

How To Save Galveston, Part One

By John Nova Lomax in [Hurricane Ike](#)



Wednesday, Mar. 4 2009 @ 7:05AM

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Photo by [Beau B](#)

This week's cover story (coming online later today) is about the drive to bring legal casino gambling to Galveston.

With the Island's economy in shambles after the one-two punches of Hurricane Ike and the global financial meltdown, a vocal contingent of Galvestonians think the best way to jump-start the economy is to bring on the gambling palaces. Others think that casinos would in the long run be more disastrous than any hurricane.

But casinos are just one of several ideas for Galveston's long-term recovery. The town is ablaze with talk on that very subject, and one of the most prominent of these voices belongs to financial analyst David Stanowski, who moved to Galveston from Chicago in 2002.

A few years ago, Stanowski started publishing his thoughts on the city's economy at his own

GalvestonEconomicReport.com and is an occasional guest columnist in the *Galveston County Daily News*.

As he sees it, there are six distinct models Galveston could employ in its comeback, as follows:

1. UTMB

2. Going Green

3. Bedroom Community (Contingent on fast rail link to Houston. Hair Balls has [discussed that here](#).)

4. Resort (This model favors enhancing Galveston's tourist draw, with gambling as the linchpin.)

5. Port

6. Small Business Haven

Of course many of these plans overlap. For example, Harris "Shrub" Kempner, a leading voice in the city's anti-casino movement and a member of the city's Finance Committee, believes that Galveston needs to enhance both UTMB and the port. That's the way Galveston did it in 1900, he says, and that's the way they can do it again.

"Everybody focuses on the jobs lost at UTMB, but are you aware that there are still 7,000 people per day working there?" he asked Hair Balls in early January. "If you are aware of that, you know that it is still a major job source for what is a smaller town."

Kempner adds that city leaders "have to get down to blocking and tackling with UTMB" to ensure that resources are provided, and that the state government is willing to support the re-expansion of the hospital complex.

"There are no magic quick fixes in any of this. We are going to have to work hard to restore the economic drivers we

had," he says, adding that there are one or two new ones coming down the pike. One is that some biotech companies are considering moving (or returning post-Ike) to Galveston. "We had 14 of them before they got flooded out, but as soon as an incubator is built we'll have more," he says. "There are not a lot of jobs per entity for those companies, but it's a whole new part of growth of the island and the jobs are very high-paying and there's a lot of potential for growth."

And then there's the Port of Houston, which is slated to continue its march southeast toward Galveston in the coming years. "Houston is planning in the next five years or so to have full construction of the new container port on Pelican Island," he says, referring to a joint 2007 agreement between the ports of Houston and Galveston. Kempner thinks the container port would create thousands of area jobs, not just on the docks, but also in the offices that would support them.

Kempner says the hospital complex is much more important to Galveston's economy than tourism, which he believes is tied for second in economic primacy with the port. "Tourism is all that people in Houston think about when they think of Galveston," he says. "Quite frankly, there's so much more here, not so much for visitors, but in terms of the economy."

Kempner's little-c conservative vision lacks glitz, but hey, like he said, it did work after 1900, to a certain degree. While Galveston never regained its status as the Wall Street of the South, it didn't die out either, and that had been a valid concern.

In later posts this week, we'll get to a few more grand ideas for Galveston's recovery -- including (but not limited to) making Galveston the green capital of Texas and turning it into the Gulf Coast's answer to pre-Red Chinese Hong Kong.

How To Save Galveston, Part 2: Throw the Bums Out

By John Nova Lomax in [Cover Story](#), [Hurricane Ike](#)



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This week, Hair Balls is examining the many and varied roads Galveston could take to recover from Hurricane Ike. [This week's cover story](#) explores the possibility of casino gambling, while an [earlier post here](#) discusses Galveston relying on its existing, tried-and-true economic drivers.

But those are far from the only ideas drifting around town. Island financial analyst and blogger David Stanowski's dream idea is to turn Galveston into a haven for small business, or the Hong Kong of Texas. To do so, all Galveston would have to do is simply elect a solidly pro-business city council.

"Hong Kong is just a rock off the coast of China, a seaport with no natural resources that just became a haven for entrepreneurs and has been a boomtown for a couple of hundred years until the Communists took over," he tells us.

"You could do that anywhere," Stanowski adds. "If you make yourself entrepreneurial-friendly, it doesn't matter where you are. Galveston would just be all the more so because it is such a nice place to live. Lots of people would like to live here but there just aren't enough jobs."

He believes there is precedent in Galveston - he says the city was very much like Hong Kong in its 19th Century heyday. But today, electing that pro-business city council is the hard part, Stanowski admits. He believes the current one is appallingly anti-business and what's more, presides over a bloated bureaucracy.

Stanowski is a native of Chicago, and as such, he says, not burdened with high expectations regarding the performance of his local officials. And yet Galveston's city council has alarmed him.

He believes that most of the problem comes from the fact that too many of the councilmembers are from non-business backgrounds - many are academics from Galveston College, UTMB and A&M-Galveston. "Or somehow or another they are not in the private sector at all - they know nothing about business," he says. "Or now we've got Danny Weber who's a retired fire chief and knows nothing about the business community. So basically you've got government workers coming in to run your government, which to me is the worst thing you can possibly do."

Stanowski has informally attempted to draft business leaders to run for council and they have all told him it takes too much time. "They tell me, 'I'm struggling as it is and it's an unpaid job and I can stand twelve hours a week of meetings, research and talking to constituents.'"

Turning Galveston into a small-business haven would require no initial outlay of money, Stanowski points out. All it would require is a "seismic shift" in the Island's political culture, and despite his bandying about of New Guinean

terminology and big dreams of a Hong Kong at the mouth of I-45, Stanowski is, in fact, a realist.

"Making [this idea] work would 'simply' require a rejection of the current Mokita, and a local political revolution," he writes. "And that's something that has very little chance of ever happening."

But it is in interesting idea...

How To Save Galveston, Part 3: Gettin' Its Savannah On

By John Nova Lomax in [Cover Story, Hurricane Ike](#)



Thursday, Mar. 5 2009 @ 1:48PM

[Link to web version](#)



This week, Hair Balls is examining the many and varied roads Galveston could take to recover from Hurricane Ike. This week's [cover story](#) explores the possibility of casino gambling, while an [earlier post here](#) discusses Galveston relying on its existing, tried-and-true economic drivers. A third envisions Galveston as the [Hong Kong of the Gulf of](#)

Mexico, and one from a few weeks back casts Galveston as a **commuter rail suburb** of Houston.

This one looks away to Dixieland -- Savannah, Ga. to be exact -- for two ideas.

Galveston has always been one of the more prominent tourist destinations in Texas, but Island blogger / financial analyst David Stanowski thinks it is still underachieving. In his view, Galveston the historic city and Galveston the Island of beach fun are two distinct locales and should be marketed as such.

"What we can afford to do usually ends up a bunch of jump-cuts where you have the beach, Moody Gardens, and razzmatazz," he tells Hair Balls. "You need a slower pace for the Strand -- a slogan like 'Come to Galveston and Chill Out in the 19th Century.'"

In Stanowski's view, The Strand and Galveston's other older sections are every bit as quaint and historically significant as those of three cities he sees as its older sisters -- New Orleans, Savannah, and Charleston, SC.

"I just can't believe that we've been missing that opportunity [to market Galveston]," he says. "I don't know if it's just an inferiority complex - if people believe we are just not as pretty or historical or classy as Savannah or Charleston. I know some people refer to Galveston as a mini-New Orleans, and that might be closer on target than Savannah or Charleston."

While those cities are all decades older and larger than Galveston, the Island has some advantages they do not. "New Orleans, Savannah and Charleston are not right on the beach," Stanowski says. "You have to go 40 to 60 miles to get to the water from those towns."

But that has been a mixed blessing for Galveston, Stanowski believes. "In some ways they are lucky because they market themselves as these historical places. They don't try to

market themselves as beach towns, they don't get confused."

Meanwhile, Galveston's schizo tourist infrastructure favors the beach at the expense of the old city. Stanowski grouses that there are no bus or walking tours of The Strand or the other historical neighborhoods, but cites last year's reenactment of the Civil War Battle of Galveston as a step in the right direction.

Perhaps a literary form of marketing might just be the ticket. "We haven't had a book like Savannah had," he points out, referring to *Midnight in the Garden of Good and Evil* the 1994 true-crime blockbuster that spawned a mini-boom for all things Savannah.

"Just a free market idea - we ought to institute a \$5,000 prize to be judged by a committee here, to the person who writes the book that captures the character and color of Galveston in the way that *Midnight in the Garden of Good and Evil* did for Savannah," Stanowski says. "If we could only tell our story, about what a crazy, kooky, colorful place we are."

Maybe another aspect of Savannah could hold the key for Galveston's revitalization. Much like its fellow cotton-port Galveston, Savannah had a rough 20th Century, and by the 1970s, downtown was full of empty storefronts and crumbling warehouses.

In 1978, a quartet of newcomers to the town bought a couple of old buildings and opened the Savannah College of Art and Design. Thirty-one years later, it's enrollment is approaching 10,000 students and it has a satellite campus in Atlanta. In Savannah, SCAD has no campus per se -- they simply house their classrooms and administration in existing building stock.

Galveston Historical Foundation Director Dwayne Jones says that something similar in Galveston has been

considered and is a promising idea.

"I think what SCAD has done for Savannah has been really remarkable," he says. "It's really made Savannah a teaching laboratory as well as helped the economy. We've been talking about this since long before the storm and what I've always said is that Galveston is equally fascinating and interesting as Savannah as a teaching laboratory, and a great setting for the arts to be. And the preservation -- all of things here would be really wonderful. Really, there's no place in Texas that could work as well."

Jones believes that no Texas locale is as rich in architectural history as Galveston. "There is almost nowhere in this country, but certainly nowhere in Texas, where you can see the linear development of urban America," he says. "We have every period and type of urban development here in the island, just in a smaller area. Even up to the late 20th Century with New Urbanism with Beachtown. You can walk street after street in this town and you see a wonderful geometry of history and architecture come together."

What's more, Jones points out that there no prominent arts/design colleges in Texas, and Galveston has plenty of buildings just laying around waiting easy conversion to schoolrooms. "We have buildings that would be easily adapted for classrooms and they've got offices in there as well - all that stuff fits so well into what we already have, and it doesn't require significant modifications," he says.

Is Casino Gambling in the Cards for Galveston?