita and Convention Facilities.

La Villita was placed under the authority of the Convention Facilities Department for two reasons: (1) to encourage integration into the operations of the Convention Center and (2) because of its physical location. Hopes were that La Villita would become an integral part of the Convention Facilities but this, in effect, has not occurred.

Management of the Convention Facilities never has seen La Villita as a portion of the center. In fact, standing informal policy at the Department is to direct conventions to use La Villita only when the entire Convention Center itself is being fully utilized. The end result of this policy was that during the entire year of 1977 only twelve events out of over four hundred were related to convention activity! In fact, during a very candid discussion with the Director of Convention Facilities, he stated that he never really wanted La Villita and would not object if it were removed from his responsibility. He makes no secret of this sentiment, for he feels that La Villita is a totally different type of facility for which he has no experience in managing. This type of negative attitude is transferred to the staff at La Villita and transformed into passivity. Top staff members at La Villita have been in their positions since La Villita was under the direction of the Parks and Recreation Department. They interpret their role of management into very passive administration only and limited desires to transform it into anything further. Decision making is transferred to the Director of Convention Facilities or is indefinitely postponed. To be effective, management must assume a much more assertive role. Indeed, management of La Villita thus far has been totally ineffective, which has resulted in many of the problems seen with tenants, the concessionaire and others. Specifically, there are two cases where simple oversights by La Villita staff caused the City to lose revenues.

In the first instance, in dealing with the previous La Villita concessionaire, staff overlooked the requirement of the posting of a performance bond required by his contract. The bond was not posted and when the concessionaire went bankrupt later in the year, the City had to absorb a \$14,000 loss of expected revenues due to his inability to meet his contracted responsibilities. A related problem is that La Villita staff allowed the deficit to reach \$14,000 before taking any action.

In a similar situation, one of the tenants at La Villita, Edith Molinar of the Budapest Restaurant, was five months behind on her monthly rent of \$150. It was not until she had requested additional work for her restaurant that this problem was discovered. Furthermore, she had not secured a bond as required by her contract either. These situations were finally remedied by her meeting with all of these requirements after several lengthy discussions with an Assistant to the City Manager. This type of problem should never reach the level of the City Manager's Office, it should be taken care of by staff on site. The best and most optimistic explanation for these problems is the passiveness of La Villita staff.

Management lacks aggressiveness in relationships with tenants, the concessionaire and in establishing promotional efforts and development policy. These are the basic problem areas which have plagued La Villita for several years now and will not be remedied until staff adopts these more aggressive

roles. In fact, adoption of these more aggressive roles is the most basic element to possible success. This role by staff would draw necessary attention to all problematic areas.

Another subject which has raised concerns among City staff is the deterioration of the structures at La Villita, especially the oldest ones. These buildings do require much maintenance just to keep them from deteriorating. They are much in need of upgrading their electrical systems, most are in need of some amount of painting, some do not have proper plumbing facilities, and some need carpentry work. This work is needed not only to get these structures back to a desirable condition but to keep them from deteriorating as well. Present staff members at La Villita have thus far not been able to keep abreast of these needs simply because they do not have any assigned personnel who have skills in these technical areas. This being the case, the work order system through Public Works is utilized. These work orders are issued through departmental channels and prioritized by need. Delegated work of this type has not been at all successful in keeping up with maintenance needs. Invariably, the Public Works crews take quite a while to respond to this type of work order because they must also handle work needs of their own department plus the rest of the City's operations. Much of their immediate capacity is used to respond strictly to emergency situations. Also, in terms of priority, these crews will naturally respond to requests from their own department before they respond to others. So for these reasons mainte-

nance work is deferred, and many times gets to the point of creating major problems from minor ones.

Once major problems develop, they are almost impossible to handle due to the persistent lack of funds for these capital expenditures. Numerous requests for funds have been submitted by staff for some of these pressing needs during consideration of Community Development Block Grants or Revenue Sharing proposed budgets, but without much success. As explained earlier "beautification" projects do not compete well with drainage, streets and such. Most of these funding sources are quite limited when compared to the \$1.8 million of rehabilitation needs. There have been some allocations for needs at La Villita, but those funds have not had significant impact on the total requirements. The last sum budgeted for capital expenditure at La Villita was \$21,000 in the last entitlement of Revenue Sharing. The particular line item was La Villita Rehabilitation--Phase II. Specifically, it was budgeted for electrical rehabilitation of four different buildings. This work, as mentioned earlier, is yet to be done and this points out problems with staff's ability to see that any specific job is performed.

The previous situation is fairly representative of two problems of La Villita. First is the inability to compete against drainage, streets and other projects which generally receive most of the Community Development Block Grants and Revenue Sharing funds for capital improvements. This inability to be competitive is the most obvious reason for much of the

deferred capital expenditures on La Villita today in terms of renewal needs. This cannot be a fault of staff because the political climate presently calls for this money to be spent on public works needs. Secondly, there is the inability to spend a comparatively small amount of funds such as \$21,000. This points out three specific deficiencies of staff performance: (1) inability of La Villita staff to perform such work, (2) low prioritizing of La Villita work by Public Works crews and (3) passiveness of La Villita staff in their lack of effort to counter such prioritizing. These generally reflect the problems faced by La Villita on a daily basis. These problems, not having been effectively remedied, have simply compounded themselves to the point of now totaling a renovation estimated at \$1.8 million. Renovation would be used to upgrade all buildings including electrical and plumbing systems, plus roofing and patch work on deteriorated portions of the walls.

One specific area of concern is actually a political concern and a result of the lack of operational policy continually referred to in the course of this paper. This concern is that of the special treatment given the San Antonio Conservation Society during the staging of its annual Night in Old San Antonio. Granted the Conservation Society has done much good for La Villita and the entire city as a whole. However, it is questionable that its name should appear on each lease contract between the City and its tenants at La Villita for the sole benefit of the Society. Incorporated

in every lease renewal is a statement which explains to the lessee that he has no rights to the grounds or general access to La Villita during the function known as Night in Old San Antonio. This statement was included at the request of the Society in order to minimize problems during Night in Old San Antonio. Although this event is by far the most popular event in La Villita, it seems quite unfair that tenants who are residents in La Villita for 365 days during the year must schedule their business around that one event which lasts four days. Business during those four days is almost non-existent due to the complete mess during the day and N.I.O.S.A. revelers during the night. Indeed, this is not the only problem generated by N.I.O.S.A. It seems that a study is in order to explore not only the benefits but the problems generated by N.I.O.S.A. There have been several reports of the Conservation Society forcing tenants to close or pay the Society a specified percentage of the revenue generated. Also, many individuals have raised concerns over safety due to overcrowding and nonadherence to fire safety standards. Damage to City property should also be reviewed such as damage to buildings, plants and shrubs. Review of these problems should also address compensation for tenants who lose business during N.I.O.S.A. and added compensation to the City for damage to our historic structures and grounds. The suggestions here are not unfair, they simply call for just and equal treatment of all groups and individuals with no favoritism.

With the same arrangement, the Society also gained ex-

clusion from the mandatory use of the La Villita beverage concessionaire. Again, the concessionaire's contract read that he had the exclusive beverage concession at La Villita except during N.I.O.S.A. This type of exclusion and special treatment is complementary to the lobbying efforts of the Society with some members of past City Councils and staff. However, the total permanent benefit from these efforts seems to belong exclusively to the Conservation Society.

Recently, the Mexican American Business and Professional Women's Club approached City Council with a request to be treated in the same manner as the Conservation Society for exclusion from mandatory use of the concessionaire. Council granted this request and instructed staff to make the necessary arrangements. This time arrangements were made to enable any group which is of the same type as S.A.C.S. and M.A.B.P.W. to be excluded from this mandatory use. These efforts were made to professionally deal with this type of non-profit group and refrain from establishing a special arrangement for any one group. Staff effort resulted in establishing criteria which, if successfully met, would automatically exclude any group from this mandatory use.

There is one group, however, which should enhance its relationship with La Villita staff and that is the La Villita Tenants Association. This group is presently fragmented and somewhat ineffective. Presently, the strongest faction of the Tenants Association has linked itself with the Hemisfair Plaza Tenants Association and this joint group has become a

formalized complaint channel. From the numerous meetings with these groups, only complaints have been heard and all efforts at soliciting ideas from them for redevelopment of La Villita have proven futile. To have an effective tenants association they must be representative of all of the tenants' interests. If this were truly accomplished, staff could more easily work with the Association in developing strategies for adherence to lease contracts and development of future policies. It seems, however, that achievement of a viable tenant association is almost impossible with the present tenants. Nevertheless, La Villita staff should encourage this type of positive relationship.

One final area of concern is La Villita's relationship with other similar facilities. La Villita has much in common with Hemisfair Plaza and Market Square. The Paseo del Rio is an area which also has similar functions and facilities as La Villita. Formal relationships, however, have never materialized. Hemisfair Plaza is directly across Alamo Street from La Villita and is within the same city department. This is the extent of the relationship, for in everyday operations, the two rarely, if ever, have any dealings with one another. The situation with Market Square is even worse. There even exists some jealousy for the amount of success realized by Market Square. The physical link with Paseo del Rio needs much strengthening if an improved relationship is ever to be viable. Access from one area to another is possible, but one almost has to know that there is something attractive on the

other side of the Arneson River Theatre to be drawn there. These links must be developed into a daily relationship to be beneficial to all. Basically, however, there exists a coordination problem between these facilities. The above facilities are directly or indirectly related to the tourist industry and also have some dealings with City staff. It seems that the key is City staff. The question then, is if Convention Facilities staff should be charged with responsibility to coordinate the above facilities. From the attitudes and abilities displayed in their present capacities, this writer would say no.

In summary, the preceding areas of concern involve every aspect of the operations of La Villita. It seems evident that changes must be made in organization, personnel and operational policies and procedures. The following chapter will outline two proposed strategies for improving the situation which can be considered for implementation by the City Manager.

## CHAPTER IV

### CONCLUSIONS AND RECOMMENDATIONS

Throughout the discussion of those areas of concern identified in Chapter III, the role of City staff comes into question. As stated previously, La Villita was placed under the authority of the Director of Convention Facilities in order to enhance its integration with the Convention Center, which has never effectively taken place.

This effective integration has not been realized for the following reasons:

1. Facilities at La Villita are not really convention facilities.

The type and age of the structures are vastly different. La Villita has only four areas which could conceivably be used for convention functions. Three of these, however, are outdoor and for a convention which is in San Antonio for a limited time only, utilization of outdoor facilities will not be a priority. Also, La Villita has potential of being developed into a much greater cultural center than it is presently. When viewed in this light, utilization of La Villita for the sole or primary benefit of conventions would result in under-utilization of the facility.

2. Convention Facilities Department policy of booking the entire Convention Center before referral to La Villita

is made.

This Departmental policy puts La Villita into the role as back-up for the Convention Center. In this back-up role, La Villita has seen little success. In fact, plaza usage by convention related functions made up only 2% of all business in La Villita during 1977. Also, it is extremely difficult to encourage usage of La Villita for meetings because in case of inclement weather, the Convention Center must provide the back-up indoor facility.

3. Expressed feelings of the Director of Convention Facilities that he has neither the expertise or desire to operate La Villita.

This feeling can be countered by a firm directive from the City Manager to operate the facility in a better manner. However, this feeling seems so widespread that it would take more than a directive to result in adequate handling of La Villita.

4. Lack of initiative on the part of La Villita staff to work around this feeling.

It is extremely difficult for subordinates to counter the feelings of a superior. Staff at La Villita, however, seem to be the last to ever find the initiative to counter such feelings. They seem to have reached a point of indifference in their operations. Consequently, La Villita has been treated as sort of a forgotten step-child. It has never been fully absorbed into operations of the Convention Center, yet it has never been developed into the valuable cultural

center for which it has much potential. From the facts cited above and in light of the operational deficiencies noted earlier, it would seem that organizational changes may best accomplish all of the necessary changes. Problems on site under the present administration are best summarized by the following points:

1. Non-compliance with and non-enforcement of standard tenant lease contracts.
2. Under-utilization of most facilities by local citizens and tourists.
3. Lack of promotional effort.
4. Deferred minor maintenance of buildings which result in need for capital expenditures.
5. Lack of tenant recruitment and general operational policy.

If the preceding areas of concern were addressed comprehensively by staff, most problems now faced would be addressed and operations at La Villita would be much more effective. As presently organized, however, staff sees these problems as part of the nature of the facilities. Consequently, staff must accept the responsibility for failures in these operational areas because of staff neglect of the following specific functions or roles: (1) landlord, (2) manager of plaza areas, (3) promoter, and (4) maintenance. Most operational problems with La Villita are centered around the four roles just cited. One alternative would be for the City Manager to exercise his option of requiring more adequate

operation. This would put the burden on Convention Facilities staff to perform acceptably or face the undesirable consequences.

Taking into consideration the tourism and cultural aspects of the facility and keeping in mind the economic benefit of proper utilization of the facility it would seem wise to attempt to administratively reorganize La Villita. The most desired reassignment would be to join this facility with others of equal cultural and operational responsibilities.

Other appropriate City-owned cultural facilities would include only the Market Square Department. This facility has seen much success in the operation of cultural activities with local citizens and tourists alike. There are other operational problems, however, that are a concern at Market Square. First, there are some maintenance problems which the El Mercado staff on site cannot handle. Secondly, Market Square has received much criticism for having a staff which is very top-heavy in grade and pay (see Table I). Examination of Market Square's revenues and expenditures verifies that Market Square always ends with a larger deficit than La Villita (see Table II). These organizational problems have an adverse effect on the rest of the City staff which see a very small department in the City paying more in salaries for similar jobs performed. This is a situation which also needs to be remedied and placing La Villita under Market Square would probably compound, rather than solve problems.

There is one other City-owned facility which deals

heavily with tourism in this city. That is Hemisfair Plaza, which is also a division of the Convention Facilities Department. Although this facility is not as generously endowed with the cultural richness of La Villita and Market Square, it represents a significant tourist attraction. Hemisfair Plaza is also beset with operational problems similar to those of La Villita. The most viable activity on the Plaza is the Tower of the Americas, which Hemisfair Plaza does not control.

Consequently, the City owns and operates four different facilities which are directly related to tourism, one of the most important industries in San Antonio. These facilities, however, seem under-utilized and beset with operational problems. It would seem beneficial to attempt to solve the problems of all these facilities at once. The benefit from good, efficient operation of these facilities would be the generation of more activities in relation to tourism.

The most logical step seems to consolidate the management of operations of these four facilities into an organization which can devote all of its resources to the effective use of these facilities. Naturally, these four problematic areas listed for La Villita would be addressed by this organization in a manner complementary to solving the problems at Market Square, Hemisfair Plaza, and the Tower of the Americas.

When a survey of existing City departments is done with the intent of identifying a department which deals with the four problematic areas listed and tourism in general, the

only department which meets these criteria is the Department of Parks and Recreation. This department deals with the operations of City parks and recreational facilities on a year-round basis. It also deals with identical responsibilities when it comes to contract supervision. The Department has a division in charge of cultural and special activities which deals directly with promotion and a maintenance division which has skilled personnel in all necessary functions.

Therefore, one alternative is to create a division within the Parks and Recreation Department which will operate these four facilities almost exclusively (see Figure I). Naturally, any organizational change would also transfer existing personnel and resources at each facility to the new organization. The improvements would be in the support given these facilities by other portions of the Department, plus the close supervision by the Division Head in charge.

The advantages of creating a new division within the Parks and Recreation Department are:

1. Existing expertise in all operational areas.
2. Monetary savings possible with deletion of some positions.

The first advantage of existing expertise has already been partially explored by reference to cultural, special activities and contract supervision experience of Parks and Recreation. Another definite advantage is the existing skilled maintenance crews employed by the Department. The second point is that there would be a budget savings of at least \$50,000

annually from the deletion of the positions of Director, Assistant Director and Executive Secretary from the Market Square Department. The effect of these two advantages would be more efficient operations by a department which has operational expertise in all areas.

These are the disadvantages to the first alternative:

1. Parks and Recreation is the second largest department in the city. Consequently, the operations and development of these four facilities could be neglected in the overall operations of Parks and Recreation.

2. The Parks and Recreation Department is already extended almost to the limits of manageability. Proper development of these facilities would create additional responsibilities and demand additional attention.

3. The imminent development of St. Paul's Square, which will be similar in function and facilities to Market Square, should logically be grouped with the four other similar facilities. This would further extend the department and its responsibilities and therefore may detract from performance.

A second alternative is the creation of the Department of Municipal Facilities to deal exclusively with the development and operation of these four facilities as cultural and tourist attractions. This department would address all the operational deficiencies presently seen plus develop policies which will help the redevelopment of the areas. Organizational changes would include establishment of a

maintenance branch to deal with the daily requirements for skilled personnel. Organizational arrangement would be similar to that of the division of Parks and Recreation and the functional responsibilities would be more closely monitored than at present (see Figure II). Advantages of this alternative would be:

1. Operations of the facilities would be more closely supervised by the Department Head and the City Manager.
2. The Department would be free to expand without extending staff to accomodate growth and new facilities.
3. Yearly budget savings of \$100,000 over present expenditures could be achieved by conforming to the desired staffing chart (see Figure III).

The disadvantages of this alternative are:

1. Duplication of work crews, maintenance and promotional personnel.
2. Support from other departments may still be needed.

The pros and cons listed above must be compared in order to arrive at a sound recommendation. The point of existing expertise in the Department of Parks and Recreation is easily verified. Contracts with Parks and Recreation are supervised in a very efficient and effective manner. Value of Special Activities programs produced by the Department are readily seen in the effective coordination of Brown Bag Days, summer recreation and cultural programs and others. Finally, the performance of Parks and Recreation maintenance crews is equal to that of Public Works crews. The first

alternative would still utilize existing personnel at the four facilities. The main responsibility would be with supervisors who would have to train and transfer personnel for the required tasks. Inherent in this would be a possible reduction in force which would only be determined after implementation.

The second alternative, on the other hand, would also utilize existing staff but the emphasis on development of the staff in their present positions would be paramount. There could also be an effort to achieve the desired staffing level indicated in this document through attrition. The desired staffing level would reduce the personnel costs by \$100,000 per year and still retain optimum performance. Naturally, both alternatives contain variables which will effect performance. The second alternative minimizes the variables by supervising the development of staff at the facilities with a Department Head. The effectiveness of the new department would be directly related to the quality of effort by the Department Head.

The first alternative isolates operations of the facilities from direct supervision of the Director of Parks and Recreation. The present scope of responsibilities assigned to the Director of Parks and Recreation would hinder his efforts of supervision of the four facilities. This is the main problem with the first alternative; it places the four facilities as an added burden on the responsibilities of Parks and Recreation.

The second alternative does not handle the four facilities as an added responsibility, but instead as the sole responsibility. This enhances the chances of success for the optimum development of the areas. Also, the new department will have the potential for expansion to accommodate increasing activity and business on the existing facilities. A final advantage is that administrative structure will be existing when the development of St. Paul's Square is finalized. The new department will have the flexibility to add resources to accommodate this new responsibility.

The negative points associated with the second alternative apply only to the time immediately after reorganization. Duplication of personnel responsibilities will be obvious because support will still be necessary from other departments. However, development of the new department will cause less dependence on others to the point of being self-sufficient. Growing responsibilities will end duplication through sheer volume.

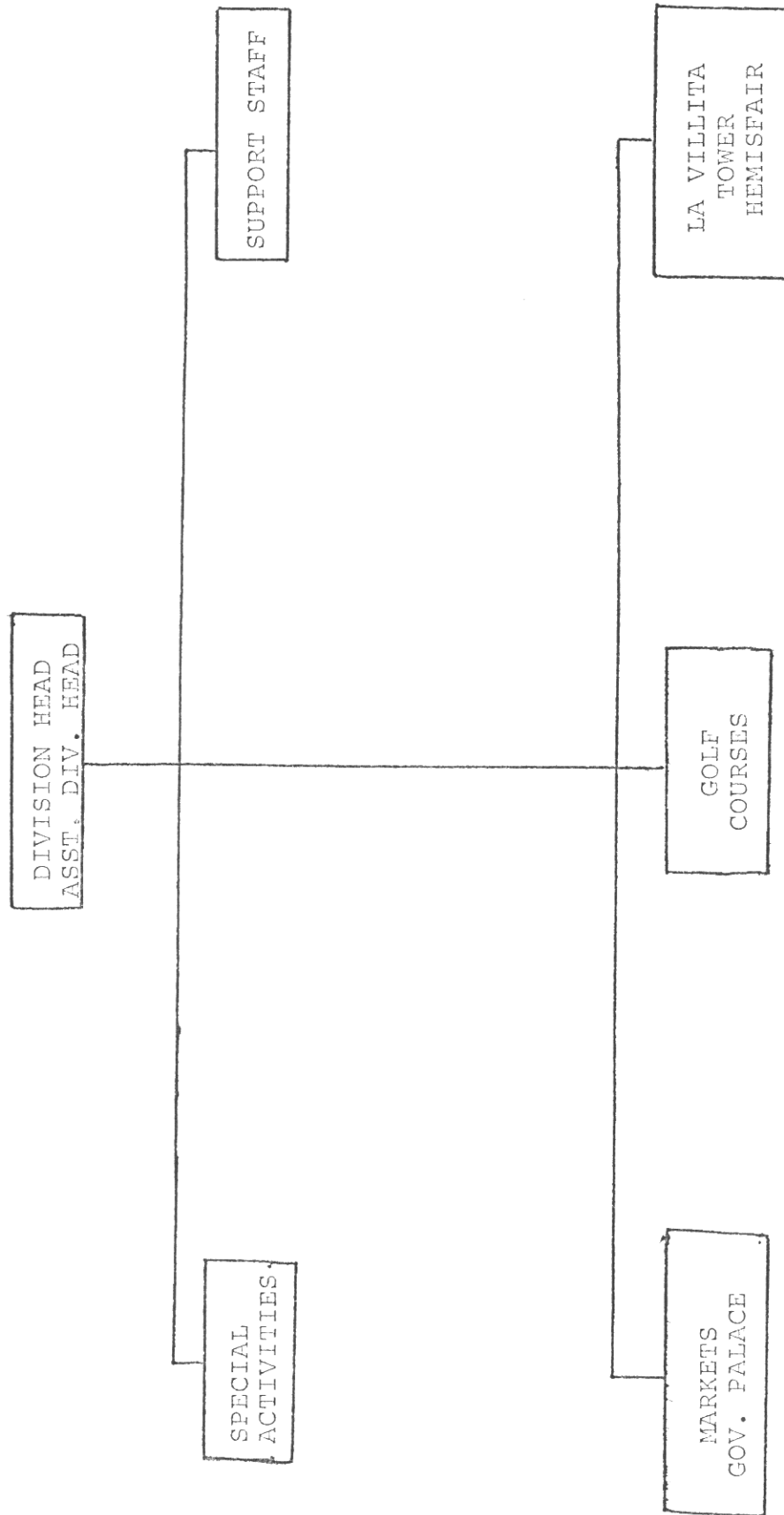
Taking all of the above into consideration, it is recommended that the second alternative be adopted to establish the Department of Municipal Facilities. This alternative should be implemented because not only will it consolidate the functions and operations of all tourist and cultural facilities owned by the City, but it will bring these vital functions closer to top city staff, specifically the City Manager. This seems proper for maximum effective development of these facilities can greatly add

to the cultural richness, and therefore tourist attractiveness of the City. This cannot avoid helping the segment of our population which relies basically on tourism for their livelihood. The overall effort of economic development of this city could be enhanced by the development of these facilities. City staff can be the direct cause of this economic improvement by efficient and smooth development and operation of facilities which the City already owns. The challenge can be effectively met by firm, decisive action on the part of staff of the proposed department with the active support of the City Manager.

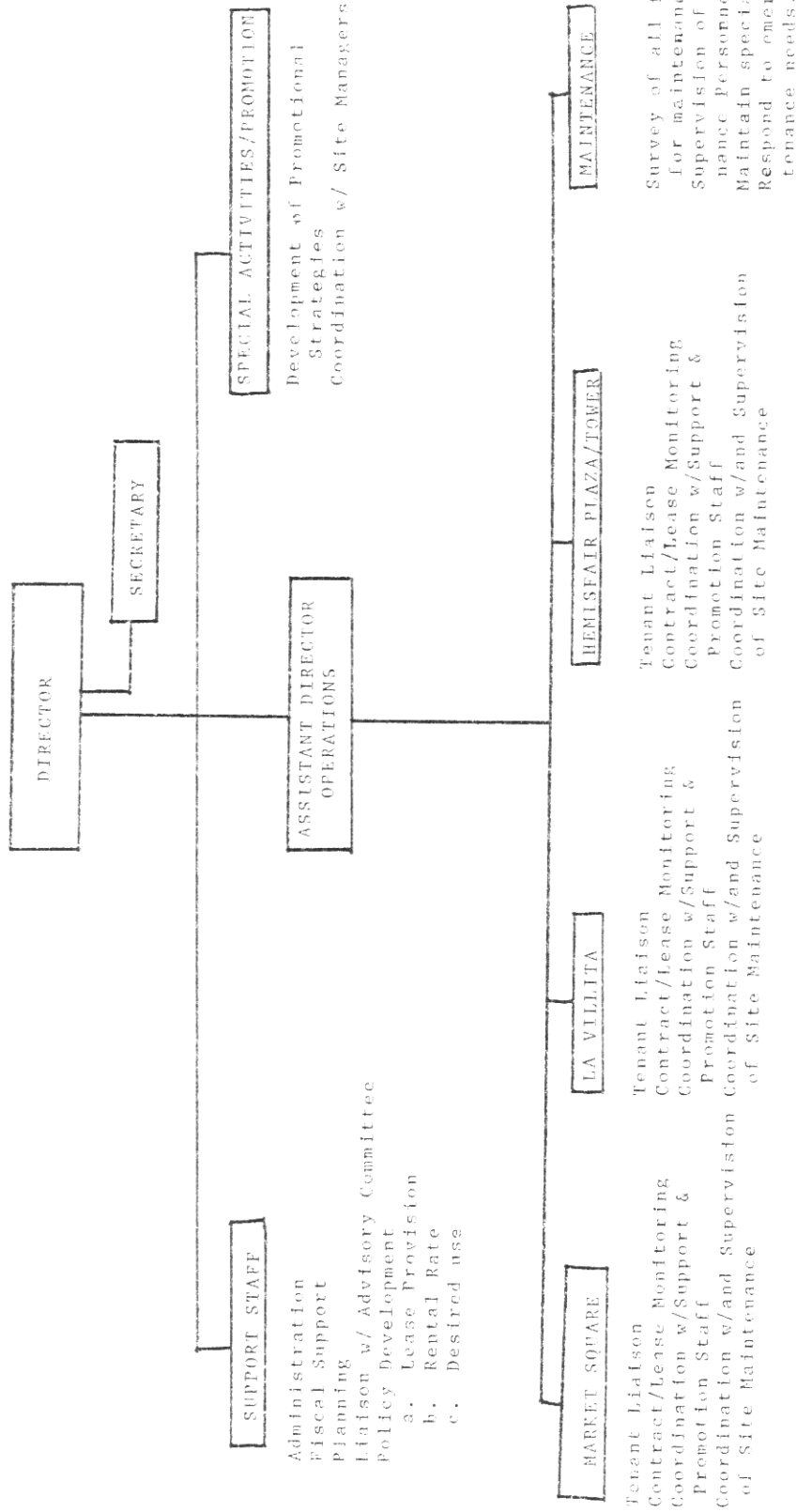
## APPENDIX A

## LIST OF ILLUSTRATIONS

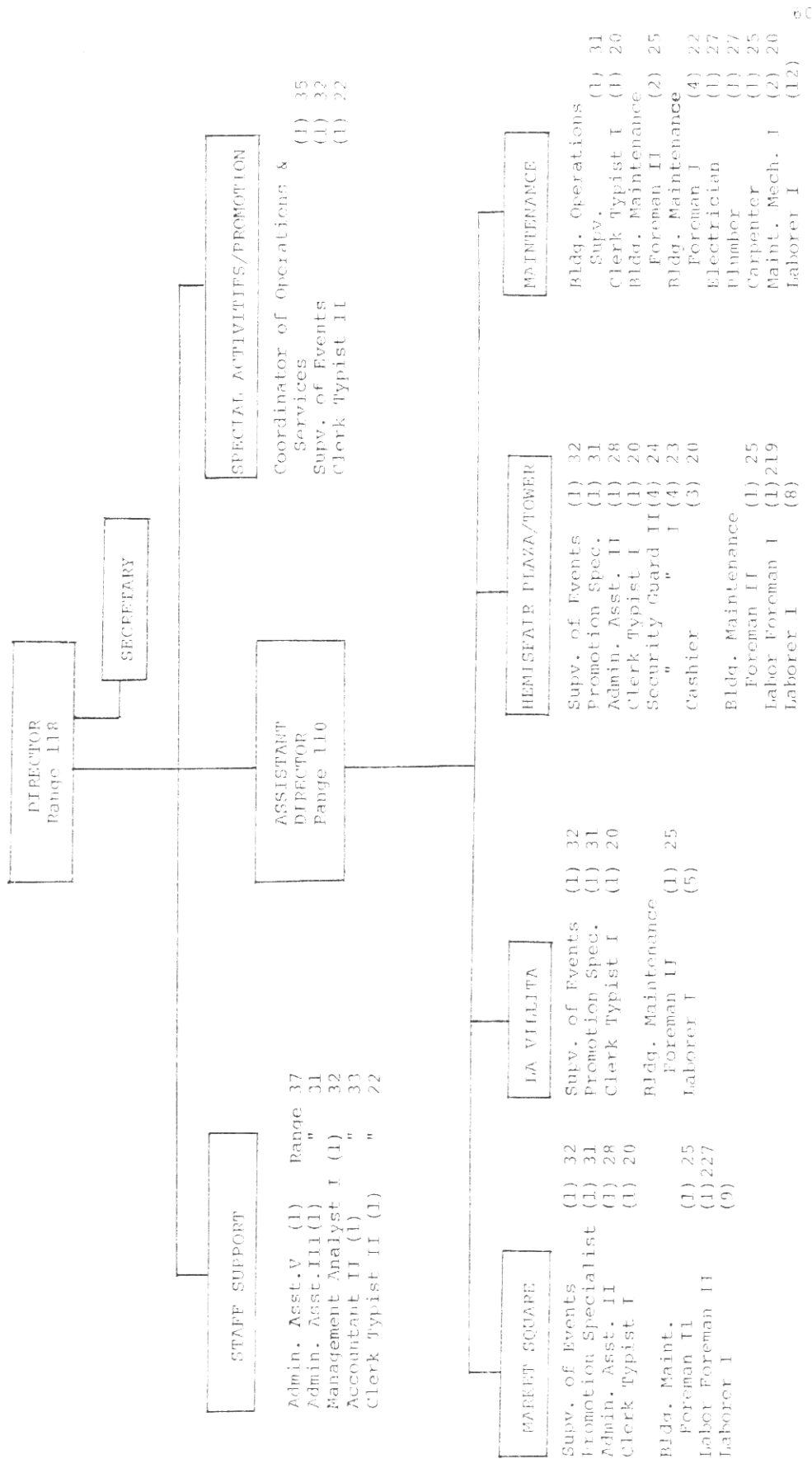
1. Division of Parks and Recreation--  
Functional Chart
2. Department of Municipal Facilities--  
Functional Chart
3. Department of Municipal Facilities--  
Organizational Chart



DIVISION OF PARKS AND RECREATION  
FUNCTIONAL CHART



DEPARTMENT OF MUNICIPAL FACILITIES  
FUNCTIONAL CHART



DEPARTMENT OF MUNICIPAL FACILITIES--ORGANIZATIONAL CHART

## APPENDIX B

## LIST OF TABLES

1. Staffing Breakdown of Market Square,  
Hemisfair Plaza, Tower of the Americas,  
and La Villita
2. Revenues and Expenditures of Market  
Square, Hemisfair Plaza (Including  
the Tower of the Americas), and  
La Villita

TABLE I

STAFFING BREAKDOWN OF MARKET SQUARE, HEMISFAIR PLAZA,  
TOWER OF THE AMERICAS, AND LA VILLITA<sup>1</sup>

<u>MARKET SQUARE</u>				
<u>Position</u>	<u>Number Authorized</u>	<u>Number Filled</u>	<u>Pay Range</u>	<u>Salary</u>
Director	1	1	114F	23,379
Assistant Director	1	1	106H	18,725
Administrative Assistant V	1	1	37I	12,212
Administrative Assistant IV	1	1	33C	11,820
Special Activities Supervisor	2	2	33B	11,268*
Market Master	1	1	31E	12,408
Market Supervisor Recreation	2	2	31	9,960*
Specialist II	1	1	30A	9,252
Assistant Market Supervisor	1	1	27G	11,910
Administrative Assistant I	1	1	24B	7,260
Clerk Typist I	2	2	20	5,988*
Market Attendant	9	9	211	7,356*
<u>HEMISFAIR PLAZA</u>				
Administrative Assistant V	1	1	37E	15,828
Administrative Assistant III	1	1	31B	10,200
Building Operations Supervisor	1	1	30	13,140
Building Maintenance Foreman II	3	3	25	9,948*
Clerk II	1	1	22F	7,260
Laborer I	18	18	211	7,341*

\*Average

TABLE I--Continued


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<u>TOWER OF THE AMERICAS</u>				
<u>Position</u>	<u>Number Authorized</u>	<u>Number Filled</u>	<u>Pay Range</u>	<u>Salary</u>
Building Operations				
Supervisor	1	0	30	0
Building Maintenance				
Foreman II	1	1	25G	9,720
Building Maintenance				
Foreman I	1	1	22F	8,004
Plan Equipment				
Operator I	3	2	24G	9,252*
Labor Foreman II	1	1	227E	9,526
Labor Foreman I	1	1	219E	8,216
Laborer I	8	7	211	6,742*
Cashier	3	3	20	6,940*
Security Guard II	4	4	24	9,144*
Security Guard I	5	4	23	7,293*
Tower Attendant	2	1	20B	5,988
Clerk I	1	1	20F	7,260
 <u>LA VILLITA</u>				
Municipal Enterprise				
Manager	1	1	28	14,508
Assistant Municipal				
Enterprise Manager	1	1	26	11,082
Building Maintenance				
Foreman II	1	1	22	8,004
Maintenance				
Mechanic I	2	2	20	9,703*
Laborer I	5	5	211	7,356*
 *Average				

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Source: Interviews with Albert Gee, Personnel Department,  
City of San Antonio, Texas, Series of Interviews.

TABLE II

REVENUES AND EXPENDITURES OF MARKET SQUARE,  
HEMISFAIR PLAZA (INCLUDING THE TOWER  
OF THE AMERICAS), AND LA VILLITA<sup>1</sup>

<u>MARKET SQUARE</u>				
	Fiscal Year 1975-76 <u>Actual</u>	Fiscal Year 1976-77 <u>Actual</u>	Fiscal Year 1977-78 <u>Estimated</u>	Fiscal Year 1978-79 <u>Proposed</u>
Revenues	45,024	87,473	116,566	128,660
Expendi- tures	210,686	310,438	427,890	445,760
Difference	-165,662	-222,965	-311,324	-317,100
<u>HEMISFAIR PLAZA (INCLUDING THE TOWER OF THE AMERICAS)</u>				
Revenues	901,850	877,840	1,047,050	1,137,985
Expendi- tures	1,227,576	1,228,878	1,339,445	1,422,325
Difference	-315,726	-351,038	-292,395	-284,340
<u>LA VILLITA</u>				
Revenues	104,835	94,183	96,620	107,170
Expendi- tures	125,502	146,077	162,695	174,355
Difference	-20,667	-51,894	-66,075	-67,185

Source: City of San Antonio, Budget and Research Department, Revenues and Expenditures: Hemisfair Plaza, La Villita, Market Square, Tower of the Americas.

## END NOTES

<sup>1</sup>Interview with Ron Bickline, Planning Department, City of San Antonio, Texas, 24 May 1978.

<sup>2</sup>United States Department of Commerce, Office of Minority Business Enterprise, Establishing a U.S./Mexico Trade Center in the Southwest, Chapter VII, Washington D.C., May 1977, p. 49.

<sup>3</sup>San Antonio Economic Development Foundation Incorporated. Comprehensive Economic Analysis of San Antonio, San Antonio, Texas, p. 9.

<sup>4</sup>Alamo Area Council of Governments, Regional Analysis Division, Socioeconomic Data for the A.A.C.O.G. Region 1977, San Antonio, Texas, p. 24.

<sup>5</sup>Interview with Jeff Gordon, Treasurer, City of San Antonio, Texas, 23 June 1978.

<sup>6</sup>Ibid.

<sup>7</sup>Interview with Charlotte Kearney, Manager of La Villita, City of San Antonio, Texas, 13 January 1978.

<sup>8</sup>City of San Antonio, City Clerks Office, Master Plans--General Contracts File--La Villita, Ordinance no. OI-355, pp. 1-7 passim.

<sup>9</sup>San Antonio Conservation Society, La Villita Files, San Antonio Conservation Society Library, San Antonio, Texas.

<sup>10</sup>City of San Antonio, Finances Department, List of Revenue Contracts--La Villita.

<sup>11</sup>City of San Antonio, Convention Facilities Department, 1977 Schedule of Events for La Villita.

<sup>12</sup>City of San Antonio, Annual Budget 1977-78, p. 408, 409.

<sup>13</sup>Ibid.

<sup>14</sup>City of San Antonio, Budget and Research Department, Revenue and Expenditures: Hemisfair Plaza, La Villita, Market Square, Tower of the Americas.

<sup>15</sup>Edgar, Clifford M., "Analysis by Market Square  
Department of Rental Rates and use of Other City Facilities,"  
Memorandum, 24 May 1977, attachment 1-8 passim.

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- Martin, Pinky. Member, San Antonio Conservation Society, Texas. Interview. 31 January 1978.
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There were many informal conversations and phone calls which added to the content of this paper. They were, however, in the context of daily work and too numerous to cite.

## VITA

Robert Peché was born on July 23, 1953 to Mr. and Mrs. Lionel A. Peché, Sr. The youngest of five siblings, Mr. Peché received primary and secondary education from Edgewood Independent School District schools. Following graduation from John F. Kennedy High School in 1971, he enrolled at San Antonio Junior College. In the fall of 1973, Mr. Peché transferred to Trinity University to major in Political Science. Mr. Peché received his Bachelor of Arts degree in May 1975 and returned to Trinity University in fall 1976 to enter the Urban Studies program. The recipient of a Brackenridge Fellowship and a Housing and Urban Development Work Study Fellowship, Mr. Peché expects to receive his Master of Arts Degree in Urban Studies in August 1978. He has been selected to participate in the Presidential Management Internship Program with the Federal Government upon completion of graduate degree requirements.

Mr. Peché is married to the former Miss Norma J. Garcia and the couple expect to relocate to Washington D.C. in July 1978. Permanent address is 3715 El Paso Street, San Antonio, Texas, 78207.