



City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Economic Development

ACM: Christine Taylor

DATE: March 25, 2026

SUBJECT

Receive a report, hold a discussion, and make a recommendation to the City Council regarding a Downtown Reinvestment Grant Program application for 122 N. Locust St., Mister Red, LLC. The Downtown Economic Development Committee recommends approval of up to \$50,000 (10-0).

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 inspector.

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.

OPTIONS

1. Recommend approval of grant amount recommended by the DEDC to City Council.
2. Recommend a lesser amount than recommended by the DEDC to City Council.
3. Do not recommend approval of grant application.

EXHIBITS

- Exhibit 1 – Agenda Information Sheet
- Exhibit 2 – Grant Application
- Exhibit 3 – Certificate of Appropriateness
- Exhibit 4 – Presentation

Respectfully submitted:
Kristen Pulido
Main Street Program Manager
Office of Economic Development