



# City of Denton

City Hall  
215 E. McKinney Street  
Denton, Texas  
www.cityofdenton.com

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## AGENDA INFORMATION SHEET

**DEPARTMENT:** Economic Development

**ACM:** Christine Taylor

**DATE:** May 5, 2026

### **SUBJECT**

Consider adoption of an ordinance of the City of Denton approving a grant to Mister Red, LLC for façade, awning, sign, and utility improvements located at 122 N. Locust Street from the Downtown Reinvestment Grant Program in an amount not to exceed \$50,000.00 from Tax Increment Reinvestment Zone Number One funds; and providing for an effective date. The Tax Increment Reinvestment Zone Number One Board recommends approval (6-0).

### **BACKGROUND**

In February 2025, Andy's Bar, which occupied both the ground floor and basement of 122 N. Locust St., closed its doors. Paschall Bar continues to operate on the building's third floor.

In September 2025, Mike Church and Victor Garcia signed a lease for 122 N. Locust St. with plans to open two distinct concepts: a modern Italian Restaurant in the basement and an "all-genre" live entertainment venue on the ground floor.

Mike and Victor are also partners in Scarlet Lounge & Kitchen in Deep Ellum, where Victor specializes in craft cocktails and Mike focuses on culinary innovation. Their vision for Denton is to bring the same vibrant energy and elevated experience as Scarlet Lounge & Kitchen, while tailoring it to reflect Denton's unique character and community.

The building at 122 N. Locust St. is part of the Historic Denton Square District. The buildings on Locust St., along the eastern edge of the district, are all two-story commercial buildings dating primarily from the late nineteenth and early twentieth centuries.

### **Project**

The Mister Red, LLC team is focused on three objectives:

1. Historic Preservation – The team has worked closely with the Historic Preservation Officer to ensure the façade and sign honor the architectural heritage of the Denton Square.
2. Public Safety and Accessibility – By adding a new awning on the Oak Street side, pedestrian experience is improved and protection from the elements is provided for visitors of Red: Italian Restaurant.

3. Infrastructure Compliance: A significant portion of the project involves installing a code-compliant 250-gallon grease interceptor.

These improvements will support the increase in property value and sales tax for the Tax Increment Reinvestment Zone Number One.

On January 12, 2026, the Historic Landmark Commission approved Mister Red, LLC's Certificate of Appropriateness (COA) application for the partial rehab of the first floor at 122 N. Locust.

**Projected Improvements Include:** Façade & Building Renovation, Impact Fees, Utility Upgrades

**Project Submitted Expenses:** \$102,137.27

**Grant Request:** \$50,000.00

**Applicable Policy Limits:**

- *Façade/Building Rehabilitation:* Facade rehabilitation and building grants are limited to a 50% match of the eligible project's costs, with a cap of \$50,000 per grant for facade, roof and foundation work. Roof and foundation repair may constitute no more than half of the request and shall only be considered for funding if included as a portion of a larger project.
- *Awnings & Signs:* Awning grants are limited to a 50% match with a cap of \$7,500 per grant. Sign grants are limited to a 50% match with cap of \$2,500 per grant.
- *Utility Upgrades:* Interior/Code Improvement grants are limited to a 50% match with a cap of \$50,000 per grant.

**PRIOR ACTION/REVIEW**

On February 19, 2026, the Downtown Economic Development Committee (DEDC) reviewed and scored the grant application. The application received an average score of 32 points, making it eligible for a recommendation of up to \$50,000. These scores support the recommendation to approve the application as requested. The grant application request and DEDC recommendation are up to \$50,000.

On March 25, 2026, the Tax Increment Reinvestment Zone Number One Board reviewed the application and voted to recommend City Council approve the Downtown Reinvestment Grant Program application in the amount not to exceed \$50,000 as recommended by the DEDC for Mister Red, LLC located at 122 N. Locust Street.

**EXHIBITS**

- Exhibit 1 – Agenda Information Sheet
- Exhibit 2 – Ordinance and Agreement
- Exhibit 3 – Certificate of Appropriateness
- Exhibit 4 – Presentation
- Exhibit 5 – LLC Search

Respectfully submitted:  
Kristen Pulido

Main Street Program Manager  
Office of Economic Development