

Abandoned Edwards wells latest hurdle for Lone Star Brewery

By Brendan Gibbons and Richard Webner | November 14, 2017 | Updated: November 14, 2017 5:30pm

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Photo: Billy Calzada /San Antonio Express-News

The Lone Star Brewery building and location is seen by some as a prime see for development. Nov. 11, 2017. The owners of the brewery were asked by the Edwards Aquifer Authority to plug three dormant water wells last week.

The troubled Lone Star Brewery ran into more problems last week when the Edwards Aquifer Authority filed a formal notice for the owner to plug three deteriorated water wells on the property, according to court records.

Earlier this year, a \$300 million plan to rehabilitate the brewery into a mixed-use development **crumbled** after two developers working on the project parted ways. Houston investment company Parkview Capital Credit has since taken over the brewery, according to federal securities filings.

The 35-acre brewery was set to be sold at foreclosure auction earlier this month, but the sale **was canceled**. Parkview's CEO, Keith W. Smith, didn't respond to a request for comment.

EAA staff work to identify Edwards wells from Uvalde to San Marcos as part of their mandate to protect the Edwards Aquifer, an underground limestone rock layer that serves as the main drinking water supply for the San Antonio region. Under EAA rules, wells that have been abandoned must be plugged to avoid creating a pathway for pollution to migrate from the surface into the Edwards.

The wells on the Lone Star property once supplied water to the brewery and were last visited by EAA personnel two to three years ago, said Jim Boenig, EAA director of aquifer protection, and Roger Andrade, groundwater protection manager.

The property and nearby parcels have a long history of industrial activity, with scrap metal still being stored or processed on an adjacent parcel.

The Lone Star site went through a cleanup effort from 1999 to 2004 under the Texas Commission on Environmental Quality's industrial and hazardous waste program, though online records don't show the outcome.

"The contamination at the site would raise the potential for the aquifer to be affected," Andrade said.

He said the EAA is not sure of the exact nature of the contamination and does not have any evidence it has reached deeper than shallow soil and groundwater.

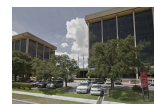
Two entries in an online TCEQ database mention the presence of polychlorinated biphenyls, or PCBs. These are once-common industrial chemicals that have been linked to a host of health effects, including cancer, according to the Agency for Toxic Substances and Disease Registry. It's unclear whether these were removed during cleanup.

When EAA staff last visited the wells, they found pumps and other surface equipment still attached, meaning the risk of contamination is lower than if the wells were open holes, Andrade said.

The brewery has been the subject of at least four failed revitalization projects since it shut down in 1996, and at least one of those efforts broke down due to environmental concerns. In the late 1990s, SAWS planned to buy the brewery for a new headquarters but decided otherwise because of those concerns.

Last year, Adam Schneider, who was president of the brewery's then-owner Aqualand Development, told the Express-News that environmental contamination wouldn't be a problem for the project.

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“We feel we have a very good grasp on what’s here and that there’s nothing daunting,” he said.

The latest effort failed earlier this year when national retail developer CBL & Associates Properties dropped out of a partnership with Aqualand. The partners planned to rehabilitate the brewery with a park, a boutique hotel, hundreds of apartments, 105,000 square feet of office space and 271,000 square feet of retail. The project was to break ground last summer.

Under state law, the property owner is responsible for plugging the wells and might have to pay penalties. The law also empowers the EAA to sue in district court.

Around six to 10 wells are plugged each year under the EAA’s program, Andrade said.

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