

Former Falstaff Brewery In Galveston Taps Into New Uses



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Scaffolding and fresh paint on a section of the former Falstaff Brewery are signs that Phase Two of the redo are making

Producing beer isn't in the cards any longer, but serving it will be, given some of the new uses in the works for the former Falstaff Brewery property in Galveston, Texas. The century-old structure and its later additions are being re-purposed, piece by piece, in a revitalizing once-industrial corridor of The Oleander City.

Cruise ship terminal parking, climate controlled storage, a rooftop events venue with bay views, and a boutique hotel with outdoor entertainment plaza are among the uses either in place, soon to open or in the chute, reports the project's determined developer, attorney Jerome M. Karam of JMK5 Holdings.

The native of Louisiana (and long-time Texan) says he likes the challenge of mega-scale projects. Another example is his purchase and repackaging of the massive Mall of the Mainland, located 20 miles north of the brewery in Texas City.

Galveston's multi-building, multi-level brewery property is a whopper as well. It weighed in at around 330,000-square-feet when Karam purchased it in the spring of 2015, for an undisclosed amount.

"I thought it could be re-purposed," Karam explains of his decision. "Everyone said it couldn't be done."

Adaptive Reuse

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Completed in 2016, Phase One of Karam's master plan for the looming plant was to quickly spruce up – and sell off – a low-slung, streamlined structure of 100,000 square feet. It now operates as indoor/outdoor parking for the nearby cruise ship terminal. Sale proceeds helped fund some of the subsequent work, he says.

Phase Two, for example, slated to open in October, caps six stories of windowless, climate-controlled storage with a posh events venue featuring water views on three sides and able to accommodate 400 people.

The unusual pairing of purposes was a practical one for the structure. In its brewery heyday, the windowless building had housed towering refrigerated vats

and was topped by the sky-high “tasting room” (more of a rooftop patio, actually), local historians note.



Galveston's former Falstaff Brewery property is revamping one building at a time. The former tasting room on the [+]

Karam estimated the value of Phase Two's reboot at between \$4 million and \$5 million, helped in part by qualifying for tax credits from the Federal Historic Preservation Tax Incentives program of the Department of Interior's National Park Services, which oversees rehabilitation of historic, income-producing buildings, and from The City of Galveston.

Seeking the tax credits, however, meant maintaining and restoring the building's historic integrity, as in not punching windows into it for the condos initially planned for the structure. Meanwhile, his team's research had also determined there was a need for flood-proof storage. The building is able to withstand Category 5 storms, he says, knowingly, because it has.

Phase Three plans call for converting the complex's 10-story tower and a couple smaller, adjacent buildings into a swank new boutique hotel of about 100 rooms, with 20-foot ceilings and a design vibe that draws upon the site's industrial

environment. A setting for outdoor entertainment is also in the mix. Karam estimates the cost of the hotel project improvements at \$10 million to \$15 million.

He expects to soon announce which brand hotel will team up on the tower transformation and manage it when complete, likely in 2020.

On Watch

Among those observing the project's progress is Galveston Historical Foundation (GHF) Executive Director Dwayne Jones. He says Karam "has produced things that no one else will do. He works through the challenges and fixes them."

And at the Galveston Economic Development Partnership (GEDP), its president, Jeffrey G. Sjostrom, says the brewery project is likely "a marathon" but he believes Karam has the "sincere interest and capacity" to see his plan through.

The project is also an example of strategic redevelopment the city has been supporting, particularly in the area referred to as North Broadway Corridor, a slice of city by the working waterfront between 25th Street and 61st Street. The former picks up at the edge of The Strand, which is the city's historic business core and a revitalized Victorian Age district of restaurants, shops and pier-based entertainment. The latter is anchored by the re-purposed former Galvez Mall, the first big property to be updated.

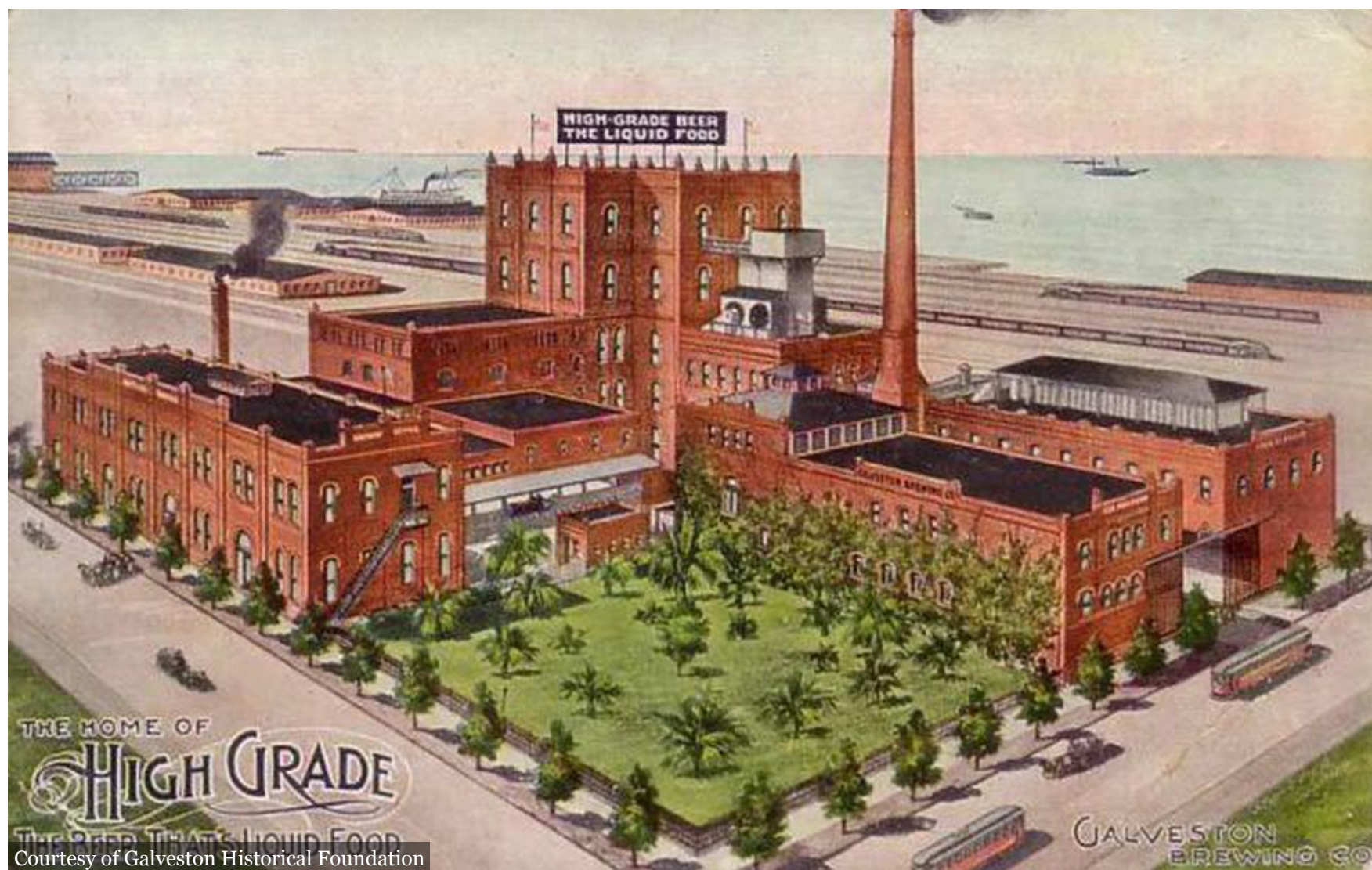
In the past decade, the area "between the bookends" has experienced public investment in terms of infrastructure, city services and affordable housing, he says.

Private sector interest and public-private partnerships have followed, Sjostrom says. "We are riding the wave of momentum and raising the tide for all boats." He estimates about \$2 billion in combined investment city-wide in the past decade.

Operations, Expansions, Vacancy

GHF accounts and anecdotes of the brewery indicate it was built in the 1890s as Galveston Brewing Co. – touted as "The Home of High Grade, The Beer That's Liquid Food," according to a pre-1918 postcard. Post-Prohibition, Galveston-Houston Breweries Inc. operated there. In 1956, the facility sold to Falstaff Brewing Corp. of St. Louis, which further expanded the complex. By 1981, however, the plant was unoccupied.

But not forgotten, Sjostrom says. Many former workers remain in Galveston.



A pre-1918 postcard depicts the early footprint of the Galveston Brewing Co.

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Jones says GHF is also interested in the revitalizing corridor. Last fall, it purchased a property adjacent to the old brewery, the 1904 Galveston, Henderson & Houston depot, where goods made the switch from rail cars to drayage. Rail tracks connected to the brewery and there's a painted Falstaff logo still visible one of the depot walls.

Plans for the GHF building call for a mixed-use "Galveston History Project," an interactive museum experience - similar to the National WWII Museum's Louisiana Memorial Pavilion's troop train journey - in which guests follow the narrative of real individuals during some of the city's dramatic history. These include "The Great Storm of 1900" that killed 6,000 Galveston residents as well as decimated the prosperous port city's Victorian-era status as "Wall Street of the South," and "The Great Raising," when Galveston built its seawall after the storm devastation and raised the land on 500 city blocks behind it.



Courtesy of Rosenberg Library, Galveston, Texas

The 1904 Galveston, Henderson & Houston building in Galveston, Texas was purchased in late 2017 by the Galveston [+]

Jones says the brewery and museum projects, as well as engineering improvements to city infrastructure and housing following Hurricane Ike are “creating energy that part of town has not experienced in a long time.”