



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: February 28, 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 116 W. Oak St. by Green Eggs & Ham, LLC., as part of the Downtown Reinvestment Grant Program.

BACKGROUND

The building at 116 W. Oak was home to McBride's Music & Pawn for 52 years when it closed to merge with another pawn shop, resulting in its relocation outside Denton. The building's exterior and interior remained largely unchanged during those years, resulting in a building façade needing significant repairs.

In the spring of 2023, Mr. Hicks, an existing Downtown investor, purchased the building. He plans to invest significantly in 116 W. Oak to renovate the building as close as possible to its 1938 roots, changing its current use of retail to a restaurant. Additionally, the building owner will take advantage of the vacant building and install fire suppression on all three floors of the historic building.

The Historic Preservation Officer, Cameron Roberts, provided historical photos of the building and connected the applicant with the Texas Historic Commission architect to assist in finding a design solution that met the goals of the property owner and the Secretary of the Interior Standards for properties within the National Registry District. The renovation will result in a building reminiscent of the 1938 photo provided in the application backup. Updates to the exterior of the building include uncovering the original brick, if possible, replacing the awning with a new steel flat awning consistent with the 1938 photo, installing new glass in the currently hidden transom windows, and replacing current windows with energy-efficient ones. Construction will remove the retail display windows and recessed entry on the street level façade and pull the entry to the sidewalk/building edge. While the McBride Music & Pawn sign will no longer be on the front of the building, the new tenant will use it as décor on the inside, and the new building awning will host a tribute to the sign by having the same lightbulb illumination. The new tenant will use all three floors of the building, using the basement for receiving and redirecting delivery trucks from W. Oak St. onto W. Pecan St. The building will have custom bi-fold windows on the second floor, taking full advantage of the weather and ambiance of the Square. Removing the existing sign and awning will allow the transom windows to be used again. The building will be retrofitted with steel beams to support the 10 tons of HVAC on the roof. This new business will add about 45 new jobs to the Downtown area.

The project is located within the Downtown TIRZ #1 and Downtown Square Districts. It has been reviewed by the Historic Preservation Officer for Design Consistency, as outlined in the Denton Development Code Section 4.10.1, and approval was received to proceed with the proposed updates to the building façade. The

new business will complete the Tenant Finish Out (TFO), and those costs will not be included in the grant program.

Projected Improvements include: Fire Suppression System

Project Submitted Expenses: \$159,804

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 include: Façade/Building Rehab and Awnings/Signs

Project Submitted Expenses: \$138,529

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.
- *Awnings and Signs:* Replacing, adding or repairing awnings and signs. Signs may include signboards, projecting signs, and pedestrian signage (including window signs, hanging signs, and awning/canopy Sign).

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 renovation 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 lesser amount.
3. Do not recommend approval of a single or both grant applications.

EXHIBITS

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – Grant Applications

Exhibit 3 – Amended HPO Review

Exhibit 4 – Presentation

Respectfully submitted:

Christina Davis

Business Development Administrator