



City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Economic Development

ACM: Christine Taylor, Assistant City Manager

DATE: March 22, 2024

SUBJECT

Receive a report, hold a discussion, and make recommendations to the City Council regarding an application for a fire suppression grant in an amount not to exceed \$50,000 from TIRZ funds and a rehabilitation grant in an amount not to exceed \$50,000 from TIRZ funds for 104-106 W. Oak St. by Little D Property Group, LLC., as part of the Downtown Reinvestment Grant Program.

BACKGROUND

Historical documents estimate that the 104-106 West Oak St. building was constructed in the year 1888. Photos show it was used as an undertaker on the main floor and a furniture and wallpaper retailer on the second until about 1925 when a fire broke out in the building on its east side. After the fire, it was leased by the JC Penney Company department store, which occupied the space until about 1965, when it was leased and finally purchased by the McNeill family, who operated a furniture and appliance business for 57 years, closing in the Autumn of 2022. Little D Property Group, LLC, then purchased the building in late 2023.

Currently, demolition and asbestos remediation is taking place, making way for the new fire suppression system that will be installed in the basement, main floor, mezzanine, and second floor. Demo/remediation will include the removal of loose plaster on the walls, all floor coverings to reveal the original wood floors, wall paneling on the first floor, including the cash wrap, lay-in ceiling grid, and tiles. On the second floor, acoustical ceiling tiles, the existing air conditioning system, lighting and power, and a small portion of the first-floor framing and flooring where a merchandise lift will be installed. Wherever possible, items will be saved and reused elsewhere during the restoration.

Exterior demolition will include the much-anticipated removal of the concrete aggregate slipcover on the front of the building and the parapet to the storefront-covered canopy. The storefront is believed to be intact beneath the slipcover, however it will need some restoration work. The slipcover was attached via posts tied to the storefront brick structure. The thin layer of concrete slurry coating the brick will be difficult to remove. The 1925-era double-hung wood sash windows are still beneath the slipcover and must be restored. Installing awnings to reduce solar heat loading will be needed to maintain the original wavy single-pane glass upstairs and in the transom glass about the street-level canopy. On the West and rear-facing façade, the bricks will be repointed or replaced as needed by a mason who is experienced with historic buildings.

The new building owner is committed to historic preservation. All exterior and interior renovations are focused on meeting the Texas Historic Commission requirements for historical recognition of the building and to be approved as a contributing building to the Square's National Historic Registry.

Projected Improvements include: Fire Suppression System

Project Submitted Expenses: \$100,000

Grant Request: \$50,000

Applicable Policy Limits:

- *Fire Suppression Systems:* Installation of a new fire suppression system or necessary updates to an existing fire suppression system in accordance with the International Fire Code (IFC) and International Building Code Chapter 9, currently followed by the City of Denton. Grant Limits: Fire Suppression System grants are limited to a 50% match with a cap of \$ 50,000 per grant.

Projected Improvements includes: Façade/Building Rehab, Awnings, Utility Upgrades, Interior/Code Improvements

Project Submitted Expenses: \$142,800

Grant Request: \$50,000

Applicable Policy Limits:

- *Façade/Building Rehab:* 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. Paint-only grants are limited to a 50% match with a cap of \$7,500 per grant.
- *Utility Upgrades:* Grants are limited to a 50% match with a cap of \$50,000 per grant.
- *Interior/Code Improvements:* Grants are limited to a 50% match with a cap of \$50,000 per grant.

PRIOR ACTION/REVIEW

On February 1, 2024, the Downtown Economic Development Committee (DEDC) reviewed and scored the applications. The fire suppression application automatically receives the maximum points, making it eligible for a recommendation of up to \$50,000. The building rehabilitation application received an average score of 35 points, making it eligible for a recommendation of up to \$50,000. These scores support the recommendations to approve the applications as requested. The grant application request and DEDC recommendation are for \$50,000 for both applications.

OPTIONS

1. Recommend approval of both grants as recommended by the DEDC.
2. Recommend approval of one grant as recommended by the DEDC and the other in a different amount.
3. Do not recommend approval of a single or both grant applications.

EXHIBITS

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – Grant Application

Exhibit 3 – Presentation

Respectfully submitted:
Christina Davis
Business Development Administrator