

CENTERPIECE

Generous incentives lure businesses to Sixth Street

By MARISSA BARNETT The Daily News Mar 7, 2017



Stuart Villanueva/The Daily News

Scott Koenning, owner of the Rainwater Trading Company Resale on Sixth Street in Texas City, points out awnings Tuesday, March 7, 2017 that his business was able to install thanks to incentives offered by the city.

Texas City's Sixth Street business district looks more polished than it did just five years ago. But business owners and city officials say the district still has much more in store.

The city has spent about \$76,000 since 2014 to improve the curb appeal of private businesses in the Sixth Street corridor, according to city documents. That figure does not include renovations to the street and city buildings.

Texas City officials recently inked a deal with a popular Galveston ice cream shop to open another business, offering a loan to renovate the building and lease for five years with an option to purchase. The rental incentive could be a blueprint for how the city might attract business with other city property, officials said.

Similar incentives could be used in the future to attract businesses that fit with the aims of the city's planned revival of the business district, said James Hartshorn, deputy director of Management Services for the city.

For new and existing business owners, the incentives, at least in part, played into their decision to open in Texas City, they said.

"Without a doubt the city's willingness to help small businesses and the interest they've taken in its revitalization" was a reason to open, said Manny Lopez, owner of El Cubano Cigar Factory at 520 Sixth St. Lopez has had his shop and factory in Texas City for about four years.

In 2012, Texas City, with assistance from the county, completed street and streetscape improvements in the historic section of Sixth Street, including widening the sidewalks, adding esplanades and pedestrian crossing sections and decorative lighting.

Since then, the city has spent nearly \$1 million restoring the Texas City Museum and has funded the demolition of dilapidated buildings on Sixth Street, among other things.

Since March 2014, the city has spent about \$76,280 to help Sixth Street businesses paint, add signs and awning to their store fronts, according to the city.

“Helping businesses beautify themselves leads to an overall more attractive city. It instills pride,” City Secretary Nick Finan said in an earlier interview.

According to invoices, the city paid about \$12,000 for signage and awning at The Post Newspaper, 501 Sixth St. It spent about \$8,200 for the former Abernathy Gallery, 411 Sixth St., and \$4,830 for B&B’s Attic, among many others.

“The street looks much better than it has in many years and it’s getting better every day,” Lopez said.

In January, Hey Mikey’s Ice Cream owners Michael and Kathy Bouvier signed a contract with the Texas City Economic Development Corp. in which the city will cover about \$315,000 in renovations to the building and offer subsidized rent to the ice cream shop owners. The lease grants an option to buy the property in about five years, Hartshorn said.

The Bouviers will pay monthly rent of \$543 for the 2,720-square-foot building until February of 2020, according to the contract. The rent will increase to \$1,100 between 2020 and February 2023, and again to \$2,000 until February 2028, according to the contract.

Hey Mikey’s owners must meet some conditions, including a requirement to hold insurance on the property.

The latest incentive deal with Hey Mikey’s is the first of its kind, but could be replicated with other city buildings if the right proposal comes along, Hartshorn said.

“It’s possible we will do a similar deal,” Hartshorn said.

The city is meeting with possible business owners for another city property, a yellow building at 522 Sixth St., but there hasn’t been a deal made yet, he said. The city is looking to court a family friendly sports bar-type restaurant that would draw people to the district at night, Hartshorn said.

“That fits with our revitalization plan for Sixth Street,” Hartshorn said.

Hey Mikey’s had originally looked for a location at Mall of the Mainland but the deal fell through, Michael Bouvier said. The city approached him after that to talk about the proposal. The city showed Michael Bouvier three properties on Sixth Street to consider for the shop, he said.

Michael Bouvier and the city’s economic development officials began putting together a budget for the property.

“They came up with an incentive deal that was unbelievable,” Michael Bouvier said.

Were it not for the incentives, Michael Bouvier likely would not have opened on Sixth Street, he said.

“I think we’re at the beginning of a boom,” Michael Bouvier said. “I think this area will change a lot in the next five years and I’m happy to be in the ground floor of it.”

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