



# City of Denton

City Hall  
215 E. McKinney St.  
Denton, Texas 76201  
[www.cityofdenton.com](http://www.cityofdenton.com)

## Meeting Agenda

### Tax Increment Reinvestment Zone Number One Board

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Wednesday, February 28, 2024

12:00 PM

Development Service Center

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#### Special Called Meeting

After determining that a quorum is present, the Tax Increment Financing Reinvestment Zone Number One Board of the City of Denton, Texas, will convene in a Special Called Meeting on Wednesday, February 28, 2024, at 12:00 p.m. in the Development Service Center Training Rooms 1 and 2 at 401 N. Elm Street, Denton, Texas at which the following items will be considered:

#### 1. ITEMS FOR CONSIDERATION

- A. [TIF24-007](#) Receive nominations and make a recommendation to City Council for a chair of the Tax Increment Reinvestment Zone Number One Board.  
*Attachments:* [Exhibit 1 - Agenda Information Sheet](#)
- B. [TIF24-001](#) Receive nominations and elect a vice chair of the Tax Increment Reinvestment Zone Number One Board.  
*Attachments:* [Exhibit 1 - Agenda Information Sheet](#)
- C. [TIF24-002](#) Consider approval of the minutes of the September 13, 2023 Tax Increment Reinvestment Zone Number One Board.  
*Attachments:* [Exhibit 1 - Agenda Information Sheet](#)  
[Exhibit 2 - Draft Minutes of September 13, 2023](#)
- D. [TIF24-003](#) Receive a report, hold a discussion, and consider approval of an annual meeting schedule.  
*Attachments:* [Exhibit 1 - Agenda Information Sheet](#)  
[Exhibit 2 - Meeting Schedule](#)
- E. [TIF24-004](#) 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.  
*Attachments:* [Exhibit 1 - Agenda Information Sheet](#)  
[Exhibit 2 - Grant Applications](#)  
[Exhibit 3 - Amended HPO Review](#)  
[Exhibit 4 - Presentation](#)
- F. [TIF24-005](#) Receive a report, hold a discussion, and make a recommendation to City Council regarding an economic development incentive request for 113-115 N. Elm Street by the

Fine Arts Theater of Denton, LLC.

Attachments:      [Exhibit 1 - Agenda Information Sheet](#)  
[Exhibit 2 - Project Concept](#)  
[Exhibit 3 - Incentive Evaluation Matrix](#)  
[Exhibit 4 - Underwriting Report](#)  
[Exhibit 5 - Project Impact](#)  
[Exhibit 6 - Presentation](#)

- G.    [TIF24-006](#)      Staff Reports:
1. Economic Development Director Hiring Update - Christine Taylor
  2. Main Street Program Update - Kristen Pulido
  3. Downtown Master Plan Update - Cameron Robertson and Sean Jacobson

Attachments:      [Exhibit 1 - Agenda Information Sheet](#)

## 2. CONCLUDING ITEMS

A. Under Section 551.042 of the Texas Open Meetings Act, respond to inquiries from the Tax Increment Financing Reinvestment Zone Number One Board or the public with specific factual information or recitation of policy, or accept a proposal to place the matter on the agenda for an upcoming meeting AND Under Section 551.0415 of the Texas Open Meetings Act, provide reports about items of community interest regarding which no action will be taken, to include: expressions of thanks, congratulations, or condolence; information regarding holiday schedules; an honorary or salutary recognition of a public official, public employee, or other citizen; a reminder about an upcoming event organized or sponsored by the governing body; information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the municipality; or an announcement involving an imminent threat to the public health and safety of people in the municipality that has arisen after the posting of the agenda.

NOTE: The Tax Increment Financing Reinvestment Zone Number One Board reserves the right to adjourn into a Closed Meeting on any item on its open meeting agenda consistent with Chapter 551 of the Texas Government Code, as amended, or as otherwise allowed by law.

### CERTIFICATE

I certify that the above notice of meeting was posted on the official website (<https://tx-denton.civicplus.com/242/Public-Meetings-Agendas>) and bulletin board at City Hall, 215 E. McKinney Street, Denton, Texas, on February 23, 2024, in advance of the 72-hour posting deadline, as applicable, and in accordance with Chapter 551 of the Texas Government Code.

\_\_\_\_\_  
OFFICE OF THE CITY SECRETARY

NOTE: THE CITY OF DENTON'S DESIGNATED PUBLIC MEETING FACILITIES ARE ACCESSIBLE IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT. THE CITY WILL PROVIDE ACCOMMODATION, SUCH AS SIGN LANGUAGE INTERPRETERS FOR THE HEARING IMPAIRED, IF REQUESTED AT LEAST 48 HOURS IN ADVANCE OF THE SCHEDULED MEETING. PLEASE CALL THE CITY SECRETARY'S OFFICE AT 940-349-8309 OR USE TELECOMMUNICATIONS DEVICES FOR THE DEAF (TDD) BY CALLING 1-800-RELAY-TX SO THAT REASONABLE ACCOMMODATION CAN BE ARRANGED.





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## Legislation Text

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**File #:** TIF24-007, **Version:** 1

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### **AGENDA CAPTION**

Receive nominations and make a recommendation to City Council for a chair of the Tax Increment Reinvestment Zone Number One Board.





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## AGENDA INFORMATION SHEET

**DEPARTMENT:** Economic Development

**ACM:** Christine Taylor, Assistant City Manager

**DATE:** February 28, 2024

### **SUBJECT**

Receive nominations and make a recommendation to City Council for a chair of the Tax Increment Reinvestment Zone Number One Board.

### **BACKGROUND**

The City Council appoints the Tax Increment Reinvestment Zone (TIRZ) Number One Board members and Chairperson.

For FY 2022-23, Melissa Lenaburg was the Chair and Daniel Abasolo was the Board's Vice-Chair. The following Board Members are eligible to be the chair of the Board:

- Daniel Abasolo
- Marybeth Reinke Doyle
- Ben Esely
- Vicki Byrd
- Suzanne Johnson
- Chris Watts

### **EXHIBIT**

Exhibit 1 – Agenda Information Sheet

Respectfully submitted:  
Christina Davis  
Business Development Administrator



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## Legislation Text

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**File #:** TIF24-001, **Version:** 1

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### **AGENDA CAPTION**

Receive nominations and elect a vice chair of the Tax Increment Reinvestment Zone Number One Board.



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## AGENDA INFORMATION SHEET

**DEPARTMENT:** Economic Development

**ACM:** Christine Taylor, Assistant City Manager

**DATE:** February 28, 2024

### **SUBJECT**

Receive nominations and elect a vice-chair for the Tax Increment Reinvestment Zone Number One Board.

### **BACKGROUND**

The City Council appoints the Tax Increment Reinvestment Zone (TIRZ) Number One Board members and Chairperson. The TIRZ Board appoints the Vice-Chair.

**Article 3, Section 3. Vice Chair.** The Vice chair shall be a member of the Board of Directors, shall have such powers and duties as may be assigned to him by the Board of Directors and shall exercise the powers of the chair during that officer's absence or inability to act. Any action taken by the vice chair in the performance of the duties of the chair shall be conclusive evidence of the absence or inability to act of the chair at the time such action was taken.

For FY 2022-23, Melissa Lenaburg was the Chair and Daniel Abasolo was the Board's Vice-Chair. The following Board Members are eligible to be the vice chair of the Board:

- Daniel Abasolo
- Marybeth Reinke Doyle
- Ben Esely
- Vicki Byrd
- Suzanne Johnson
- Chris Watts

### **EXHIBIT**

Exhibit 1 – Agenda Information Sheet

Respectfully submitted:  
Christina Davis  
Business Development Administrator



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## Legislation Text

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**File #:** TIF24-002, **Version:** 1

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### **AGENDA CAPTION**

Consider approval of the minutes of the September 13, 2023 Tax Increment Reinvestment Zone Number One Board.



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### AGENDA INFORMATION SHEET

**DEPARTMENT:** Economic Development

**ACM:** Christine Taylor

**DATE:** February 28, 2024

**SUBJECT**

Consider approval of the minutes of the September 13, 2023 Tax Increment Reinvestment Zone Number One Board.

**BACKGROUND**

The draft minutes of the September 13, 2023 meeting are attached for the Board's review and consideration.

**EXHIBITS**

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – Draft minutes of September 13, 2023

Respectfully submitted:  
Matilda Weeden  
Economic Development Specialist

**MINUTES  
CITY OF DENTON  
TAX INCREMENT REINVESTMENT ZONE NO. 1 BOARD  
September 13, 2023**

After determining that a quorum is present, the Downtown Denton Tax Increment Financing Reinvestment Zone No. 1 Board of the City of Denton, Texas, will convene in a Special Called Meeting on Wednesday, September 13, 2023, at 11:29 a.m. in the Development Service Center, Training Rooms 3, 4 and 5 at 401 N. Elm Street, Denton, Texas at which the following items will be considered:

**PRESENT:** Melissa Lenaburg (Chair), Vicki Byrd, Marybeth Reinke Doyle, and Suzanne Johnson

**ABSENT:** Daniel Abasolo, Ben Esely, and Chris Watts

**STAFF:** Christina Davis, Wayne Emerson, Vanessa Esparza, Sean Jacobson, Ron Menguita, Emilio Montalvo, Cameron Robertson, Benjamin Samples, Erica Sullivan, and Matilda Weeden

**1. ITEMS FOR CONSIDERATION**

**A. TIF23-016 Consider approval of the minutes of July 26, 2023.**

Byrd made a motion to approve the minutes of July 26, 2023. Johnson seconded the motion. Motion carried (4-0).

AYES (4): Vicki Byrd, Marybeth Reinke Doyle, Suzanne Johnson, and Melissa Lenaburg  
NAYS (0): N/A

**B. TIF23-017 Receive a report, hold a discussion, and make a recommendation to City Council regarding a Downtown Reinvestment Grant Program application for 115-117 W. Hickory St. by Robert Moses. The Downtown Economic Development Committee recommends approval 10- 0.**

Doyle made a motion to recommend the City Council approve the application for a Downtown Reinvestment Grant Program grant of up to 50% of the eligible amount of the project's actual costs for 115-117 W. Hickory St. Byrd seconded the motion. Motion carried (4-0).

AYES (4): Vicki Byrd, Marybeth Reinke Doyle, Suzanne Johnson, and Melissa Lenaburg  
NAYS (0): N/A

**C. B. TIF23-018 Receive a report, hold a discussion, and make a recommendation to City Council regarding an incentive application for the Fine Arts Theater, LLC project.**

The item was tabled to a later date.

**D. TIF23-019 Staff Reports:**

1. Downtown Master Plan Update - Cameron Robertson and Sean Jacobson
2. Downtown Parking Study Update - Christina Davis and Wayne Emerson
3. Downtown Small Business Survey - Christina Davis

Staff presented each item, and a discussion followed. No action was taken.

**2. CONCLUDING ITEMS**

With no further business, the meeting adjourned at 12:05 p.m.

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**Daniel Abasolo, Vice - Chair**  
**Downtown TIRZ No. 1**

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**Vanessa Esparza**  
**Administrative Assistant**

Minutes Approved On: \_\_\_\_\_



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## Legislation Text

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**File #:** TIF24-003, **Version:** 1

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### **AGENDA CAPTION**

Receive a report, hold a discussion, and consider approval of an annual meeting schedule.





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## AGENDA INFORMATION SHEET

**DEPARTMENT:** Economic Development

**ACM:** Christine Taylor

**DATE:** February 28, 2024

**SUBJECT**

Receive a report, hold a discussion, and consider approval of an annual meeting schedule.

**BACKGROUND**

During the January 28, 2020 City Council meeting, the City's Code of Ordinances Section 2-29 (City Council Rules of Procedure) Subsection (h) (creation of committees, boards, and commissions) was amended. The amended rules of procedure require boards, commissions, and committees to establish a regular meeting schedule, which is to be adopted annually.

The Tax Increment Reinvestment Zone (TIRZ) Number One Board typically meets on the fourth Wednesday of every other month, unless the TIRZ Number One schedules a special called meeting. A draft 2024 meeting calendar is presented for the Board's consideration with an initial 2025 meeting date.

**EXHIBITS**

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – Meeting Schedule

Respectfully submitted:  
Matilda Weeden  
Economic Development Specialist

**TAX INCREMENT**  
**REINVESTMENT ZONE NUMBER ONE BOARD**  
**2024 ANNUAL MEETING SCHEDULE WITH 2025 INITIAL MEETING DATE**

Unless notified otherwise, all meetings will be held at 12:00 p.m., on the fourth Wednesday of every other month at Development Service Center, 401 N Elm Street

**2024 Regular Meeting Dates**

March 27, 2024

May 22, 2024

July 24, 2024

September 25, 2024

November 27, 2024

**2025 Initial Meeting Date**

January 22, 2025



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## Legislation Text

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**File #:** TIF24-004, **Version:** 1

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### **AGENDA CAPTION**

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.



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## 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

EXHIBIT A



**CITY OF DENTON  
DOWNTOWN REINVESTMENT GRANT PROGRAM APPLICATION**

Department of Economic Development  
401 N. Elm St., Denton, TX 76201  
940-349-7776  
[www.cityofdenton.com](http://www.cityofdenton.com)  
[ED@cityofdenton.com](mailto:ED@cityofdenton.com)

## Downtown Reinvestment Grant Program Application

Please return completed the application with necessary attachments and signatures to the Economic Development Department office at 401 N. Elm St., Denton, Texas. If you have any application questions, please contact the Economic Development Department at 940-349-7776.

Applicant Name <b>MARK HICKS</b>	Date <b>10/11/23</b>
Business Name <b>GREEN EGGS + HAM LLC</b>	
Mailing Address <b>7420 FM 2449 PONDER, TX 76259</b>	
Contact Phone <b>972-955-5653</b>	Email Address <b>MHicks@HicksLP.com</b>
Building Owner (if different from applicant)	
Historical/Current Building Name <b>116 W. OAK (FORMER McBRIDE'S PAWN)</b>	
Project Site/Address <b>116 W. OAK ST., DENTON, TX 76201</b>	

Type of Work: (check all that apply)

- |  |   |
|--|---|
| <input type="checkbox"/> Paint Only                              | <input type="checkbox"/> Awnings                    |
| <input type="checkbox"/> Signage                                 | <input type="checkbox"/> Impact Fees                |
| <input type="checkbox"/> Utility Upgrades                        | <input type="checkbox"/> Interior/Code Improvements |
| <input checked="" type="checkbox"/> Facade & Building Renovation | <input type="checkbox"/> Fire Suppression System    |

Details of planned improvements relating to grant request (attach additional information if necessary).

**SEE ATTACHED DETAILED DESCRIPTION + CERTIFICATE OF APPROPRIATENESS.**

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How will this project benefit Downtown?

SIGNIFICANTLY IMPROVE THE VIEW OF THE NORTH SIDE OF THE SQUARE.

Legal Description of the property:

OT DENTON BLK 5 LOT 2

Project Categories	Estimated Costs	Grant Requested
Facade/Building Rehab	138,529	50,000
Awnings		
Signs		
Impact Fees		
Utility Upgrades		
Interior/Code Improvements		
Fire Suppression System		
Totals		

TOTAL COST OF PROPOSED PROJECT

\$ 138,529

TOTAL GRANT REQUEST

(May not exceed 50% of TOTAL COST up to \$50,000)

\$ 50,000

Attach all required color samples of paint, awning/canopy, sign design, etc., as well as photographs of building's exterior facade, roof and foundation.



Applicant's Signature

10/19/23

Date



## DOWNTOWN REINVESTMENT GRANT AGREEMENT FORM

Please complete and return with the Downtown Reinvestment Grant Application to the Economic Development office, 401 N. Elm St., Denton, Texas. If you have any questions, please contact the Economic Development Department at 940- 349-7776.

I have met with a representative from the Economic Development Department, and I have read and fully understand the Downtown Reinvestment Grant procedures established by the Denton City Council. I intend to use this grant program for the aforementioned renovation projects to advance the efforts of revitalization and historic preservation of Denton's historic downtown. *I have not received, nor will I receive insurance monies for this revitalization project.*

I understand that if I am awarded a Downtown Reinvestment Grant by the City of Denton, any deviation from the approved project may result in the partial or total withdrawal of the grant. (If I am awarded a reinvestment grant for facade, awning or sign work and the facade, sign or awning is altered for any reason within **one (1) year** from construction, I may be required to reimburse the City of Denton immediately for the full amount of the grant.)

GREEN EGGS + HAM LLC

Business/Organization Name

Mark Hicks

MARK HICKS

10/11/23

Applicant's Signature

Printed Name

Date

Building Owner's Signature (if different from applicant)

Printed Name

Date

This section is to be completed by Economic Development staff.

Date considered by DEDC

Recommendation

Staff Signature

Date considered by TIRZ #1 Board

Recommendation

Staff Signature

Date considered by City Council

Approval

Staff Signature

**Caliber Construction, Inc.**  
**504 Chambers Street**  
**Denton, Texas 76205**  
**(940) 898-8784**  
**(940) 591-0704 Fax**

**Job:** Old McBrides Bld  
**Address:** 116 Oak St  
**Date:** 13-Oct-23

**Area:** Front Façade

Construction Costs

Estimate

Demolition	12,300.00	Awnings and glass cases outside
Sawcutting		
Demolition Debris Disposal		
Soil Test		
Site Prep		
Water & Sewer Taps		
Water Line		
Fence Permit		
Building Permit	1,200.00	
Foundation Engineering (Testing)		
Foundation Labor		
Arch & Eng&Tas	4,500.00	
Foundation Concrete		
Retaining Wall		
Area Drains on eastside		
Stairs and railing		
Concrete Pump		
Septic System		
Plumbing Labor and Materials		
Framing Materials	1,750.00	
Framing Labor	10,500.00	
Awning	28,000.00	
Insulation		
Trusses		
Office Finish Out		
Windows	24,600.00	
Front Doors	1,250.00	
Transoms/Sidelights		
Skylights		
Man Doors		
Store Front Door		
Overhead Doors 4		
Deck Pan Material		
Roofing		
Metal Roofing		
Waterproofing		
Valley Metal		
Tin Washers/Cement		
Felt Paper		
Fire Alarm		

Fire Sprinkler	
4" Fire Line	
Computer Wires	
Electrical Materials	4,750.00
Electrical Service Revisions	
Garage Openers	
Garage Doors	
Cultured Stone	
Stone Fireplace Cap	
Stone Work	
Stucco	
Flue Finer	
CMU Block (Fireplace)	
Damper	
Mortar	
Sand	
Wall Ties	
Lentils Steel	
Chimney Caps	
Mason Labor	6,500.00
Sheetrock Materials	
Sheetrock Labor	
Tape/Bed/Texture	
Acoustical Ceilings	
Wooden Ceiling Materials	
Decorative Wooden Beam Mat.	
Decorative Wooden Beam Labor	
Trim Materials	
Trim Labor	
Brick Mailbox/Metal Mailbox	
Cabinets	
Backsplash	
Stairway Material	
Insulation	
Pre-Cast Stone	
Ceramic Floor Tile	
Stained Concrete	
Wood Flooring	
Carpet	
Wall Paper Materials	
Wall Paper Labor	
Cook Top	
Oven	
Range Cord	
Refrigerator	
Garbage Disposal	
Dishwasher	
Microwave	
Vent Hood	
Compactor	
Wine Cooler	
Washer	
Dryer	
Dryer Cord	

Smoke Detectors	
Light Fixtures	
Chime Kit	
Ironing board	
Toilet Partitions	
Mason Labor "Firebox"	
Fireplace Mantle	
Bath Shower Tile	
Shower Doors and Glasswork	
Mirrors	
Master Shower Tile	
Master Tub Allowance	
Alarm System	
Hardware	
Cabinet Hardware	
Survey	
Agg/Patterned Concrete	
Remaining Flatwork	
Clean-Up Labor	650.00
Debris Disposal	825.00
Final Cleaning	
Plantation Shutters	
New Retaining Walls	
Existing Retaining Wall Replace	
Fence Repairs	
Site Grading	
Sprinkler System	
Landscaping	
Painter	14,700.00
Gutters	
Septic System	
Granite Countertops	
Formica Countertops	
Existing Kitchen Granite Ctops	
Vanity Tops	
Fans/Light Kits	
Carpentry Materials	1,250.00
Carpentry	1,500.00

<b>Construction Costs Total</b>	<b>114,275.00</b>
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Concrete Flatwork

Concrete Labor  
Concrete Materials  
Concrete Reinforcement  
Parking Lot Stripping

<b>Flatwork Total</b>	<b>0.00</b>
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<b>Building Costs Total</b>	<b>114,275.00</b>
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Soft Costs

RES Check Compliance Report

AIA, Bonds

General Liability

Builder's Risk

Plans

Form Placement Survey

Utilities

Water

Portable Restrooms

Construction Management 1,145.00

Overhead 1,125.00

Profit 11,427.00

Tax 10,557.69

**Soft Costs Total 24,254.69**

**Grand Total 138,529.69**

## **Project Narrative 116 W Oak Street**

To: The Honorable Members of the Denton City Council, The Honorable Members of the Planning and Zoning Commission and The Department of Development Services

From: Greg Johnson, Verus Commercial  
On behalf of Mr. Mark Hicks, Principal. Green Eggs & Ham LLC.  
Owner of 116 W Oak Street (former McBride's Music & Pawn).

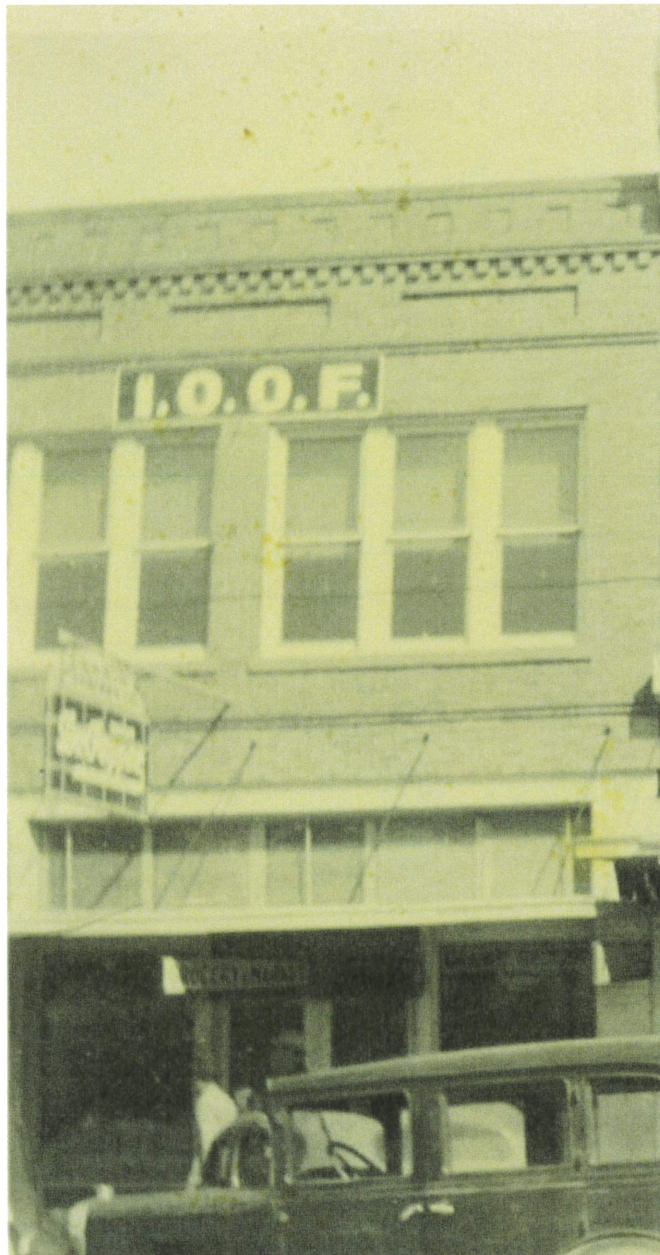
### **Background**

116 W Oak was home to McBride's Music & Pawn for 52 years when it closed and merged with another pawn shop, relocating its operations to Decatur. Both the exterior and interior of the building remained largely unchanged for those 52 years resulting in a tired façade in need of significant repairs in order to re-tenant the building with a high-quality tenant. See photo below of existing condition:



### **Proposed Exterior Renovation**

Cameron Robertson, Historic Preservation Officer, was very helpful in providing a variety of historical photos of the building in order for the applicant to choose a historically appropriate style to mimic for this renovation. We have chosen the exterior photo below circa 1938.





## **The Renovation**

Brick / Paint: The goal is to remove the exterior paint revealing the original brick, however if the brick proves to deteriorate due to paint removal, we will paint the brick with a historically appropriate paint color from the Sherwin Williams Historic Color Palette as directed by Cameron. New brick columns street level will be painted to match the style in the 1938 photo.

Awning: The existing large awning is not structurally sound and is rusted, nor is it consistent with any of the historical photos. Since the requirement is to match a documented (with photo) historical style prior to 50 years prior to current date, keeping the existing awning would not be possible even if it were structurally sound. The plan is to install a new steel flat awning consistent with the 1938 photo which will reveal the transom windows.

Transom Windows: The transom windows were hidden when the large awning & sign were installed by McBride's, but the openings are still there. New windows will be installed in concert with the 1938 photo.

Street Level: Because the desired use is restaurant, we want to allow for a covered patio inset behind the front of the building (property line). The businesses on the square benefit from foot traffic and a vibrant active downtown, as has been proven over the last 10 years as more restaurants have located on the square. As you will see in the architects conceptual drawings, he has designed a front façade consistent with the vertical elements in the 1938 photo that captures the look and feel from 1938 while allowing the storefront entry to be inset about 20 feet. This will allow for patio dining while not obstructing the sidewalk (which can be a challenge in other areas of the square where restaurants place tables on the public property).

The existing old style inset entry with display windows on each side will be completely removed, allowing for usable patron dining space while achieving the 1938 look.



## Existing w/ Notes



⑤ BUILDING TODAY  
1/4" = 1'-0"

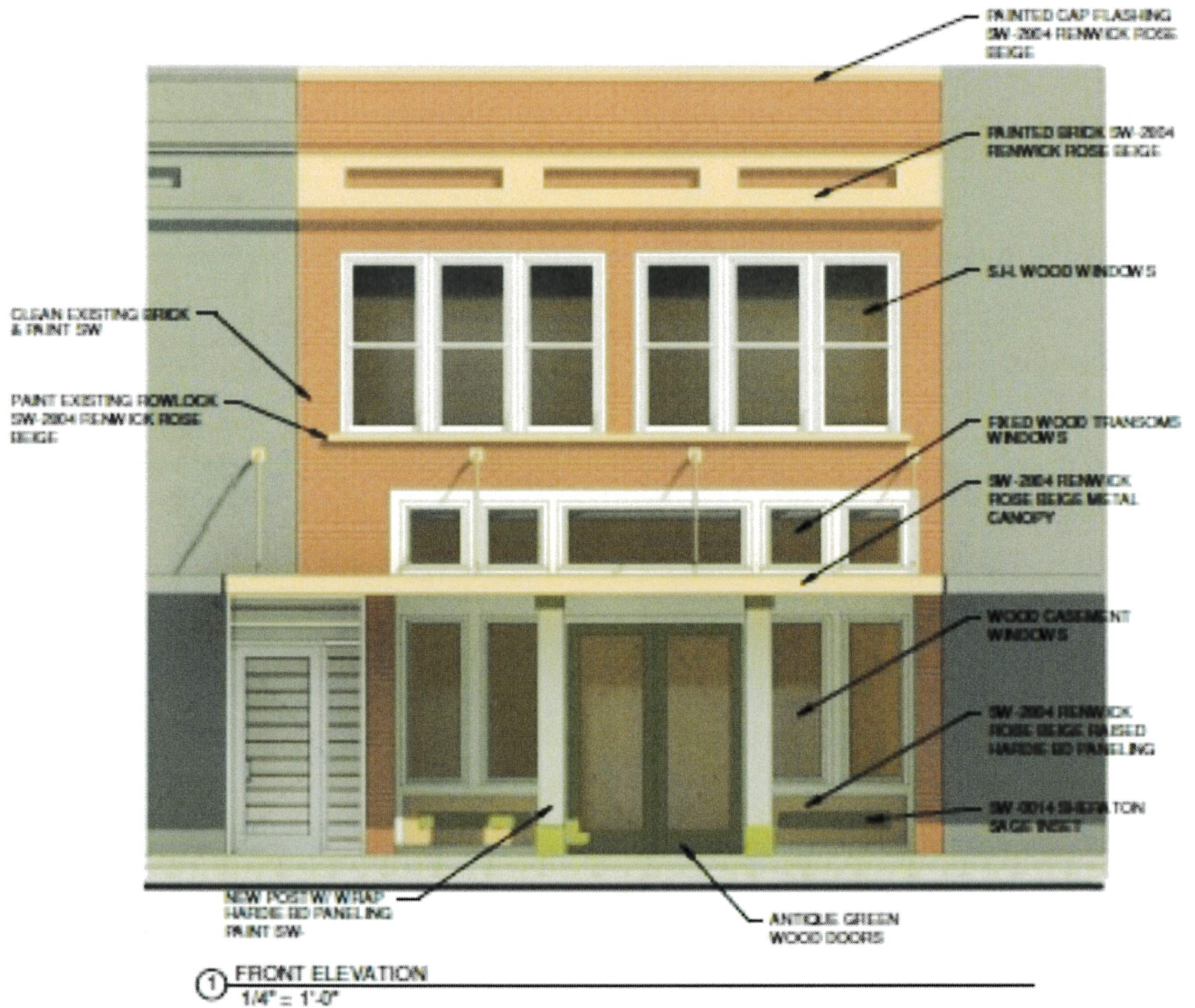
1938 w/ Notes



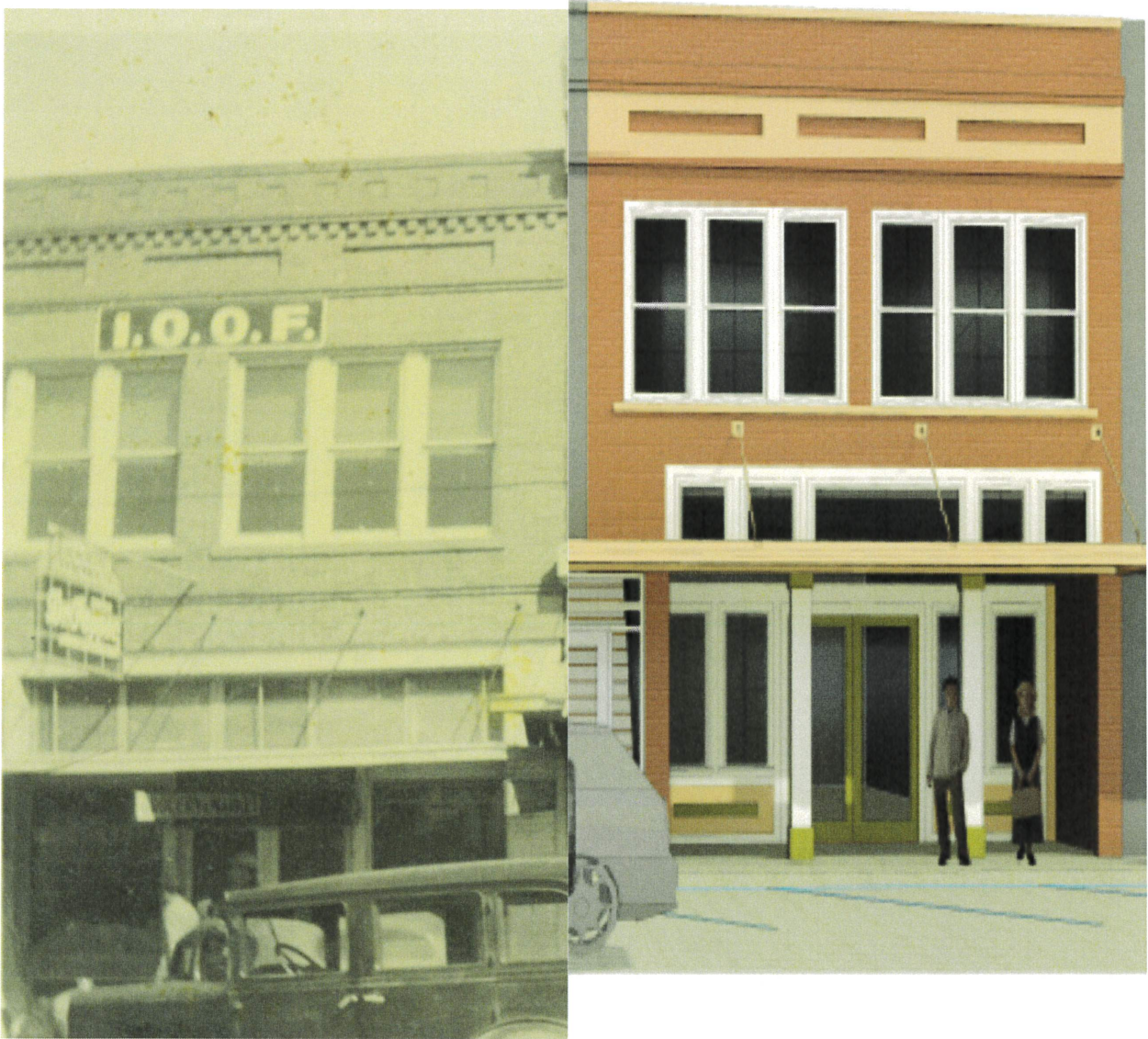
© 1938 HISTORICAL PHOTO  
1/4" = 1'-0"



## Conceptual Rendering w/ Notes



Side by Side View



## Summary

The square has experienced a variety of vacancies in 2022-2023 due in part to long-time businesses closing and others either not recovering from the Covid-related financial downturn or the business just not making it due to product offering, etc. History proves that the square thrives when there is a variety of entertainment, dining and shopping options. Restaurant uses in particular drive unique visitor traffic to the square, and the traffic they generate is good for other business types. Mr. Hicks is already heavily invested in the downtown area and on the square itself. He is a long-term hold investor who hasn't sold any downtown property he has acquired. The significant investment he will make at 116 W Oak is no different, and we believe it will be home to a destination restaurant user for years to come. The proposed renovation will be as close as possible to the 1938 photo while meeting all current code requirements.

This renovation project meets the Overall Intent of the Denton Square District as listing in DDC Section 4.10.1, in fact it meets all of the listed items other than "encourage the integration of art into public & private development", which is not possible given the property line is the building line.

We respectfully ask for your approval so that the renovation can commence, and we bring this building back to life.



EXHIBIT A



CITY OF DENTON  
DOWNTOWN REINVESTMENT GRANT PROGRAM APPLICATION

Department of Economic Development  
401 N. Elm St., Denton, TX 76201  
940-349-7776  
[www.cityofdenton.com](http://www.cityofdenton.com)  
[ED@cityofdenton.com](mailto:ED@cityofdenton.com)

## Downtown Reinvestment Grant Program Application

Please return completed the application with necessary attachments and signatures to the Economic Development Department office at 401 N. Elm St., Denton, Texas. If you have any application questions, please contact the Economic Development Department at 940-349-7776.

Applicant Name <b>MARK HICKS</b>	Date <b>10/11/23</b>
Business Name <b>GREEN EGGS + HAM LLC</b>	
Mailing Address <b>7420 FM 2449 PONDER, TX 76259</b>	
Contact Phone <b>972-955-5653</b>	Email Address <b>MHicks@HicksLP.com</b>
Building Owner (if different from applicant)	
Historical/Current Building Name <b>116 W. OAK (FORMER MCBRIDE'S PAWN)</b>	
Project Site/Address <b>116 W. OAK ST., DENTON, TX 76201</b>	

Type of Work: (check all that apply)

- |   |   |
|---|---|
| <input type="checkbox"/> Paint Only                   | <input type="checkbox"/> Awnings                            |
| <input type="checkbox"/> Signage                      | <input type="checkbox"/> Impact Fees                        |
| <input type="checkbox"/> Utility Upgrades             | <input type="checkbox"/> Interior/Code Improvements         |
| <input type="checkbox"/> Facade & Building Renovation | <input checked="" type="checkbox"/> Fire Suppression System |

Details of planned improvements relating to grant request (attach additional information if necessary).

**SEE ATTACHED DETAILED DESCRIPTION + BID**

How will this project benefit Downtown?

PROTECT ALL ADJACENT BUILDINGS IN THE EVENT OF A FIRE.

Legal Description of the property:

OT DENTON BLK 5 LOT 2

Project Categories	Estimated Costs	Grant Requested
Facade/Building Rehab		
Awnings		
Signs		
Impact Fees		
Utility Upgrades		
Interior/Code Improvements		
Fire Suppression System	\$159,804	\$50,000
Totals		

TOTAL COST OF PROPOSED PROJECT

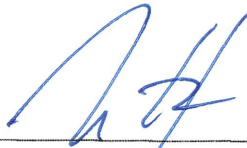
\$ 159,804

TOTAL GRANT REQUEST

(May not exceed 50% of TOTAL COST up to \$50,000)

\$ 50,000

Attach all required color samples of paint, awning/canopy, sign design, etc., as well as photographs of building's exterior facade, roof and foundation.

  
Applicant's Signature

10/19/23  
Date



## DOWNTOWN REINVESTMENT GRANT AGREEMENT FORM

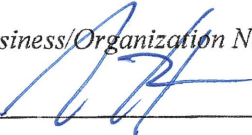
Please complete and return with the Downtown Reinvestment Grant Application to the Economic Development office, 401 N. Elm St., Denton, Texas. If you have any questions, please contact the Economic Development Department at 940- 349-7776.

I have met with a representative from the Economic Development Department, and I have read and fully understand the Downtown Reinvestment Grant procedures established by the Denton City Council. I intend to use this grant program for the aforementioned renovation projects to advance the efforts of revitalization and historic preservation of Denton's historic downtown. *I have not received, nor will I receive insurance monies for this revitalization project.*

I understand that if I am awarded a Downtown Reinvestment Grant by the City of Denton, any deviation from the approved project may result in the partial or total withdrawal of the grant. (If I am awarded a reinvestment grant for facade, awning or sign work and the facade, sign or awning is altered for any reason within **one (1) year** from construction, I may be required to reimburse the City of Denton immediately for the full amount of the grant.)

GREEN EGGS + HAM LLC

*Business/Organization Name*



MARK HICKS

*Printed Name*

10/11/23

*Date*

*Applicant's Signature*

*Building Owner's Signature (if different from applicant) Printed Name*

*Date*

This section is to be completed by Economic Development staff.

*Date considered by DEDC*

*Recommendation*

*Staff Signature*

*Date considered by TIRZ #1 Board*

*Recommendation*

*Staff Signature*

*Date considered by City Council*

*Approval*

*Staff Signature*

**Caliber Construction, Inc.**  
**504 Chambers Street**  
**Denton, Texas 76205**  
**(940) 898-8784**  
**(940) 591-0704 Fax**

**Job: Old McBrides Bld**

**Address: 116 Oak St**

**Date: 20-Oct-23**

**Area: Fire Sprinkler And Alarm**

<u>Construction Costs</u>	<u>Estimate</u>
Demolition	
Sawcutting	1,500.00
Demolition Debris Disposal	
Soil Test	
Site Prep	
Water & Sewer Taps	
Water Line	
Fence Permit	
Building Permit	?
Foundation Engineering (Testing)	
Foundation Labor	
Arch & Eng&Tas	
Foundation Concrete	3,500.00
Retaining Wall	
Area Drains on eastside	
Stairs and railing	
Concrete Pump	
Septic System	
Plumbing Labor and Materials	
Fire Riser Room	5,600.00
Framing Labor	
Awning	
Insulation	
Trusses	
Office Finish Out	
Windows	
Front Doors	
Transoms/Sidelights	
Skylights	
Man Doors	
Store Front Door	
Overhead Doors 4	
Deck Pan Material	
Roofing	
Metal Roofing	
Waterproofing	
Valley Metal	
Tin Washers/Cement	
Felt Paper	
Fire Alarm	8,500.00

Fire Sprinkler	103,000.00
----------------	------------

Computer Wires	
Electrical Materials	6,850.00

Electrical Service Revisions

Garage Openers

Garage Doors

Cultured Stone

Stone Fireplace Cap

Stone Work

Stucco

Flue Finer

CMU Block (Fireplace)

Damper

Mortar

Sand

Wall Ties

Lentils Steel

Chimney Caps

Mason Labor

Sheetrock Materials

Sheetrock Labor

Tape/Bed/Texture

Acoustical Ceilings

Wooden Ceiling Materials

Decorative Wooden Beam Mat.

Decorative Wooden Beam Labor

Trim Materials

Trim Labor

Brick Mailbox/Metal Mailbox

Cabinets

Backsplash

Stairway Material

Insulation

Pre-Cast Stone

Ceramic Floor Tile

Stained Concrete

Wood Flooring

Carpet

Wall Paper Materials

Wall Paper Labor

Cook Top

Oven

Range Cord

Refrigerator

Garbage Disposal

Dishwasher

Microwave

Vent Hood

Compactor

Wine Cooler

Washer

Dryer

Dryer Cord

Smoke Detectors	
Light Fixtures	
Chime Kit	
Ironing board	
Toilet Partitions	
Mason Labor "Firebox"	
Fireplace Mantle	
Bath Shower Tile	
Shower Doors and Glasswork	
Mirrors	
Master Shower Tile	
Master Tub Allowance	
Alarm System	
Hardware	
Cabinet Hardware	
Survey	
Agg/Patterned Concrete	
Remaining Flatwork	
Clean-Up Labor	550.00
Debris Disposal	350.00
Final Cleaning	
Plantation Shutters	
New Retaining Walls	
Existing Retaining Wall Replace	
Fence Repairs	
Site Grading	
Sprinkler System	
Landscaping	
Painter	
Gutters	
Septic System	
Granite Countertops	
Formica Countertops	
Existing Kitchen Granite Ctops	
Vanity Tops	
Fans/Light Kits	
Carpentry Materials	
Carpentry	650.00
<b>Construction Costs Total</b>	<b>130,500.00</b>
<u>Concrete Flatwork</u>	
Concrete Labor	
Concrete Materials	
Concrete Reinforcement	
Parking Lot Stripping	
<b>Flatwork Total</b>	<b>0.00</b>
<b>Building Costs Total</b>	<b>130,500.00</b>

Soft Costs

RES Check Compliance Report

AIA, Bonds

General Liability 1,318.00

Builder's Risk

Plans

Form Placement Survey

Utilities

Water

Portable Restrooms

Construction Management 1,500.00

Overhead 1,350.00

Profit 13,050.00

Tax 12,086.74

**Soft Costs Total 29,304.74**

**Grand Total 159,804.74**



February 23, 2024

Greg Johnson, Verus Commercial  
3190 Teasley Lane  
Denton, TX 76205

RE: 116 W Oak Street – Front (South) Façade Exterior Alterations

Dear Mr. Johnson:

On October 9, 2023, staff approved your Certificate of Design Consistency (DCC) application, on behalf of the City of Denton, for the alteration of the front (south) facade of the commercial building at 116 W Oak Street. The proposed improvements (see Exhibits A and B) were pursuant to Sections 4.10.7C and 4.10.7D of the Denton Development Code:

***Façade Standards***

- *Existing unpainted brick and stone facades must not be painted.*
- *The ground floor of buildings must include a minimum of three (3) elements of architectural relief at least every twenty-five (25) linear feet. These elements must comply with other applicable Design Standards, and may include, but are not limited to, the following:*
  - *Doors*
  - *Change in depth*
  - *Columns or posts*
  - *Windows*
  - *Awnings*
  - *Changes in materials*
  - *Other elements of architectural relief may be approved by the Director if they are determined to meet the Overall Purpose and Intent of the District.*

***Fenestration, Glazing, and Entry Standards***

- *Ground floor windows must use clear glass (80% minimum Visible Light Transmittance). All window glass must allow a minimum 60% Visible Light Transmittance and must not exceed 15% Visible Light Reflectance when measured at a perpendicular angle. The use of Low Emissivity (Low-E) glass is permitted.*
- *Primary building entrances must be clearly articulated, preferably with a covered-projected type of entry. Options, which must meet all applicable Design Standards, include:*
  - *Awnings*
  - *Canopies*
  - *Recessed entry*

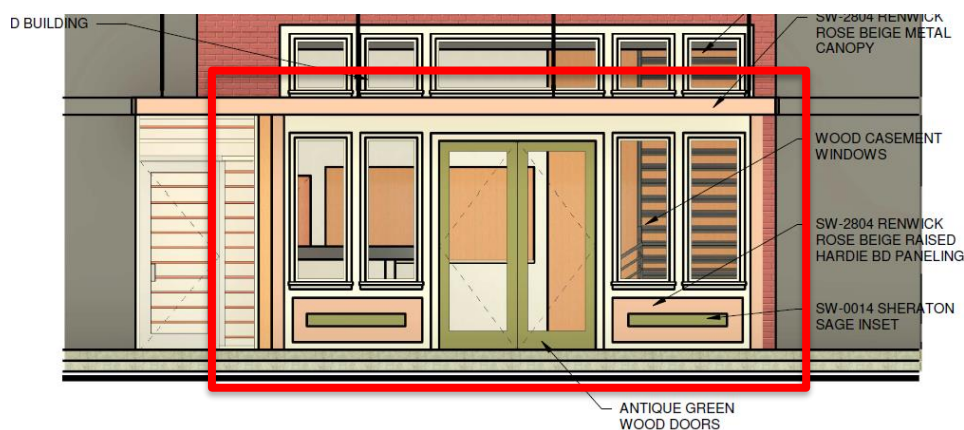
**OUR CORE VALUES**

Integrity • Fiscal Responsibility • Transparency • Outstanding Customer Service

- *Other similar treatments may be approved by the Director if they are determined to meet with the Overall Purpose and Intent of the District.*
- *Awnings, canopies, and other covered-projected types of building features are permitted to encroach partially into the public right-of-way, but do require completion and approval of a City of Denton Right-of-Way Use permit/application.*
- *Awning, canopies, and other covered-projected types of building features must comply with the following:*
  - *Must be placed so as to provide weather protection for pedestrians.*
  - *Must be consistent in height with similar covered-projected features on adjacent or joining buildings.*
  - *Must be mounted in locations that do not obscure ornamental features over storefronts, such as rooflines, arches, and banding.*
  - *Must not exceed the width of the sidewalk*
  - *Must not be torn, frayed, ripped, faded, or stained, soiled or dirty. When not specifically addressed by this ordinance, provisions of the City of Denton property maintenance code shall apply.*
  - *Must not have a dome or convex frame.*
  - *Colors of awnings, canopies, and other covered-projected types of building features must enhance and complement the building to which they are attached, rather than overwhelm the building scheme. Colors must not call more attention to the projected-covered building feature than the building.*
  - *The frame structure of such building features must be finished to match the metal storefront system color or the fabric color of the associated projected-covered type of building feature.*
  - *Such building features are not prohibited from encroaching partially into the public right-of-way, provided that a City of Denton Right-of-Way Use permit/application has been completed and approved.*

On February 23, 2024, staff received revised plans from the applicant that showed the following changes (see Exhibit C):

- Removal of the columns; and
- Removal of the recessed entry



**Figure 1: New Proposed Entryway**

Per staff's review of the material provided, and per Sections 4.10.7C and 4.10.7D above, the amendment to the plans has been administratively reviewed and approved by the Historic Preservation Officer.

Please note that any work that deviates from the amended work proposed above and within the exhibits will require a new DCC. Additionally, if the applicant has received funding through the Downtown Reinvestment Grant Program, any work deviations should be discussed with staff prior to permitting to keep the applicant in substantial conformance with the program.

Please use this approval letter as a record of staff's review. If you have any questions or require additional information, please contact me at (940) 349-8532 or via email at [cameron.robertson@cityofdenton.com](mailto:cameron.robertson@cityofdenton.com).

Sincerely,

A handwritten signature in black ink, appearing to read "CAMERON ROBERTSON".

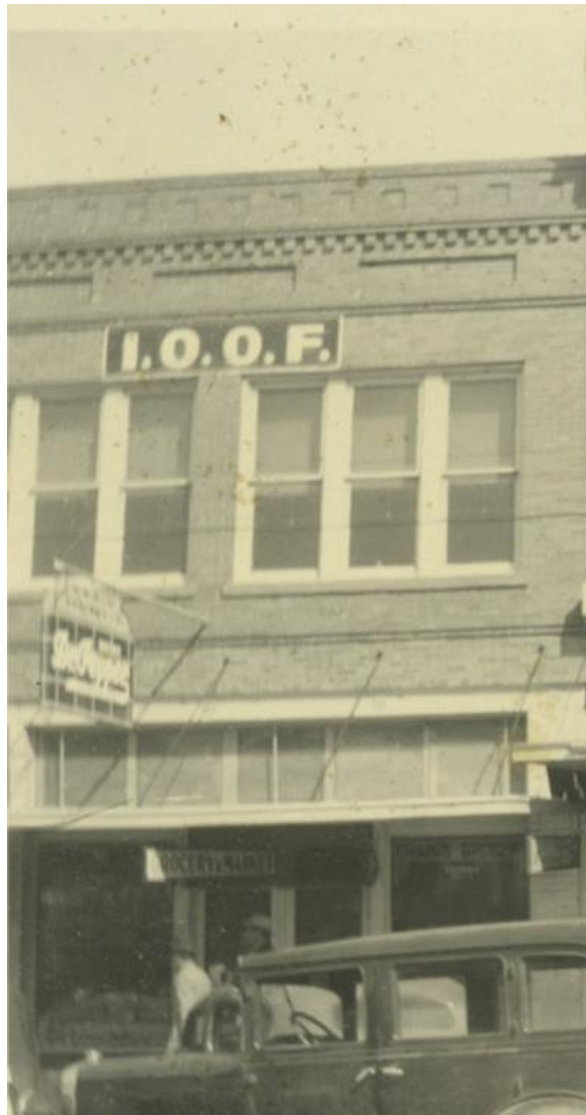
Cameron Robertson, AICP  
Historic Preservation Officer



## **Exhibit A**

### **Proposed Exterior Renovation**

Cameron Robertson, Historic Preservation Officer, was very helpful in providing a variety of historical photos of the building in order for the applicant to choose a historically appropriate style to mimic for this renovation. We have chosen the exterior photo below circa 1938.



## **The Renovation**

Brick / Paint: The goal is to remove the exterior paint revealing the original brick, however if the brick proves to deteriorate due to paint removal, we will paint the brick with a historically appropriate paint color from the Sherwin Williams Historic Color Palate as directed by Cameron. New brick columns street level will be painted to match the style in the 1938 photo.

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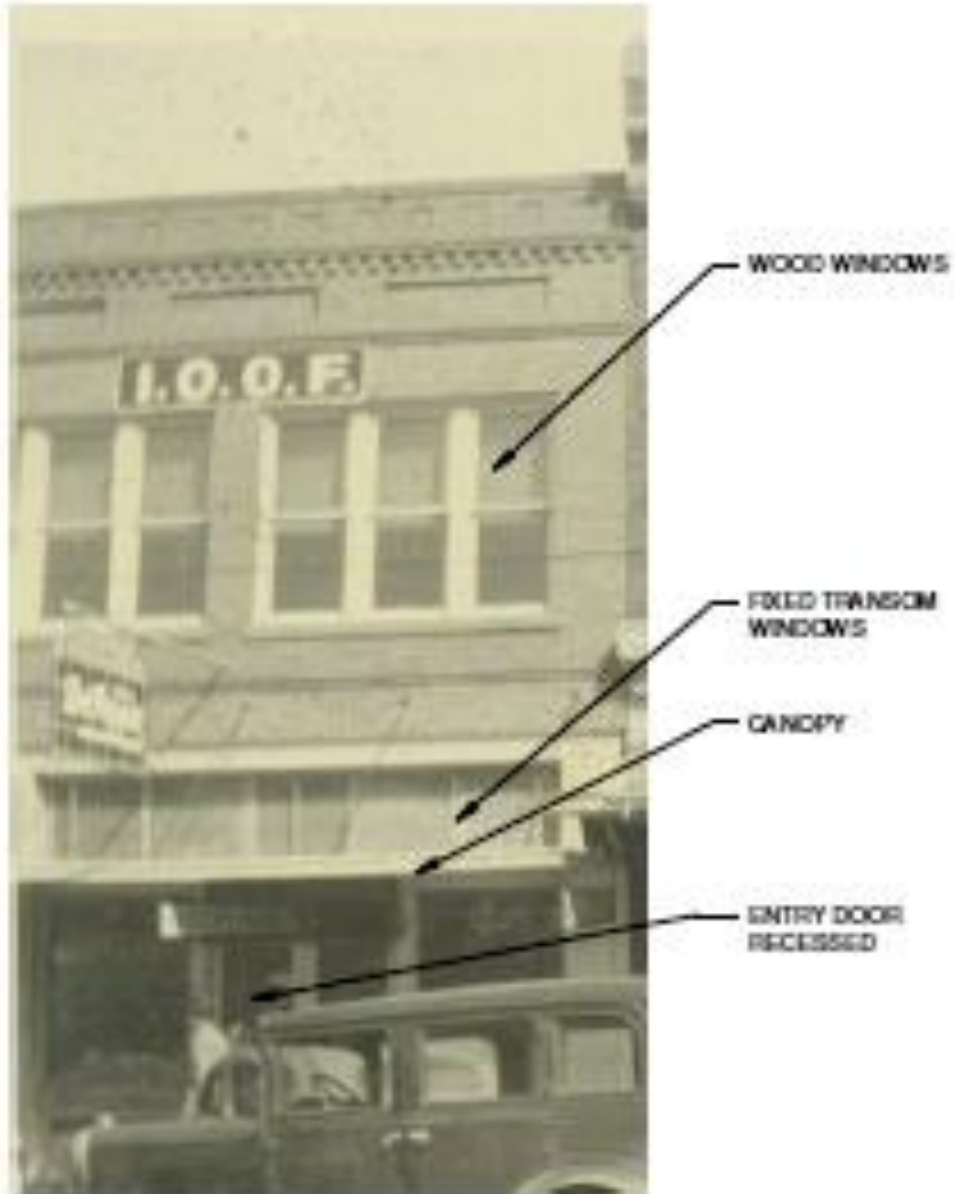
The existing old style inset entry with display windows on each side will be completely removed, allowing for usable patron dining space while achieving the 1938 look.

## Existing w/ Notes



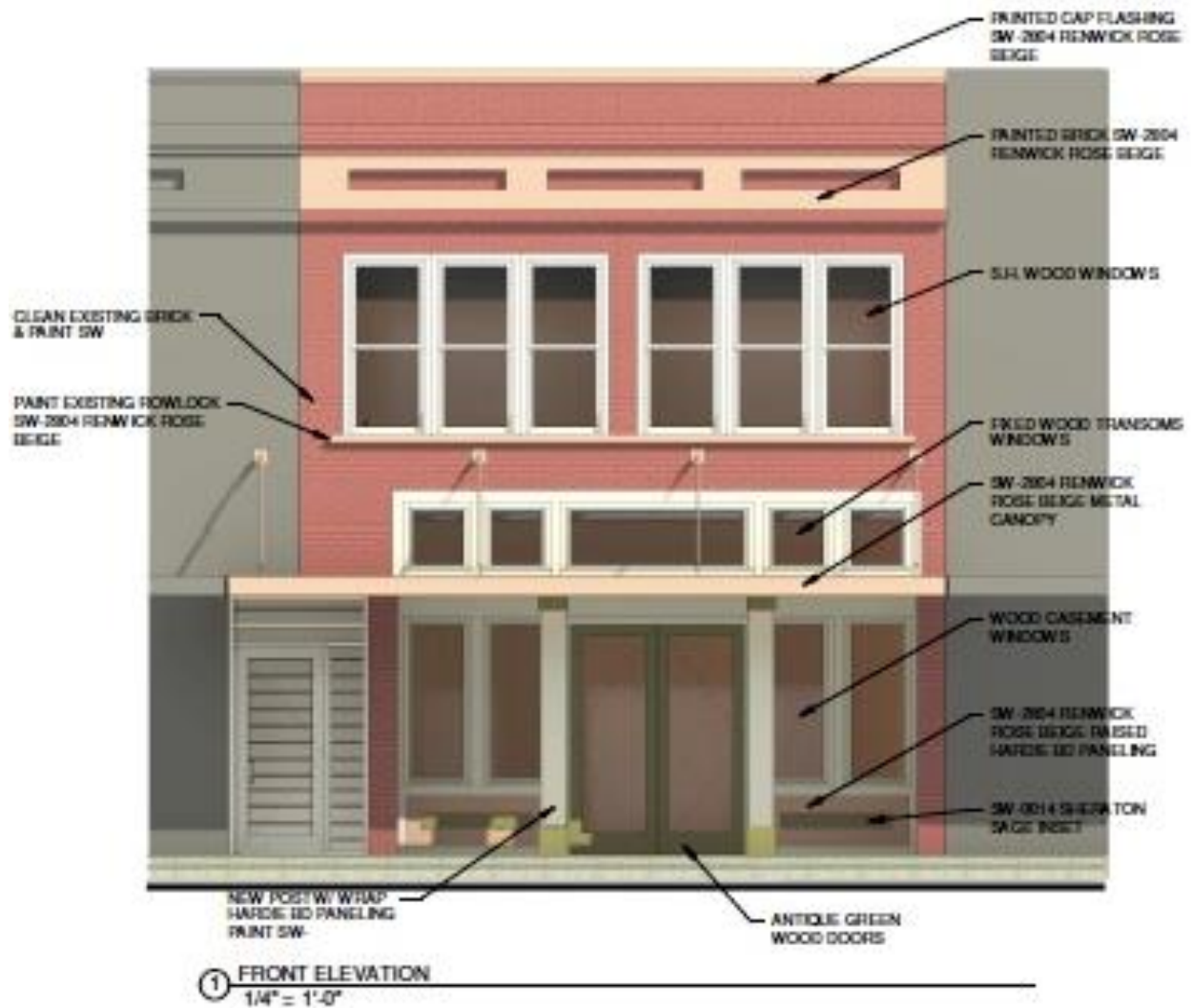
⑤ BUILDING TODAY  
1/4" = 1'-0"

1938 w/ Notes

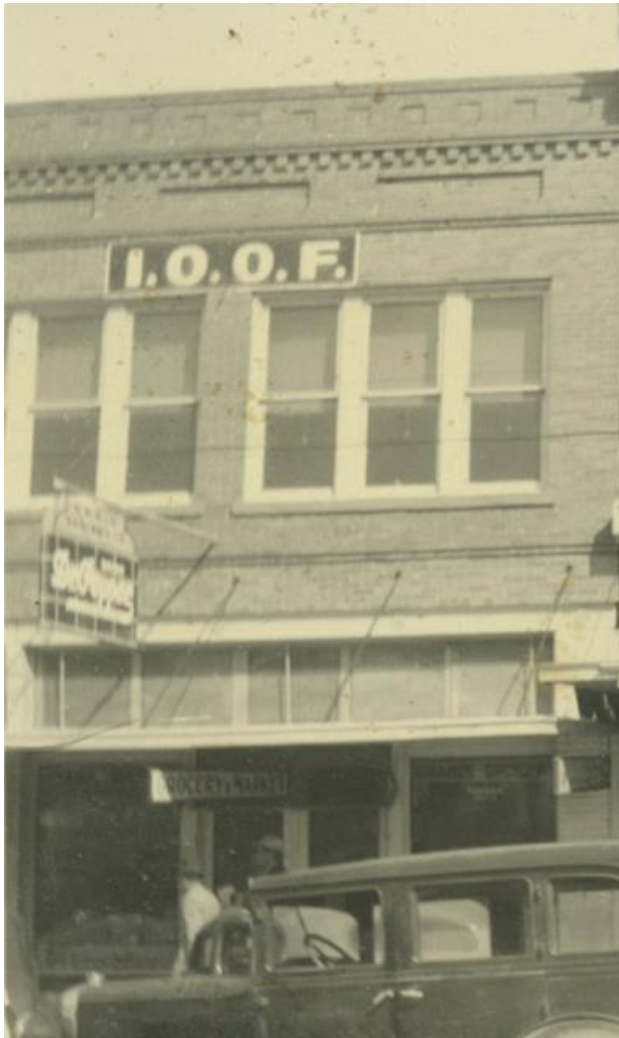


⑥ 1938 HISTORICAL PHOTO  
1/4" = 1'-0"

## Conceptual Rendering w/ Notes – PREVIOUSLY APPROVED PLANS

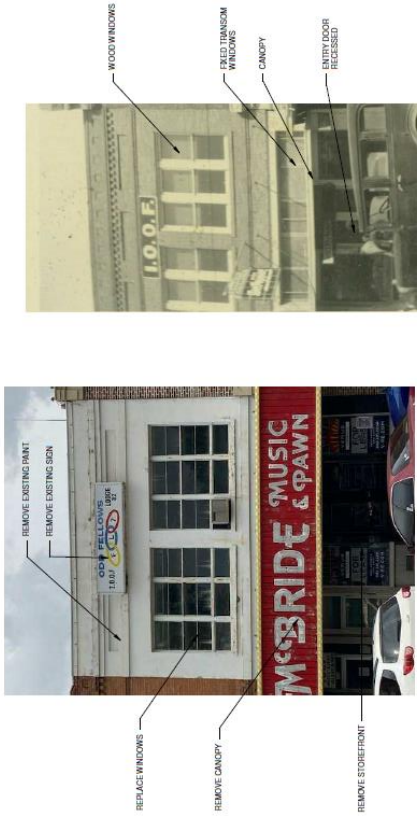


## Side by Side View





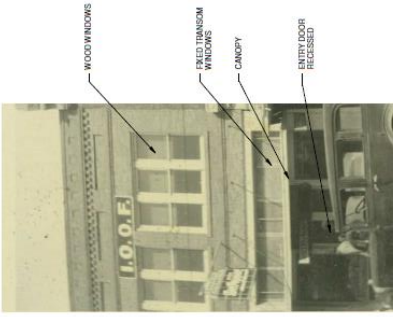
## **Exhibit B – PREVIOUSLY APPROVED PLANS**



6 1938 HISTORICAL PHOTO  
1/4" - 1.0"



091823 RENDERING



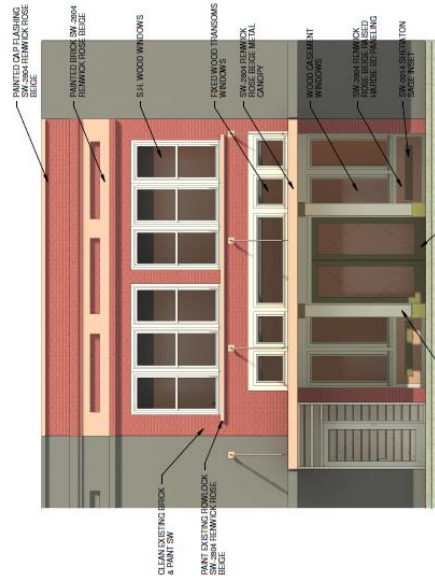
5 BUILDING TODAY  
1/4" = 1'-0"



② 3D View 4

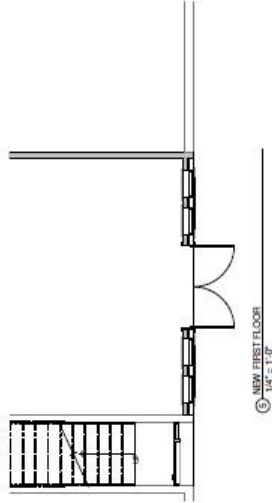


④ 3D View 1



1 FRONT ELEVATION  
1/4" = 1'-0"

Exhibit C – AMENDED PLANS





# 116 W OAK FORMER MCBRIDE'S GRANT APPLICATION

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FEBRUARY 28, 2024

# FIRE SUPPRESSION

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- Applaud the city for putting this program into place
- Impossible to do when a building is occupied, so when they turn over (doesn't happen often) is the time to do it.
- In order to make it impactful, we need to keep this program in place and be patient.
- \$50k doesn't even cover half of the cost but it makes a difference!
- Any questions about the application?

# FACADE GRANT

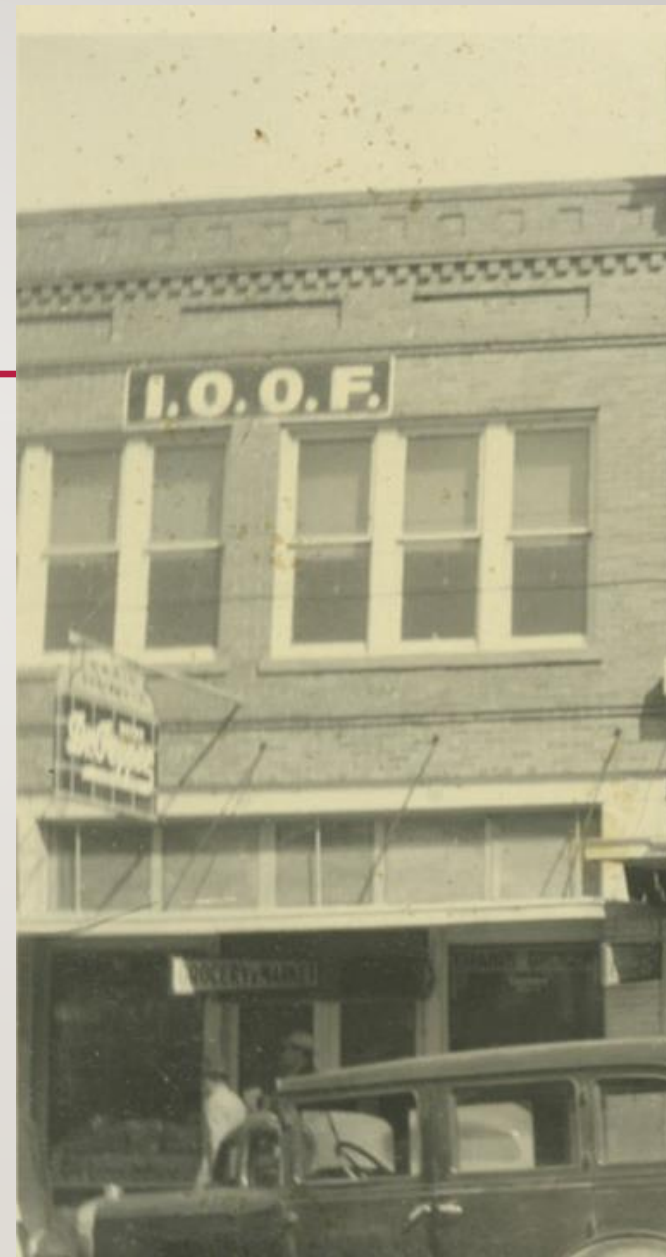
- History
  - McBride's Music & Pawn for 52 years
  - Exterior & Interior largely unchanged during that time
  - Little unique visitor traffic generated
  - Little sales tax generated
  - Exterior not attractive
  - Not “a draw” to the square



# FACADE GRANT

---

- Inspiration
  - Cameron Robertson provided some historical photos for inspiration
  - We've chosen this photo from 1938
  - Brick detail in concert with several others on the square





# FACADE GRANT

- The Renovation
  - Brick/Paint
    - goal is to expose original brick removing paint
    - If can't then paint with approved paint color
  - Awning
    - New steel awning matching style of 1938 photo
  - Transom Windows above Awning
    - New windows installed where they were in 1938
  - Street Level
    - Application states desire to recess 20 feet. Staff preferred not to so front façade would match closer to 1938. Tenant has redesigned interior so recessed front not necessary. Will not have front flush from bottom to top. Yeah!



# FACADE GRANT

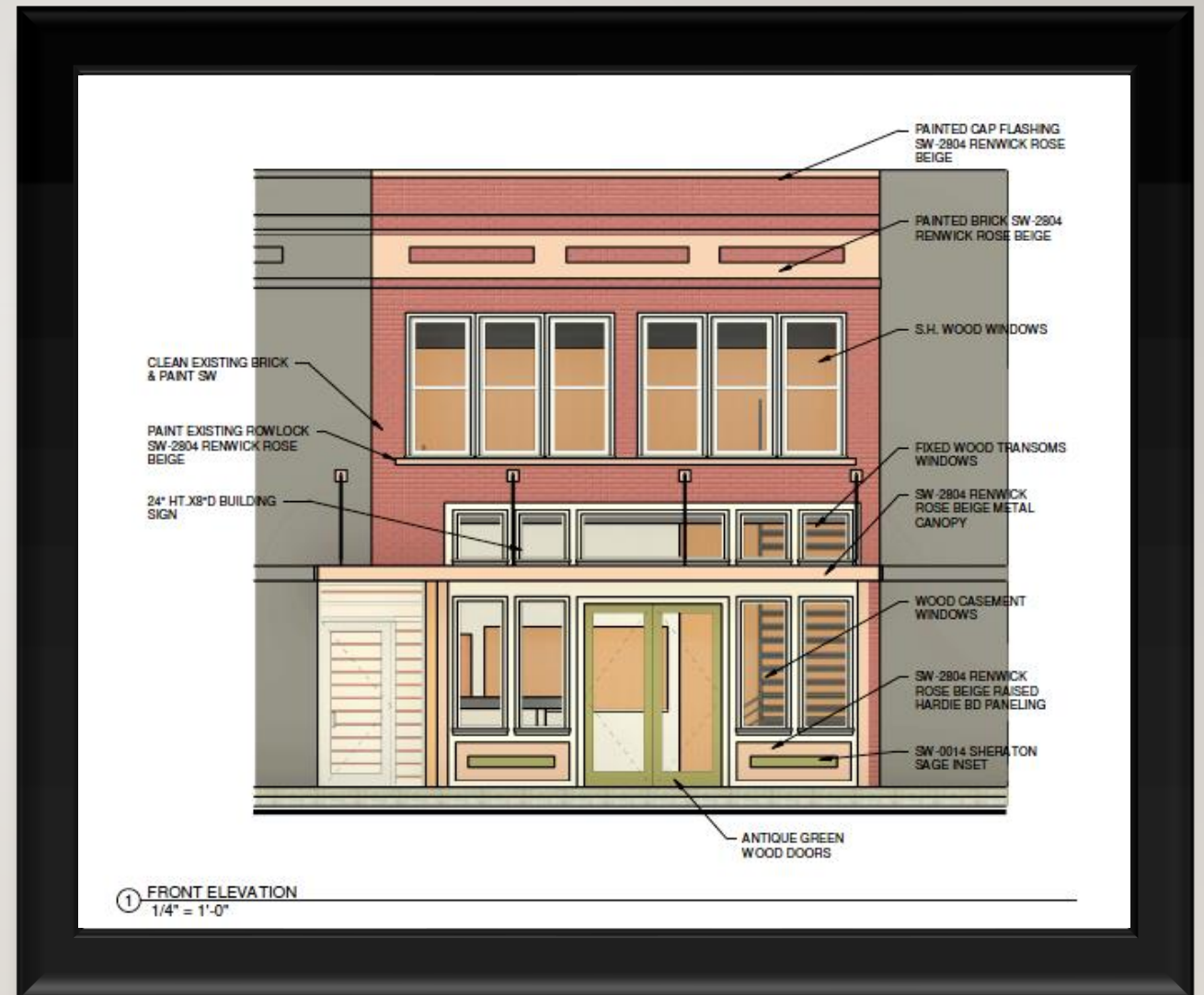
- Side by Side





# FACADE GRANT

- Materials Detail





# FACADE GRANT

- The Tenant !





# FACADE GRANT

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- About Voodoo Brewing
  - 18 locations nationally
  - Local Ownership
  - Great Food Selection
  - Extensive Craft Beer Selection



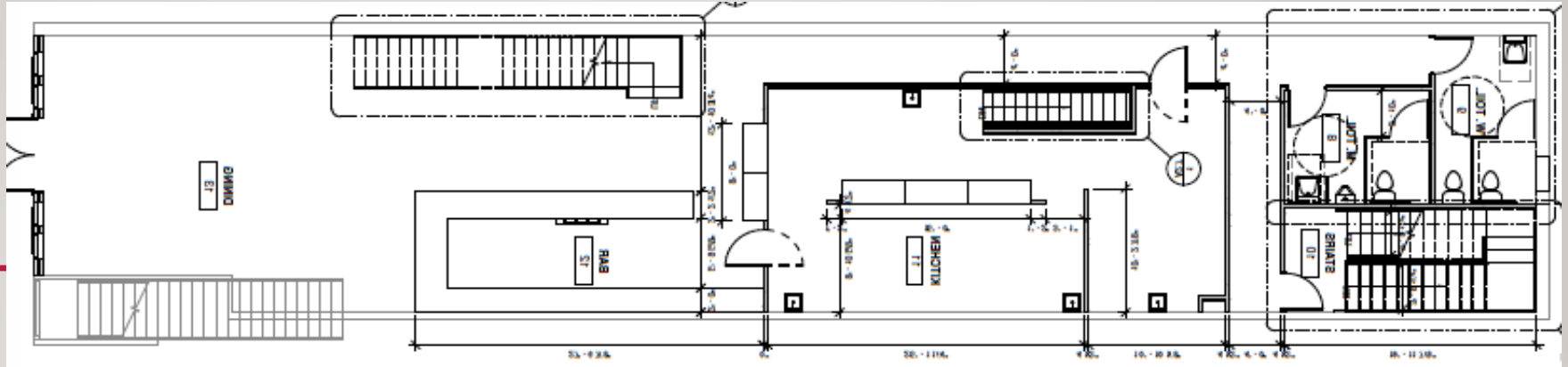
# FACADE GRANT

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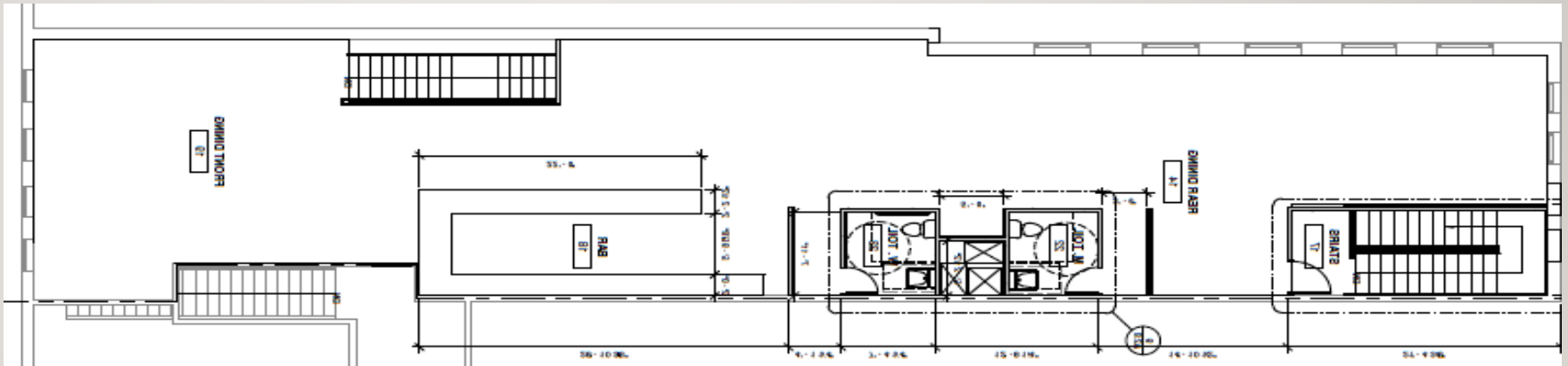
- Voodoo Investment
  - 2 floor restaurant & bar (6000 sf)
  - Complete interior renovation
  - Demo underway now
  - New structural for rooftop units
  - All new glass / operable windows
  - All new MEP's
  - \$1mm + budget

# VOODOO PLANS

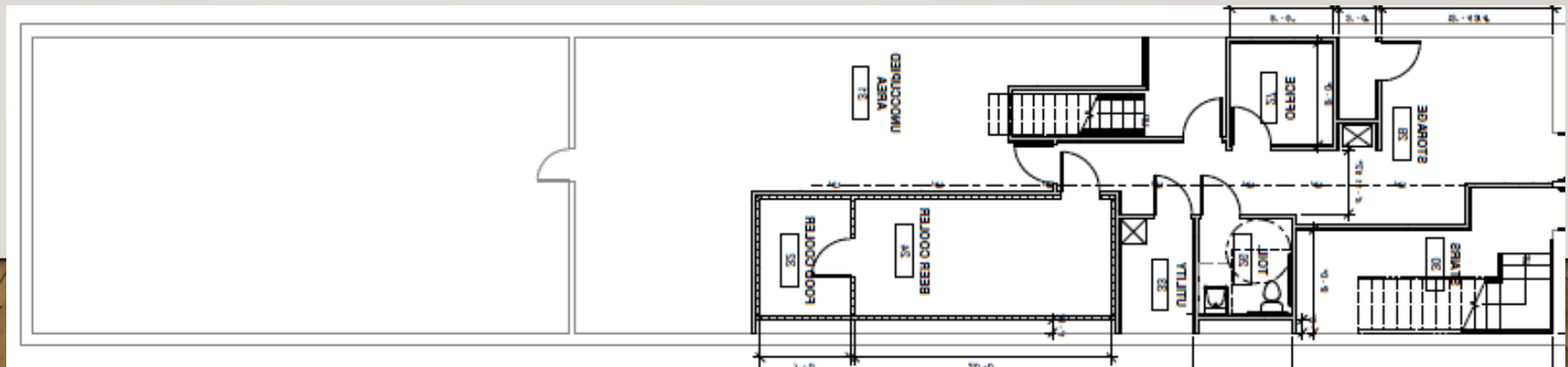
- 1st Floor



- 2nd Floor



- Basement





# FACADE GRANT

---

- Questions?
- We appreciate your consideration and ask for your recommendation for approval.





# City of Denton

City Hall  
215 E. McKinney St.  
Denton, Texas 76201  
[www.cityofdenton.com](http://www.cityofdenton.com)

## Legislation Text

---

**File #:** TIF24-005, **Version:** 1

---

### **AGENDA CAPTION**

Receive a report, hold a discussion, and make a recommendation to City Council regarding an economic development incentive request for 113-115 N. Elm Street by the Fine Arts Theater of Denton, LLC.



## 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 a recommendation to City Council regarding an economic development incentive request for 113-115 N. Elm Street by the Fine Arts Theater of Denton, LLC.

### **BACKGROUND**

The Fine Arts Theater was built in 1934 and has been the centerpiece of Denton Square for over 80 years. However, its entertainment roots date back further to the Graham Opera House, established in 1877. By 1935, after the opera house's era ended, the building was transformed into the Texas Theatre, joining the vibrant "Theatre Row" of Denton alongside names like the Majestic and the Dreamland. The theater landscape evolved, and by 1957, the Texas Theatre was renamed The Fine Arts Theater. Although it faced challenges, including a closure in 1981 and a fire in 1982, its legacy has persisted as an icon and landmark of the Denton Downtown Square.

The Theater was purchased by Fine Arts Theater of Denton, LLC in 2018. Since acquiring the property, the owners have made strides in the predevelopment and planning phases:

- Engaged Architexas, a Dallas-based historic preservation architectural firm, to assist in the development of renovation plans;
- Remediated asbestos and mold, ensuring the structure meets health and safety standards;
- Completed demolition of the interior in readiness for a renovation and expansion;
- Completed construction of a new roof;
- Partnership with local contractor Tim Beaty Builders to value-engineer and formulate a comprehensive renovation budget;
- Completed renovation plans and specifications and received a City permit;
- Securing approval for Federal Historic Tax Credit Program, while their application to the State of Texas Historic Tax Credit Program is still pending.

The City of Denton Economic Development Department was contacted by the owners/developer NorthBridge, in May 2022 regarding the Fine Arts Theater. The developer provided information regarding the status of the rehabilitation and renovation project and discussed a potential funding gap related to the project. At the time, the developer requested the City consider participation in the project as part of a Public/Private Partnership (P3). Staff used initial information provided by the owner to review potential participation strategies and researched other historic theater projects and city-involved theater projects throughout Texas. Staff found that several cities participated through P3s projects, typically through a Tax Increment Reinvestment Zone (TIRZ), bond funds, or an incentive (Lewisville, San Antonio and Temple). There were also a couple of instances of cities owning/operating theaters outright (Lewisville and Llano).

## **Project**

The Fine Arts Texas Theatre renovation is a significant undertaking, representing a capital investment of \$9,119,623. Once completed, the theater will offer a variety of spaces tailored to diverse audience sizes and needs:

- A 200-seat main theater
- A 30-seat VIP Mezzanine
- A 50-seat private theater

In addition to the viewing areas, the theater will house a concession and bar area. The theater's functionality extends beyond just film screenings. It is envisioned as a multi-use venue, capable of hosting film festivals, concerts, live performances, and private event rentals.

## **Underwriter Report**

An underwriter assessment was conducted to evaluate various facets of the Fine Arts Texas Theatre renovation project (Exhibit 4) The following are the key highlights and options:

### *Developer's Credentials and Support Team*

The local developer boasts a rich expertise in real estate development, management, and business operations. They are complemented by a seasoned team, including Jason Reimer, a pivotal figure at Texas Theater. Jason Reimer, serving as a Class B Member of Fine Arts Theater of Denton LLC, plays an instrumental role in assessing building design and overall project viability.

### *Financial Capacity*

The developer possesses the financial robustness to cover potential rehabilitation cost overruns. They have invested \$2,209,467 in the Project, demonstrating their commitment and readiness to pledge further assets beyond the initial requested incentive of \$2,000,000.

### *City Incentives*

The project is eligible for City economic development incentives. Without the infusion of these incentives, the project would face challenges due to a discernible financial gap in the funding structure.

### *Developer's Investment*

Beyond the initial investment of \$2,209,467, the developer has displayed a willingness to pledge additional resources. Notably, their total contribution surpasses the incentive request, and they have committed to forgo a \$250,000 fee for a decade.

### *Developer Return on Investment*

With the proposed City incentive options, the developer is projected to receive a cash-on-cash return on \$1,837,041 equity starting in year 8 under Option 1 and year 5 under Option 2. This is followed by a modest return, less than 3%, spanning to the tenth year.

### *Underwriter Report Options*

Grow America, formerly the National Development Council (NDC), the underwriter, was asked to prepare an underwriting report and incentive options to assist the City in the consideration of possible incentive mechanisms and options best suited for this project. The report presented two funding options for the project detailed below.

- Option 1:
  - \$1,076,366 in a City of Denton Chapter 380 incentive grant at Certificate of Occupancy (CO) for 5 to 7 years to pay down construction loan principal to the required \$3,195,000.
  - No tax rebates.
  - Downtown Reinvestment Grant in the amount of \$50,000.

- An additional \$544,503 City of Denton Chapter 380 incentive funded at opening or annually from 5 to 7 years, as needed to cover the projected shortfall between Net Profit and Debt Service.
- The second grant could be paid over 7 years with payments in the amount of \$152,402, \$124,396, \$69,512, \$54,077, \$38,243, \$21,723, \$5,348 to meet cash flow requirements, and \$78,802 for debt service reserve to be withdrawn if needed.
- **Option 2:**
  - \$1,076,366 in a City of Denton Chapter 380 incentive grant at CO to pay down construction loan principal to the required \$3,195,000.
  - Downtown Reinvestment Grant in the amount of \$50,000.
  - Performance-based annual rebates for property, sales, and mixed beverage taxes for a term of 10 years.
  - An additional \$301,947 City of Denton Chapter 380 incentive funded at opening or annually, as needed, to cover the projected shortfall between Net Profit and Debt Service.
  - Second Grant could be paid over 4 years, with payments in the amount of \$111,870, \$81,200, \$23,312, \$6,763 to meet cash flow requirements, and \$78,802 for debt service reserve to be withdrawn only if needed.

### **Funding and Source**

<b>Funding Mechanisms</b>	<b>Funding Source</b>
Chapter 380 Grant or Loan	Property Taxes Generated (rebate)
	Sales Taxes Generated (rebate)
	Mixed Beverage Taxes Generated (rebate)
	Cash Grant/Loan (Catalyst Fund)
	TIRZ Cash Grant or Loan (Tax Increment Fund)
	TIRZ rebate of real property taxes
Property Tax Abatement	Abatement of property taxes from Improvements and Business Personal Property (BPP) (TIRZ participates, but BPP does not go in to the TIRZ)

### **STRATEGIC ALIGNMENT**

- Foster Economic Opportunity and Affordability
  - Grow Denton's Economic Vitality
- 2040 Comp Plan – Redevelop Fine Arts Theater
- Economic Development Strategic Plan - Downtown Development: continue to utilize various tools to stimulate new private investment downtown.

### **Policy Considerations**

Strategic Growth Areas have been identified in the strategic plan for cultivation and recruitment and will be given priority consideration. This project is a targeted SGA and falls under the Creative category, with North American Classification System (NAICS) 711310 Promoters of and Similar Events with Facilities. An Incentive Evaluation Matrix incorporating these strategic initiatives, priority considerations, and public benefits has also been conducted (Exhibit 3). The project addressed four of the priority considerations and five of the Public Benefit Factors. Highlights of the considerations and public benefits include:

- Spur Infill Development or Redevelopment includes developing/redeveloping a property or facility in a manner that reduces urban sprawl and or increases density in a desirable area; the redevelopment of the property has been vacant for more than two years.
- Other Considerations: Adds to the culture of Denton and will help with foot traffic, and quality of life, and enhance the Downtown Square.



- **Public-Private Partnership:** includes the development of public infrastructure or amenities deemed beneficial, or the developer assumes responsibility for the development of infrastructure or public facilities beyond what is required. The project will involve a significant relationship with DISD and institutions of higher education.
- **Community Investment:** The company or developer demonstrates a commitment to community support or involvement through monetary or in-kind support of local nonprofits, public institutions, or community organizations.

### **Project Benefits**

Staff and the underwriter conducted a significant analysis of the information provided by the developer to ensure that stated policy criteria were met and determine both qualitative and quantitative public benefits. Staff also used an economic impact analysis model to quantify the economic impact and rate of return.

### **Quantitative Benefits and Economic Impact on the Community**

#### Option 1

- 10-year net benefits estimated at 897,700
- Rate of Return: 5.4%
- Payback period: 16.9 years

#### Option 2

- 10-year net benefits estimated at 897,700
- Rate of Return: 4.7%
- Payback period: 18.9 years

- In typical stand-alone theaters, approximately 20.4% of patrons complement their movie experience with dining or shopping in the vicinity.
- This percentage sees a significant surge in the context of a Main Street theater in Texas, where 50.6% of theatergoers choose to dine or shop around their cinema visit.

Given these trends, the economic projections for the Fine Arts Texas Theatre are promising. Surrounding businesses will see an increase in revenues. The theater's presence and its draw of patrons are projected to boost local business revenues by \$20,803,966.

### **Qualitative Benefits and Community Impact**

The revitalization of the Historic Fine Arts Texas Theatre promises more than just cinematic experiences. It is set to become a cornerstone for community development, education, and cultural enrichment. The theater is positioned to influence the community:

#### *Arts Job Training*

A strategic partnership with UNT Media Arts and Hospitality Management Department ensures that the theater becomes a ground for practical learning. This collaboration will pave the way for training, job opportunities, and internships, especially beneficial for film and theater majors.

#### *Community and Special Events*

The theater will open its doors to non-profits, civic and community groups, or local businesses, fostering community engagement and collaboration. It is poised to become a hub for regional festivals, celebrating film, music, and arts culture. Beyond public events, the venue will also cater to private rentals, making it an attractive choice for personal events like weddings or parties.

#### *Education*

The theater's potential as an educational tool is significant. Plans include DISD field trips for students to view educational and historical films. High school theater arts and film education programs are on the cards. These will include film labs designed in alignment with Texas Essential Knowledge and Skills.

### *Partnerships*

The theater is not working in isolation. Collaborations are in place to host classic and historical movie series. Partnerships with esteemed institutions like the Greater Denton Arts Council, Thin Line and Black Film Festivals, and KUZU radio amplify the theater's role in promoting arts and culture in the community.

### **INCENTIVE OPTIONS AND DIRECTION**

Staff is recommending Option 1. to provide financial support or incentives to the Fine Arts Theater project.

- \$1,076,366 in a City Chapter 380 Grant at CO to pay down the construction loan principal to the required \$3,195,000. Downtown Reinvestment Grant in the amount of \$50,000. An additional \$544,503 Chapter 380 Grant funded at opening or annually as needed to cover the projected shortfall between Net Profit and Debt Service. No tax rebates. Total incentive: \$1,670,869.

### **Next Steps**

- Final City Council individual consideration
- Execution of agreement

### **EXHIBITS**

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – Project Concept

Exhibit 3 – Incentive Evaluation Matrix

Exhibit 4 – Underwriter Report

Exhibit 5- Impact Report

Exhibit 6 – Presentation

Respectfully submitted:  
Christine Taylor  
Assistant City Manager

Prepared By:  
Erica Sullivan  
Economic Development Program Administrator

# TEXAS THEATRE FINE ARTS

EST. 1935



**NORTHBRIDGE**

212 S. Elm Street | Denton, TX 76201 | [nbrealtyholdings.com](http://nbrealtyholdings.com)

# HISTORY

For 79 years, generations of Dentonites driving down North Elm Street on the town Square have been greeted by the giant red, white and blue Fine Arts Theater marquee, a staple of downtown. Since 1935, the space has been a theater (before then, it was home to two different furniture and undertaker businesses). Originally named the Texas Theater (its name would change to the Fine Arts Theater in 1957), it was part of the Denton Square's theater row, which featured five theaters around the courthouse. But by 1981, the theater was forced to close. It reopened as a dollar theater in April 1982, but the balcony caught fire only five months later.



TEXAS THEATRE  
**FINE ARTS**



# CONDITION AT TIME OF PURCHASE

Fine Arts Theater of Denton, LLC, was formed in May 2018 by local forward-thinking, civic-minded, Denton enthusiasts with the plan of purchasing and rehabilitating Fine Arts Theater.

Since 1982, the building had been periodically used as a church and performance space, but it remained vacant since 2014.

During this time, the condition of the theater suffered due to previous fire damage and subsequent weather effects.



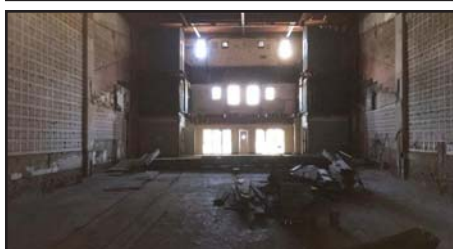
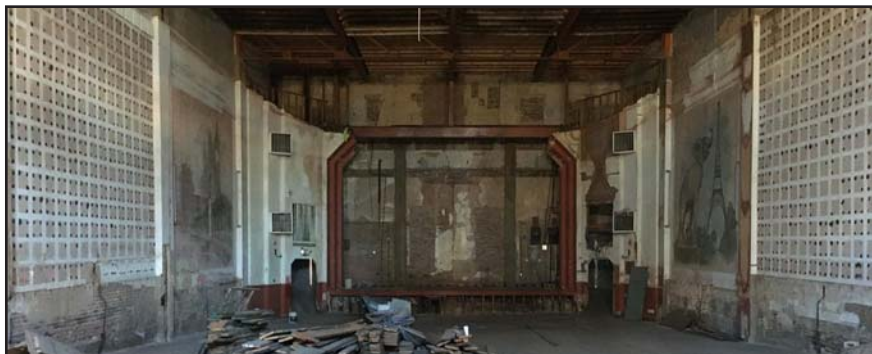


# PRESENT CONDITION

Since the purchase of the historic Fine Arts Building in 2018, a substantial amount of planning and predevelopment work has been completed to date including:

- Engaged Architexas, a Dallas-based historic preservation architectural firm;
- Remediated asbestos and mold throughout the structure;
- Completed demolition of the interior in preparation for the full renovation;
- Completed construction of a new roof;
- Worked with local contractor Tim Beaty Builders to value engineer and devise a full renovation budget;
- Completed renovation plans and specifications and obtained City of Denton permit approval; and
- Obtained approval for the Federal Historic Tax Credit Application (State of Texas Historic Tax Credit approval pending).

To date, a total of \$1.776 million has been expended, including \$764,000 for purchase of the building and \$1.012 million for predevelopment costs.



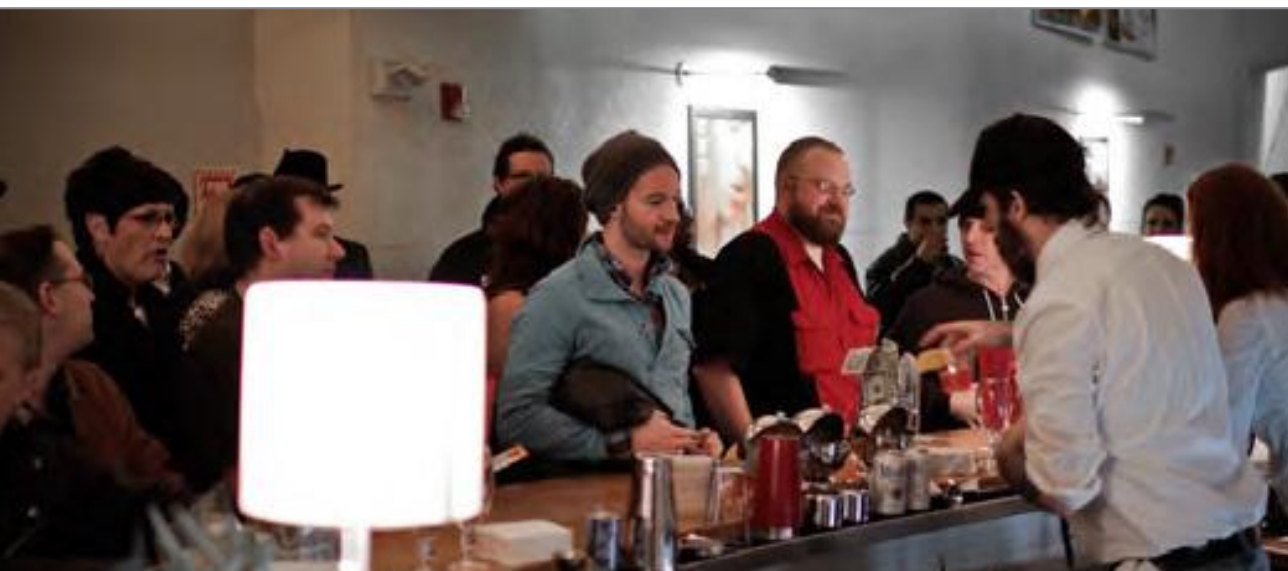
TEXAS THEATRE  
**FINE ARTS**

# FINE ARTS FUTURE

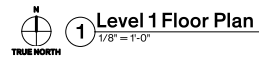
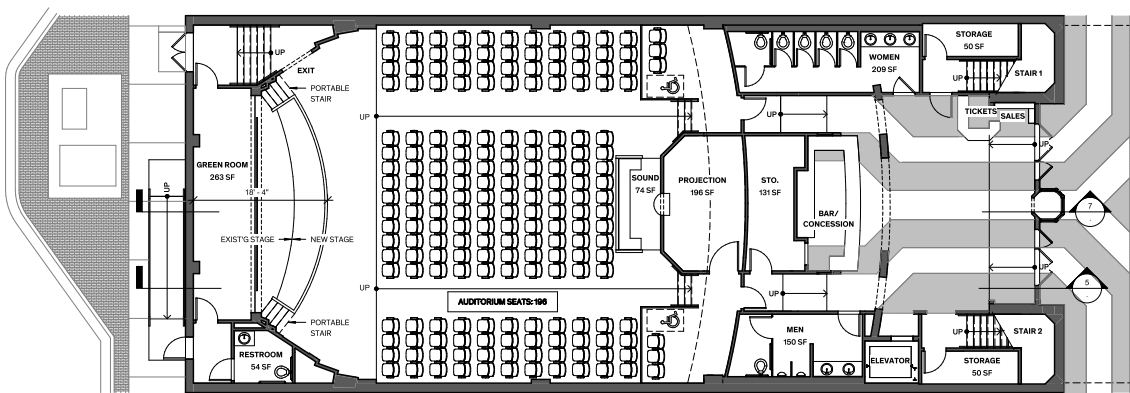
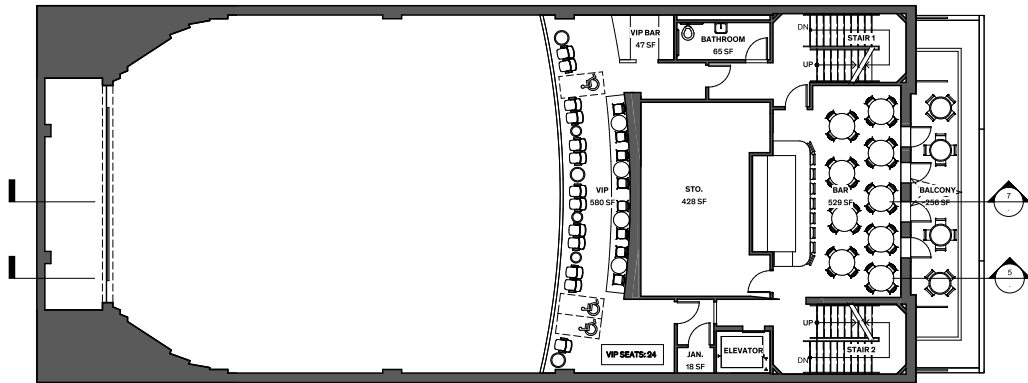
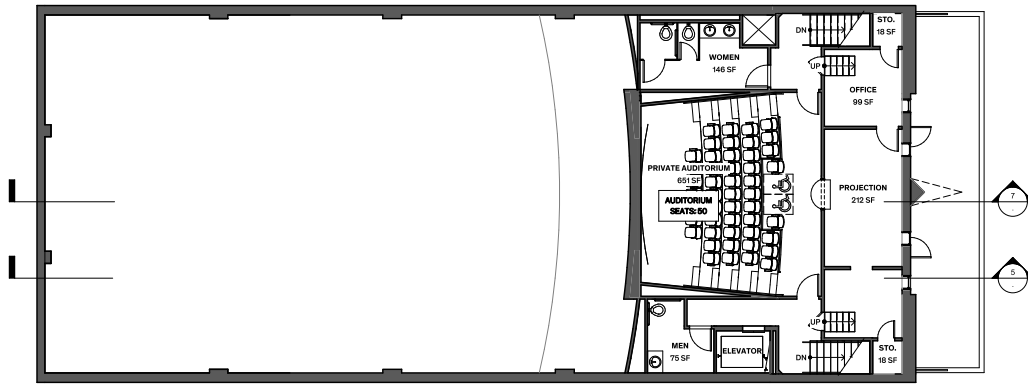
Alex Payne, Brad Andrus, Jason Reimer, Barak Epstein, and Martin Isles are all experienced investors and promoters representing the ownership group, which is intent on returning the Fine Arts Theater back to the community in its most viable function as a multi-use entertainment venue.

Examples of its activity will involve various presentation options including movies (first-run and independent), film festivals, concerts, live performance and rentals such as receptions, seminars and worship services, as well as various community-based rentals.

The rehabilitation plan includes a restored main theater with approximately 200 seats and V.I.P. mezzanine (25-30 seats), a smaller movie theater on the second level with approximately 50 seats, a new concession area at the entrance and a bar that overlooks the downtown courthouse open to theater patrons and casual visitors alike, making it an instant tourist attraction.

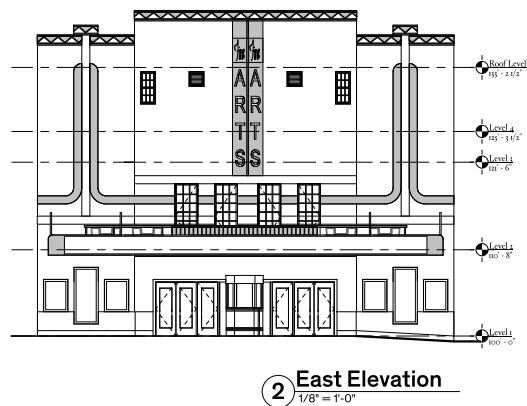
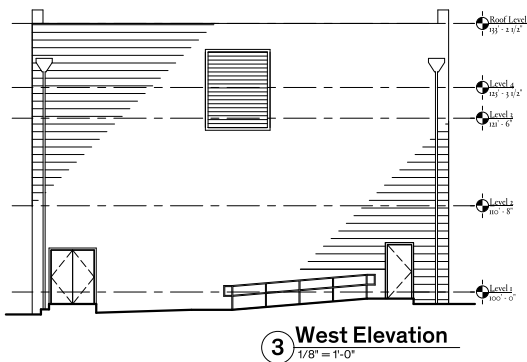
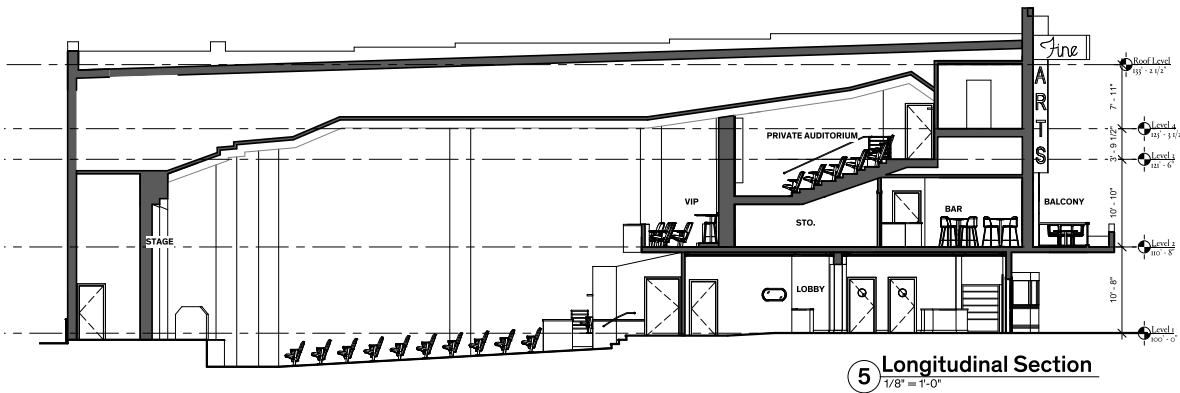
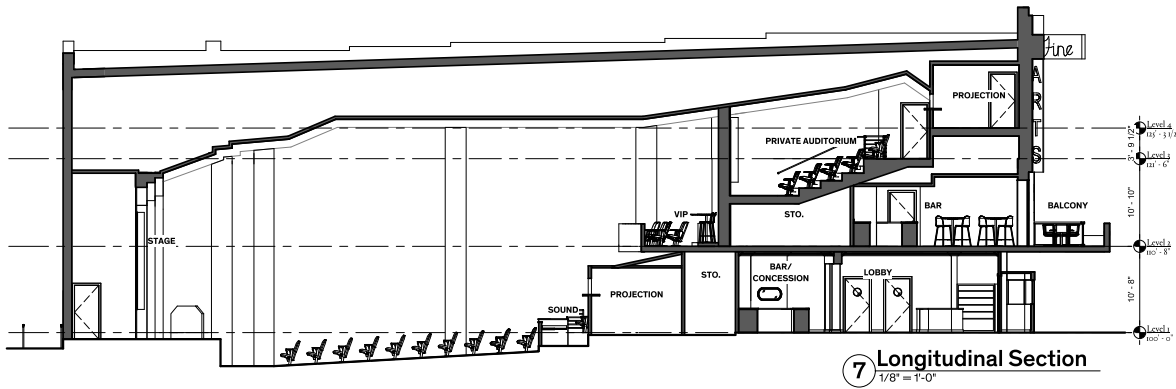


# REHABILITATION PLANS





# REHABILITATION PLANS



## REHABILITATION TEAM

NorthBridge Realty Holdings provides full service consulting for land use, real estate, and economic development projects. Services are available for all aspects of a development project, from early project feasibility and site selection, through full entitlement work, to issuance of Certificate of Occupancy.



Their associates are leaders in their respective fields of experience. The company offers a wide range of expertise in land use planning, real estate development, economic development, public/private partnerships, strategic planning, and project management.



Talented Friends is a creative direction company collaborating across multiple mediums. The common thread found throughout their varied output is thoughtful curation and attention to detail from concept to execution.

For four decades, Rudick Construction has served as a full-service commercial General Contractor delivering projects that are incorporated into the regions' landscape. What sets them apart is their ability to step in at any stage of a project's life cycle and complete the build, with expectation-exceeding results, at the best market price available.



## Architexas

Architexas provides a broad range of services encompassing architecture, planning and historic preservation. With every project, they follow a process that begins with researching and understanding the context – the physical, historical, and programmatic conditions – within which they will be working. Each project is seen as an opportunity to create a carefully crafted response to a unique set of circumstances and client aspirations.



# PROOF OF CONCEPT

## THE TEXAS THEATRE | [thetexastheatre.com](http://thetexastheatre.com)

After over a decade of disrepair, in February 2010 Jason Reimer began screening films at the Texas Theatre and launched a marketing campaign as part of the Oak Cliff Foundation, a community non-profit that previously owned the defunct theater. By August of that same year, Barak Epstein formed Aviation Cinemas and Reimer joined the team. Construction began that fall with a new bar and concession as well as renewed projection capabilities.

After re-opening in December there was immediate interest to use the building again in many different ways including workshops, award shows, live performance and most of all, movie screenings.

The Texas Theatre today is a strong community anchor for art and commerce and a highly decorated, unique entertainment experience open for movies and events of all kinds.



# COMMUNITY & ECONOMIC IMPACT

As a recognized arts leader invested in the continued development of the City of Denton as a strong, vibrant and healthy community, the Historic Fine Arts Theater is committed to expanding opportunities to improve the lives of the most vulnerable people residing in Denton's underserved neighborhoods and to ensure that theater arts experiences are accessible to all members of the community.

The Historic Fine Arts Theater of Denton is committed to the growth of diverse programming, community partnerships and collaborations, theater training and more importantly, to provide an arts community center for downtown Denton.

The restoration of this iconic feature that sits in the heart of the Downtown Denton Square will be a catalyst for economic growth and revitalization for the entire historic square. Theater events directly and in partnership with others will draw almost 10,000 patrons to downtown Denton each year where they can shop, dine, and visit the original historic Denton County Courthouse. This increase in visitors will boost the downtown economy and the local hotel and visitor industry.

## JOB TRAINING IN THE THEATER ARTS

The Historic Fine Arts Theater plans to partner with the University of North Texas's Media Arts and Hospitality Management Departments to provide training, jobs and internships for aspiring film and theater arts majors.

## COMMUNITY AND SPECIAL EVENTS

The Historic Fine Arts Theater intends to open its doors for local non-profits, businesses and major corporations, community groups, civic organizations, and public authorities to hold fundraisers, celebrations, and awareness events throughout the year. Non-profit organizations, including regional festivals, will be extended heavily discounted rates for building usage. The Theater will also be available as a private wedding or other party venue at rental rates which are expected to be as much as 50% less than other venues of similar size.

## ELEMENTARY SCHOOL EDUCATIONAL FIELD TRIPS

The Historic Fine Arts Theater intends to coordinate with Denton Independent School District and neighboring school districts to offer field trips for K-6 children to view educational or historical films during the school year. It is expected that at least 2,500 children per school year will participate in these educational field trips.

## HIGH SCHOOL THEATER ARTS AND FILM EDUCATION

Thousands of local high school students will be able to benefit each school year from exposure to theater arts educational activities that foster their social and emotional





development, self-expression, and creativity. The Historic Fine Arts Theater intends to regularly present and host educational program throughout the school year. One such program is High School Film Labs. High School Film Labs is a series of six informative and engaging film workshops to pique the interest of student filmmakers and teachers. The High School Film Labs content is aligned to Texas Essential Knowledge and Skills making the curriculum more meaningful to classroom lessons while helping teachers and administrators balance the impact of student film in their public or private high school schools.

## **THEATER ARTS EDUCATION**

Thousands of local high school students will be able to benefit each school year from exposure to theater arts educational activities that foster their social and emotional development, self-expression, and creativity. The Historic Fine Arts Theater intends to regularly present and host educational productions throughout the school year.

## **CLASSIC AND HISTORICAL MOVIE SERIES**

The Historic Fine Arts Theater intends to annually host various low cost and often free events related to cinema history and film culture, including classic films on 35MM prints, special screenings with guest speakers or cast members and more. Examples of these screenings would be holidays such as Veterans Day and Memorial Day or similar national days of remembrance and sponsored by community leaders who want to offer increased access and educational background to film culture at venues like the Historic Fine Arts Theater.

## **PARTNERSHIP WITH THE GREATER DENTON ARTS COUNCIL, THIN LINE FILM FESTIVAL AND RADIO KUZU**

The Historic Fine Arts Theater plans to partner with the Greater Denton Arts Council ("GDAC"), the Thin Line Film Festival and Radio KUZU.

GDAC has served the Denton community for almost 50 years by providing support for Denton's artists and community arts organizations. GDAC sponsors family programs on the third Saturday of each month, Summer Arts Camps and Arts Afterschool programs which provide access to the arts for the underserved Denton community. The Fine Arts Theater will provide a venue for GDAC sponsored programs and events.

The Thin Line Film is a documentary film festival conducted each spring at various sites throughout the City of Denton. The Historic Fine Arts Theater will serve as one of the film and event venues for Thin Line Film Festival.

KUZU Terrestrial radio station is based in Denton, just off the downtown square. KUZU regularly holds events open to the public and encourages people from all walks of life to become involved by creating their own shows. KUZU will host monthly and annual



events to be held at the Historic Fine Arts Theater as well as skills training workshops that pertain to radio communications. These events are projected to interact with as many as 2,500 people a year.

## ECONOMIC IMPACT

From major metropolitan areas to small rural towns, research shows that the arts and culture industry is an economically sound investment. It attracts audiences, spurs business development, supports jobs and generates government revenue. Locally as well as nationally, the arts mean business.

Dr. Michael Carroll from UNT's Economic Research Group has been engaged to prepare an analysis of the economic impact of the revitalization of the historic Fine Arts Theater. His findings will be presented at the council work session.



# FINE ARTS PRESS



Oak Cliff comes to Denton as Texas Theater's reel heroes rescue historic Fine Arts movie house  
[READ MORE](#)



New Owners Have Big Plans For Denton's Fine Arts Theater  
[READ MORE](#)



Texas Theatre Owners Buy Denton's Fine Arts Theater  
[READ MORE](#)



Denton's Fine Arts Theater To Be Restored  
[READ MORE](#)



Historic Denton Square theater under new ownership  
[READ MORE](#)



Denton Record-Chronicle

Fine Arts Theater sold, will be restored as entertainment venue  
[READ MORE](#)



The Team Behind Texas Theatre Just Bought An Abandoned Movie House on Denton's Town Square  
[READ MORE](#)



Bringing Back Denton's Fine Arts Theatre  
[READ MORE](#)



Denton's Fine Arts Theatre Slated For Remodel  
[READ MORE](#)





# TEXAS THEATRE FINE ARTS

— EST. 1935 —

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The logo for NorthBridge, featuring a blue curved line above the word "NORTHBRIDGE" in a bold, blue, sans-serif font.

212 S. Elm Street | Denton, TX 76201 | [nbrealtyholdings.com](http://nbrealtyholdings.com)

## Evaluation Matrix

(145 points) + (30 "Other" bonus points) = 175 total points

SGA TARGETS	Targets (20 Points)	Points
	Connective	
	Creative	10
	Sustainable	
	Competitive	
	<b>Other Target Areas (Max 10 points):</b> square revitalization and attraction that can lead to more development and revenue to other businesses in the downtown core and the city.	<u>3</u>
	<b>SGA Targets Subtotal</b>	<u>13</u>
PRIORITY CONSIDERATIONS	Considerations (100 Points)	Points
	<b>Generates New Utility Customers (Max Points 10)</b> Project is a customer of City utilities, including water, wastewater, and electric. Higher points awarded for larger customers	4
	<b>Encourages New Business Markets/Suppliers And Entrepreneurship (Max Points 10)</b> Project is from an industry not significantly represented in local economy or company is a new business startup or entrepreneurial endeavor	7
	<b>Engages in Sustainable Practices (Max Points 10)</b> Project has adopted sustainable or green business practices (e.g. LEED certification, renewable energy commitment or use, energy efficient construction)	2
	<b>Increases High Wage Jobs (Max Points 10)</b> Project includes new jobs with an average or has a significant percentage of jobs that earn an annual base salary of \$65,000 or more	0
	<b>Encourage Knowledge Base Jobs (Max Points 10)</b> Project includes new jobs or has a significant percentage of jobs that require specialized and theoretical knowledge, usually acquired through experience or a college education, or other training which provides comparable knowledge; requires some research, analysis, or requires special licensing, certification	3
	<b>Pays a living wage for all new employees (Max 10 points)</b> From the most current MIT Living Wage Calculator for Denton County	2
	<b>Spur Infill Development Or Redevelopment (Max Points 10)</b> Project is to develop/redevelop a property or facility in a manner that reduces urban sprawl and or increases density in a desirable area; project includes use of existing facility that has been vacant for at least 2 years	10
	<b>Headquarters (Max Points 10)</b> The project is an international or national headquarters facility	0
	<b>Child Care Assistance (Max Points 10)</b> Provides on-site child care; vouchers or other financial assistance; backup services; flexible or remote work accommodations; and flexible spending accounts	0
	<b>Other Considerations (Max 10 points):</b> Adds to the culture of Denton and will help with foot traffic, quality of life and enhancing the Downtown Square.	<u>7</u>
	<b>Priority Considerations Subtotal</b>	<u>35</u>

PUBLIC BENEFIT FACTORS	Public Benefit Factors (55 Points)	Points
	<b>Expand The Tax Base (Max Points 10)</b> Project provides new property, sales, HOT, or other taxes to the City, County, DISD, and DCTA through the development of property or facility or by making improvements to an existing property or facility, a new business or expansion, a new multi-tenant complex, or increase in jobs	8
	<b>Fiscal and Economic Impacts (Max Points 15)</b> Project cost-benefit analysis to include net new, indirect and induced jobs; wages; contributions through property, sales, HOT and other taxes; and rate of return	9
	<b>Community Investment (Max Points 5)</b> Project, company, or developer demonstrates a commitment to community support or involvement through monetary or in-kind support of local nonprofits, public institutions, or community organizations	8
	<b>Public-Private Partnership (Max Points 10)</b> Project includes development of public infrastructure or amenities deemed beneficial, or developer assumes responsibility for development of infrastructure or public facilities beyond what is required. Project will involve a significant relationship with DISD or institution of higher education	7
	<b>Use of Local Contractors/Construction Vendors (Max Points 5)</b> Project agrees to use vendors that have their principal place of business within the Denton City Limits	5
	<b>Other Factors (Max 10 points):</b>	
	<b>Public Benefit Subtotal</b>	<u>37</u>
TOTAL BY CATEGORY	<b>Total by Category</b>	<b>Score</b>
	<b>Total</b>	<b>85</b>
	<b>Poor (0-44 points)</b>	
	<b>Acceptable (45-84 points)</b>	
	<b>Excellent (85-175 points)</b>	X



**Date:** December 6, 2023, 2023

**To:** Christine Taylor, Assistant City Manager, City of Denton  
Ralph Bishop, Fine Arts Theater of Denton, LLC.

**Re:** **Final** Revised Underwriting Report 3 incentive options – Fine Arts Theater of Denton, LLC.

**From:** Grow America, formerly National Development Council  
*Underwriter: Sheldon Bartel, CEcD, EDFP, HDFP*

---

**STATUS:** The City of Denton ("City") and Fine Arts Theater of Denton, LLC ("Developer") retained Grow America to underwrite Fine Arts Theater of Denton, LLC request for a \$2,000,000 City economic development incentive. A final underwriting report was delivered (8/16/23) as a guide to assist the City in determining the type(s), timing, and amount(s) of incentives to commit, if any.

The requested incentives will support the development of 113-115 N. Elm Street, Denton TX ("Project"). The expected outcome is a rehabilitated historic theater with approximately 200 seats and V.I.P. mezzanine (25-30 seats), a smaller movie theater on the second level with approximately 50 seats, and a new concession area at the entrance with a bar that overlooks the downtown courthouse open to theater patrons and casual visitors alike. The developer believes the Project will contribute to the City as follows:

- Generate new revenue (sales and mixed beverage as well as property taxes) and drive tourism and visits to Denton Square and the City.
- Increase Denton Square's value as a unique business and promote investment in other non-competing businesses due to increased visits.
- Enhance the creative arts culture of Denton.
- Provide new jobs and training in the theater arts with plans to partner with UNT's media arts and hospitality management departments.
- Continue to revitalize Denton Square by bringing another newly rehabilitated building up to code.

The City provided a term sheet to the Developer post underwriting report. Following a meeting between the City and Developer where the Developer provided revised project financial information including:

- A revised operating model including proposed sales tax and property rebates,
- Updated Project development costs, sources and uses, based on the 8/31 balance sheet,
- corrections to the lender's cash reserve requirement for debt service coverage after clarifying our projections of operating losses during the first few years, as well as the interest calculation.

Developer finds that because of the above changes and the assumption that the Project is approved for property and sales tax rebate incentives for 10 years:

- the initial cash needed at the opening, (year 1) is reduced to \$193,107.
- additional cash of \$121,371 to cover losses in years 2-4.
- The total cash requirement for working capital and debt service coverage is \$314,478.



With this information the Developer presented to the City three (3) incentive options as follows:

1. Option 1 - \$1,076,366 City of Denton incentive at CO, this can be a grant for 5 to 7 years . No tax rebates. An additional \$544,782 City of Denton incentive funded at opening or annually as needed, as a grant for 5 to 7 years s.
2. Option 2 - \$1,076,366 City of Denton incentive at CO, this can be a grant or forgivable loan over 10 years. Annual rebates for property, sales, and beverage taxes for 10 years. An additional \$314,478 City of Denton incentive funded at opening or annually as needed, as a grant or forgivable loan over 10 years.
3. Option 3 – Developer is not eligible for Option 3. Only non-profits are eligible for HOT funds. Developer pointed out that options 1 and 2 will require an additional capital contribution from its ownership group of approximately \$555,000, bringing their total investment to approximately \$1,837,000.

On 10/16/23 the City asked Grow America to review the new information and 3 incentive options for the Project provided by the Developer.

**REVIEW OF PROJECT COSTS:** Developer is proposing the rehabilitation of a Historic Theater into a multi-use entertainment facility. Existing 9,900 sqft structure is situated on 6,000 sqft footprint located at 113-115 N. Elm in the Denton Square. This is in a 2023 Qualified Census tract. Developer has site control via fee simple ownership of the property since 2018.

The building was originally constructed as a furniture store in the 1890's and converted to a movie theater in 1935. The building ceased operation as a movie theater in 1982. From 1982 to 2014 the space was utilized as a church and performance space. It has been vacant since 2014 and sustained considerable interior damage due to a small fire and weather-related issues due to a faulty roof. The Developer acquired the Project site in 2018 has restored the building to shell condition which included replacing the roof, asbestos removal and abatement, and demolition of the damaged areas along with architectural services at a cost of approximately \$2,146,714.

The ownership intends to completely renovate the building and convert it into a multi-use entertainment facility. Examples of its activity will involve assorted options including movies, film festivals, concerts, live performance, and rentals such as receptions, seminars, and worship services, as well as various community-based rentals. The renovated facility will have three interior levels and includes a restored main theater with approximately 200 seats and V.I.P. mezzanine (25-30 seats), a smaller movie theater on the second level with approximately 50 seats, a new concession area at the entrance and a bar that overlooks the downtown courthouse open to theater patrons and the public.

The table below shows the total rehabilitation budget, sources and uses of funds, and permanent financing for Fine Arts Theater at 3/21/23 (application) and 8/31/23. The table includes post construction proposed investments by Developer and City (Option 1).



Uses:		3/21/2023		8/31/2023	Difference
Building Purchase (at actual)		\$769,442		\$769,442	(0)
Pre-development Costs (at actual)		\$1,377,272		\$1,440,025	62,753
Total Pre-Development Costs		\$2,146,714		\$2,209,467	62,753
Rehabilitation Costs (projected)					
Rehabilitation costs & Contingency		\$5,185,490		\$5,186,074	584
Furniture & fixtures		\$629,985		\$629,985	0
Soft costs		\$410,000		\$410,000	0
Interest & related costs		\$672,409		\$684,096	11,687
Cash Reserve to meet OWC/DSCR Requirement		\$924,634		\$0	(924,634)
Total Projected Rehabilitation costs		\$7,822,518		\$6,910,155	(912,363)
Total Projected Project Costs		\$9,969,232		\$9,119,623	(849,609)
Funding Sources:					
Cash equity already invested		\$1,152,260		\$1,282,041	129,781
Deferred developer fee		\$250,000		\$250,000	0
Construction Loan Proceeds:					
Appraised Value - As Complete 75%LTV	\$3,195,000		\$3,195,000		0
Loan on Historic Tax Credits 75% LTV	\$2,000,000		\$2,033,217		33,217
Pledged collateral 75% LTV	\$744,918		\$2,359,365		1,614,447
Funding GAP	\$2,627,054		\$0		(2,627,054)
Construction Loan Amount	\$8,566,972	\$8,566,972	\$7,587,582	\$7,587,582	(979,390)
Total Funding Sources		\$9,969,232		\$9,119,623	(849,609)
Post Construction Loan Paydown					
Construction Loan	\$ 5,939,918		\$ 7,587,582		1,647,664
Historic Tax credits (Estimated)	\$ (2,694,918)		\$ (2,710,956)		(16,038)
Denton Downtown Econ Façade Grant (Estimated)	\$ (50,000)		\$ (50,000)		0
COD Rehab Cash Incentive	\$ -		\$ (1,076,366)		(1,076,366)
Funding Gap funded by partners	\$ -		\$ (555,260)		(555,260)
Loan Balance	\$ 3,195,000		\$ 3,195,000		(0)

Notes:

*Rehabilitation/Construction.*

- The 8/31/23 projected total rehabilitation/construction cost is reasonable. Total cost per square foot is \$921.
- Total pre-development costs increased \$62,753. These have been funded by a combination of \$1.2 million Developer cash and \$1.0 million loan.
- Total Rehabilitation costs (uses of funds) are \$9,119,623 – a decrease of \$849,609. This is primarily due to removal of cash reserve to meet Lender OWC/DSR requirement. This is a post rehabilitation cash need.
- Total Funding sources are \$9,119,623 – a decrease of \$849,609. Expected proceeds from sale of Project Historic Tax Credits increased \$33,217, proceeds from Developer pledged collateral





increased \$1,614,447, and the rehabilitation funding gap decreased \$2,627,054. The Developer is filling the gap.

#### *Post Construction*

The City will only be involved post construction. Lender requires the Developer pay down the construction loan to 75% of "as completed" appraised value of \$4,260,000 = \$3,195,000. Sources of funding to pay down the Lender are sale of Project Historic Tax Credits, proposed City Rehabilitation Cash Incentive (\$1,076,366), Denton Downtown Reinvestment Grant (\$50,000), and \$555,260 additional Developer cash. Discussion of City post construction incentives follows.

#### **Option 1**

*Post Construction Permanent Financing (Spreadsheet Option 1 Project Cost Worksheet and Sources of Funds tabs)*

- The City will only be involved post construction.
- Project Development Budget is a breakdown of the rehabilitation/construction costs.
- Source of Funds is the breakdown of post construction permanent financing including the Lender loan (\$3,195,000), the City's proposed Rehab Cash Incentive (\$1,076,366), Downtown Reinvestment grant (\$50,000), Historic Tax Credit equity (calculated by Project consultants Architexas @ \$2,710,685), and Developer equity investment (\$1,837,041) into the Project as well as Developer Deferred Loan (\$250,000).
  - Sources of funds exceed uses of funds by \$529 (insignificant).

#### *Operating and Debt Service Reserve Needs (Spreadsheet Option 1 Proforma tab)*

The Proforma shows the projected revenues and expenses for 10 years for the Project. Revenues and expenses were provided by Project Consultant ACI North LLC who has operated the Texas Theater in Dallas since 2010. Add backs to Net Profit include:

- Proposed/requested City Operating and Debt Reserve Grants totaling \$544,503 that includes:
  - \$465,701 over 7 years to cover projected shortfall between project Net Profit and Debt Service that results in required debt service coverage ratio of 1:1. These funds are included in the Add Backs to Cash Flow section of the Option 1 Proforma.
  - The Lender requires an additional \$0.25 of cash flow for debt service be maintained in a reserve account at the lending bank. This amounts to \$78,802 and is identified as Bank Required DSC Reserve (0.25%) on the Proforma. The source of the \$78,802 is the proposed City operating reserve incentive. The funds will only be drawn down should they be needed, that is, actual operations demonstrate cash flow for debt service is lower than projected. These funds are included in the Bank Required DSC Reserve line on the Option 1 Proforma.
- In summary, the projected total value of City operating and debt reserve incentives under Option 1 is \$544,503. When the City Rehab Cash (\$1,076,366) and City Downtown Reinvestment grant (\$50,000) incentives are added to the operating and debt reserves (\$544,503) incentives the total City incentive package totals \$1,670,869.

#### **Option 2**

*Post Construction Permanent Financing (Spreadsheet Option 2 Project Cost Worksheet and Sources of Funds tabs).*

The City will only be involved post construction.

- Project Development Budget is a breakdown of the rehabilitation/construction costs.



- Source of Funds is the breakdown of post construction permanent financing including the Lender loan (\$3,195,000), the City's proposed Rehab Cash Incentive (\$1,076,366), Downtown Reinvestment grant (\$50,000), Historic Tax Credit equity (calculated by Project consultants Architexas @ \$2,710,685), and Developer equity investment (\$1,837,041) into the Project as well as Developer Deferred Loan (\$250,000).
  - Sources of funds exceed uses of funds by \$529 (insignificant).

#### *Operating and Debt Service Reserve Needs (Spreadsheet Option 2 Proforma tab)*

Add backs to Net Profit include:

- Proposed/requested City Operating and Debt Reserve Grants totaling \$301,947.
  - \$223,145 over 4 years to cover projected shortfall between project Net Profit and Debt Service that results in required debt service coverage ratio of 1:1. These funds are included in the Add Backs to Cash Flow section of the Option 2 Proforma.
  - The Lender requires an additional \$0.25 of cash flow for debt service be maintained in a reserve account at the lending bank. This amounts to \$78,802 and is identified as Bank Required DSC Reserve (0.25%) on the Proforma. The source of the \$78,802 is the proposed City operating reserve incentive. The funds will only be drawn down should they be needed, that is, actual operations demonstrate cash flow for debt service is lower than projected. These funds are included in the Bank Required DSC Reserve line on the Option 2 Proforma.
- Proposed City real estate tax rebate equal to 100% of the estimated property taxes of the Project
  - This is calculated on an estimated assessed value of \$3,195,000 (75% of the "As completed" appraised value of \$4,260,000) increasing 3% per year over 10 years. Total property tax rebate over 10 years = \$205,362 These funds are included in the Add Backs to Cash Flow section of Option 2 Proforma along with the following:
- Proposed City Sales Tax rebate 1.5% of total revenues over 10 years. Total sales tax rebate over 10 years = \$225,837.
- Proposed City Mixed Beverage Gross Receipts Tax over 10 years calculated using 50% of projected concession revenue. Total MBGRT tax rebate over 10 years = \$24,626
- Proposed City Mixed Beverage Sales Tax over 10 years calculated using 50% of projected concession revenue. Total MBST rebate over 10 years = \$30,322

In summary, the projected total value of City operating and debt reserve incentives under Option 2 is \$788,094. When the City Rehab Cash (\$1,076,366) and City Downtown Reinvestment grant (\$50,000) incentives are added to the operating and debt reserves (\$788,094) incentives the total City incentive package totals \$1,914,460.

#### **Option 3**

Developer is not eligible for HOT Funds.

#### **ANALYSIS OF DEVELOPER PROPOSED INCENTIVES**

The Table highlights the 2 Options of incentives proposed for the Project.

<b>COD \$</b>	<b>Option 1</b>	<b>Option 2</b>
<b>Rehab Cash</b>	\$1,076,366	\$1,076,366
<b>Downtown Reinvestment Grant</b>	\$50,000	\$50,000
<b>Operating Reserve</b>	\$465,701	\$223,145



<b>Debt Service Reserve</b>	\$78,802	\$78,802
<b>Cash Rebates*</b>	N/A	\$486,147
<b>Hot Funds</b>	N/A	N/A
<b>Total</b>	\$1,670,869	\$1,914,460
<b>Developer Equity</b>	\$1,837,041	\$1,837,041

- Property, Sales, MBGRT, & MBST Rebates

*Option 1:* \$1,076,366 City of Denton Rehab Cash incentive at CO, this can be a grant for 5-7 years. No tax rebates. An additional \$544,782 City of Denton incentive funded at opening or annually as needed, as a grant over 10 years. This includes \$465,701 City operating incentive over 7 years and \$78,802 debt service reserve. This is sufficient to produce cash flow sufficient to repay Lender loan at 1:1 ratio as well as fund the Lender required 0.25:1 debt service coverage reserve.

When the City Rehab Cash (\$1,076,366) and City Downtown Reinvestment (\$50,000) incentives are added to the operating and debt reserves (\$544,782) incentives the total City incentive package totals \$1,670,869. This option is the least expensive option.

*Under Option 1, the Developer begins to receive a cash-on-cash return on \$1,837,041 equity (Cash Flow Available for Distribution divided by equity investment) starting in year 8.* There is no return on the Deferred Developer loan until year 11.

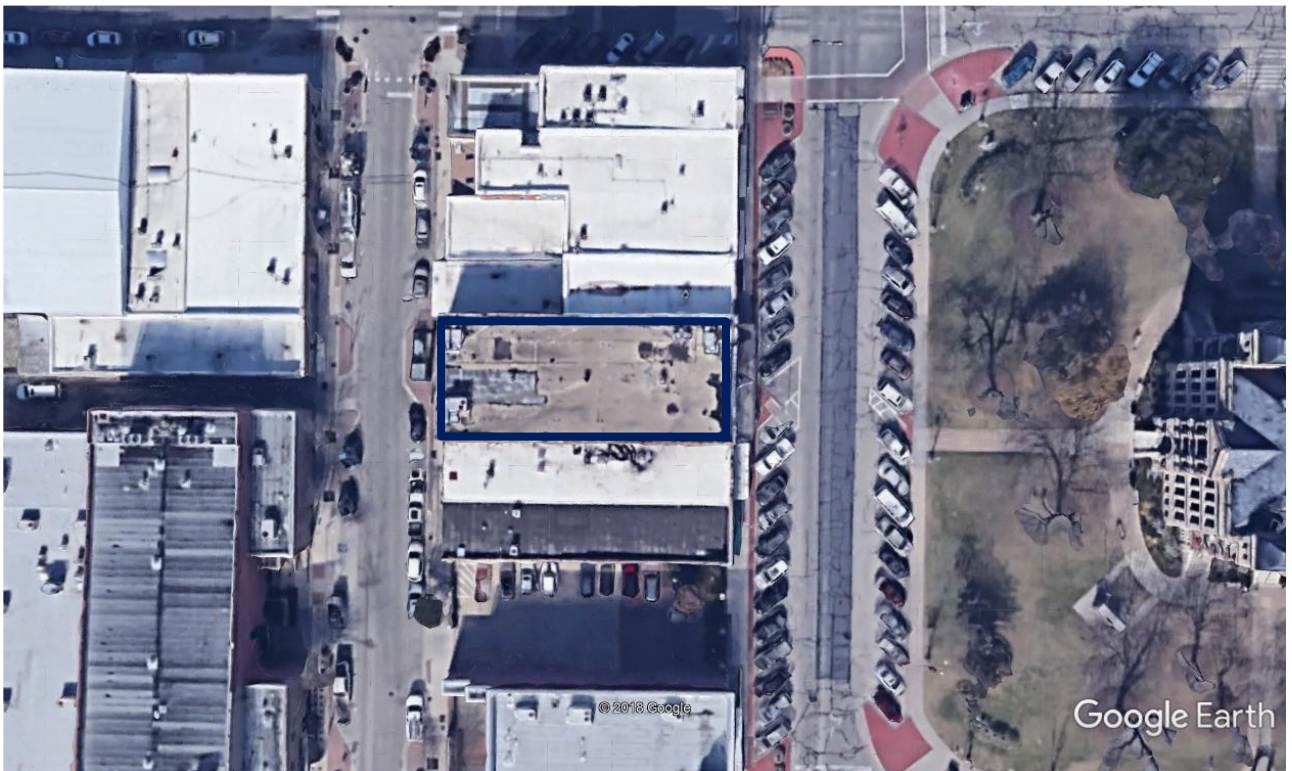
*Option 2:* \$1,076,366 City of Denton incentive at CO, this can be a grant over 10 years. An additional \$709,292 City of Denton incentive funded at opening or spread annually as needed, as a grant over 10 years. This includes \$223,145 City operating incentive over 4 years and \$78,802 debt service reserve. This is sufficient to produce cash flow sufficient to repay Lender loan at 1:1 ratio as well as fund the Lender required 0.25:1 debt service coverage reserve. In addition, the City provides \$486,147 real estate, sales, and beverage taxes rebates over 10 years.

When the City Rehab Cash (\$1,076,366) and City Downtown Reinvestment (\$50,000) incentives are added to the operating (\$223,145) and debt reserves (\$78,802) as well as property, sales, MBGRT, and MBST rebates (\$486,147) incentives the total City incentive package totals \$1,914,460.

*Under this Option, the Developer only receives a cash-on-cash return on \$1,837,041 equity (Cash Flow Available for Distribution divided by equity investment) starting in year 5.* There is no return on the Deferred Developer loan until year 11.



Exterior View: Front



Location





Interior View





IMPACT REPORT

# FINE ARTS IMPACT

Option 1 After Agreement 2-21-24

JOBS



18.7 Total  
15.0 Direct  
3.7 Spin-off

SALARIES

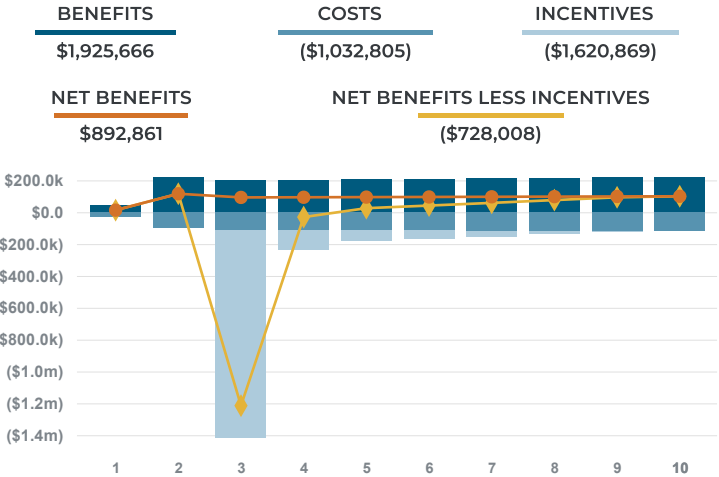


\$0 Avg  
\$0 Direct  
\$0 Spin-off

CAPITAL INVEST.

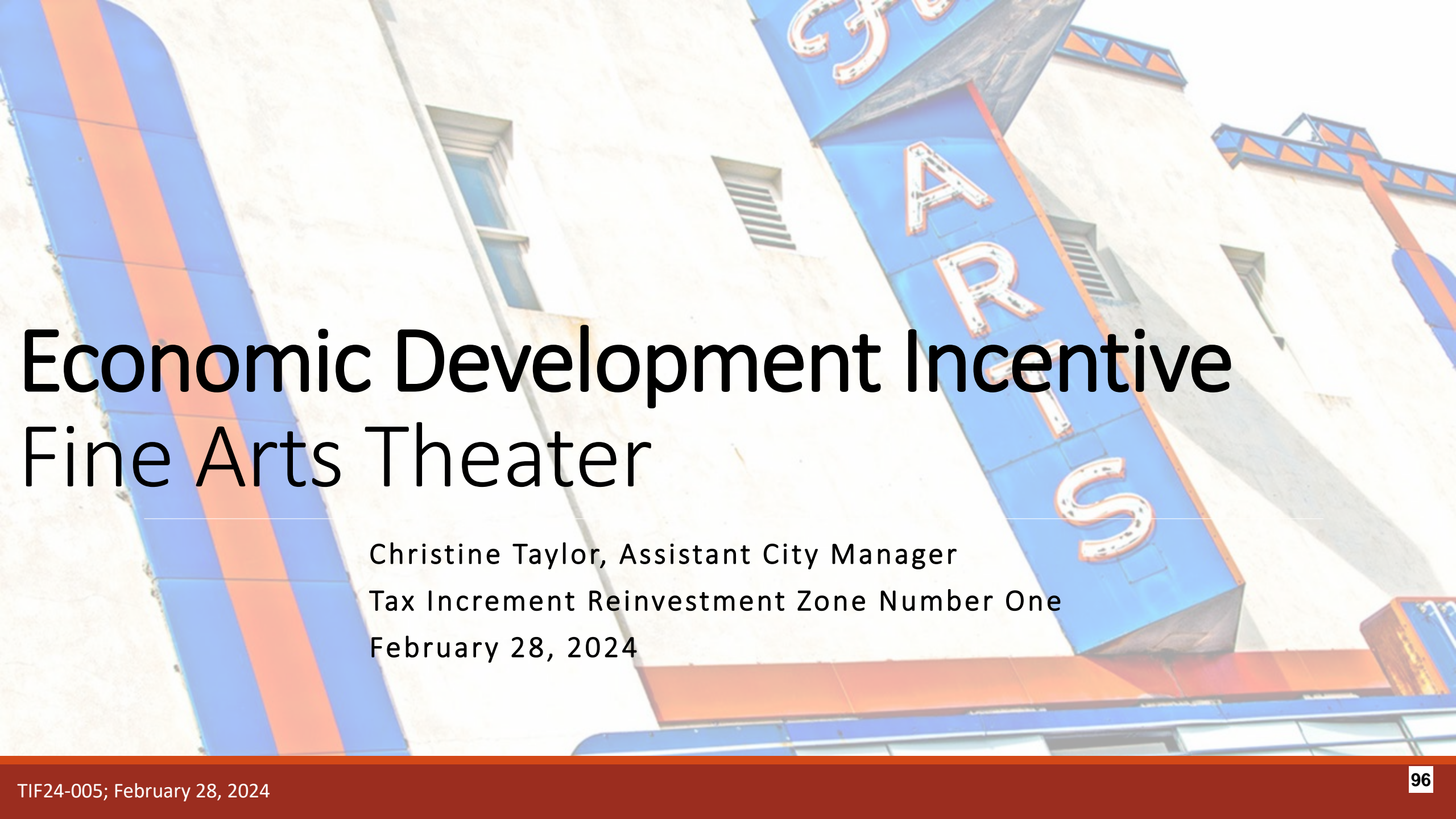


\$6.9M  
Buildings



	City of Denton	Denton County	Denton ISD	Denton CTA	Total
NET BENEFITS LESS INCENTIVES	(\$1,210,700)	\$148,470	\$327,717	\$6,504	(\$728,008)
Present Value	(\$1,060,495)	\$111,641	\$246,424	\$5,912	(\$696,518)
NET BENEFITS	\$410,169	\$148,470	\$327,717	\$6,504	\$892,861
Present Value	\$311,520	\$111,641	\$246,424	\$5,912	\$675,497
BENEFITS					
Sales Taxes	\$19,512	\$0	\$0	\$6,504	\$26,016
Real Property Taxes	\$361,372	\$140,211	\$866,626	\$0	\$1,368,210
FF&E Property Taxes	\$19,074	\$7,401	\$45,742	\$0	\$72,217
Other Benefits	\$441,260	\$9,049	\$8,915	\$0	\$459,224
Benefits Subtotal	\$841,218	\$156,661	\$921,283	\$6,504	\$1,925,666
COSTS					
Cost of Government Services	(\$46,669)	(\$8,191)	(\$5,126)	\$0	(\$59,986)
Other Costs	(\$384,379)	\$0	(\$588,440)	\$0	(\$972,820)
Costs Subtotal	(\$431,049)	(\$8,191)	(\$593,566)	\$0	(\$1,032,805)
INCENTIVES					
Non-Tax Incentive	(\$1,620,869)	\$0	\$0	\$0	(\$1,620,869)
Incentives Subtotal	(\$1,620,869)	\$0	\$0	\$0	(\$1,620,869)
Payback Period	29.6 Years				16.5 Years

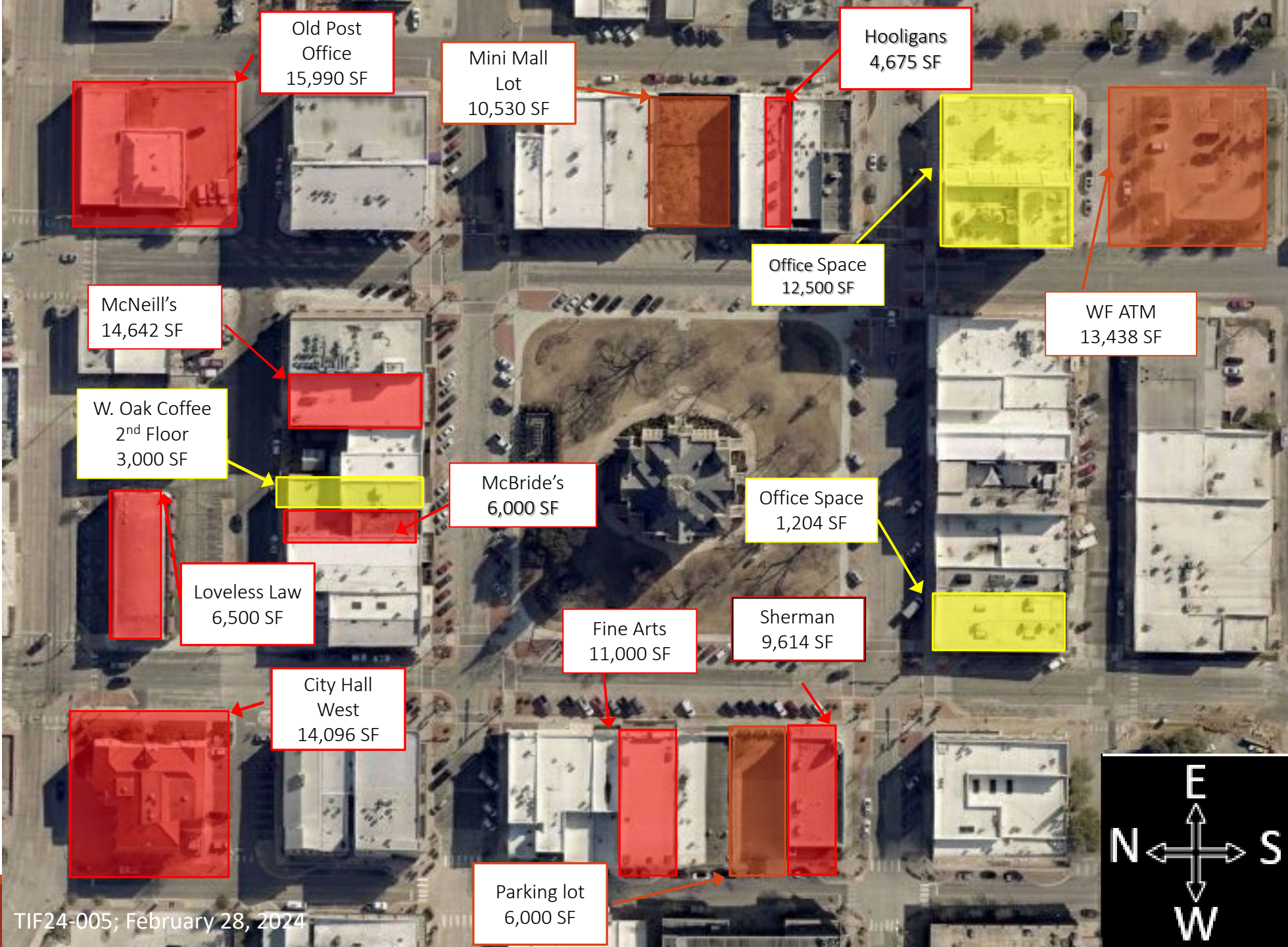




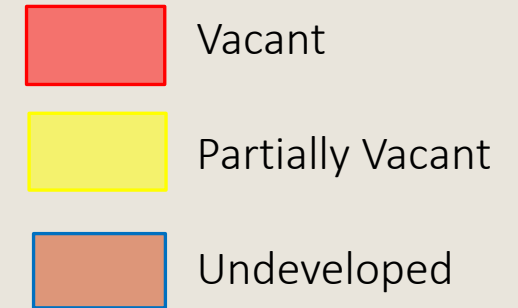
# Economic Development Incentive Fine Arts Theater

Christine Taylor, Assistant City Manager  
Tax Increment Reinvestment Zone Number One  
February 28, 2024





## Downtown Current Conditions



	SF	%
Vacant/ Undeveloped	125,577	26%

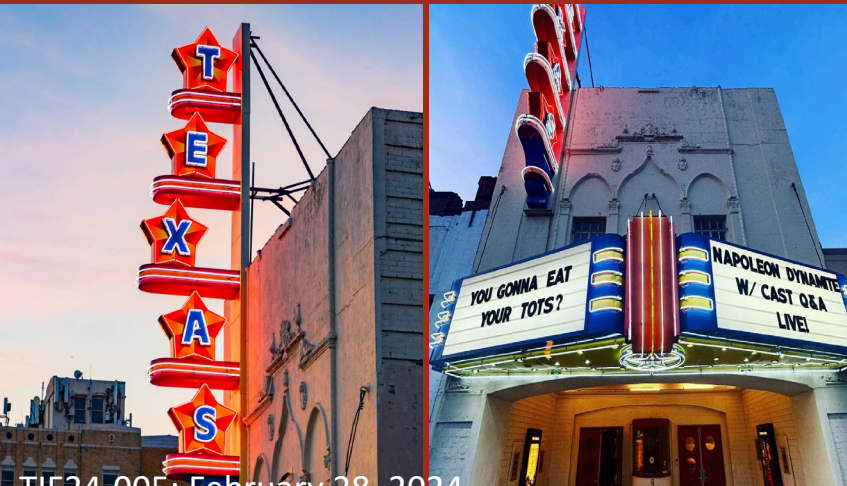




Developer: NorthBridge  
Alex Payne and Brad Andrus



Operator: Texas Theater Group  
Jason Reimer & Barak Epstein



# Proposed Project

## Redevelopment of the Fine Arts Theater

9,900 sq. ft. structure situated in a 6,000 sq. ft. footprint

Multi-Use Theater: live performances, movies, special events, film festivals, concerts, and private rentals

- **First Floor**

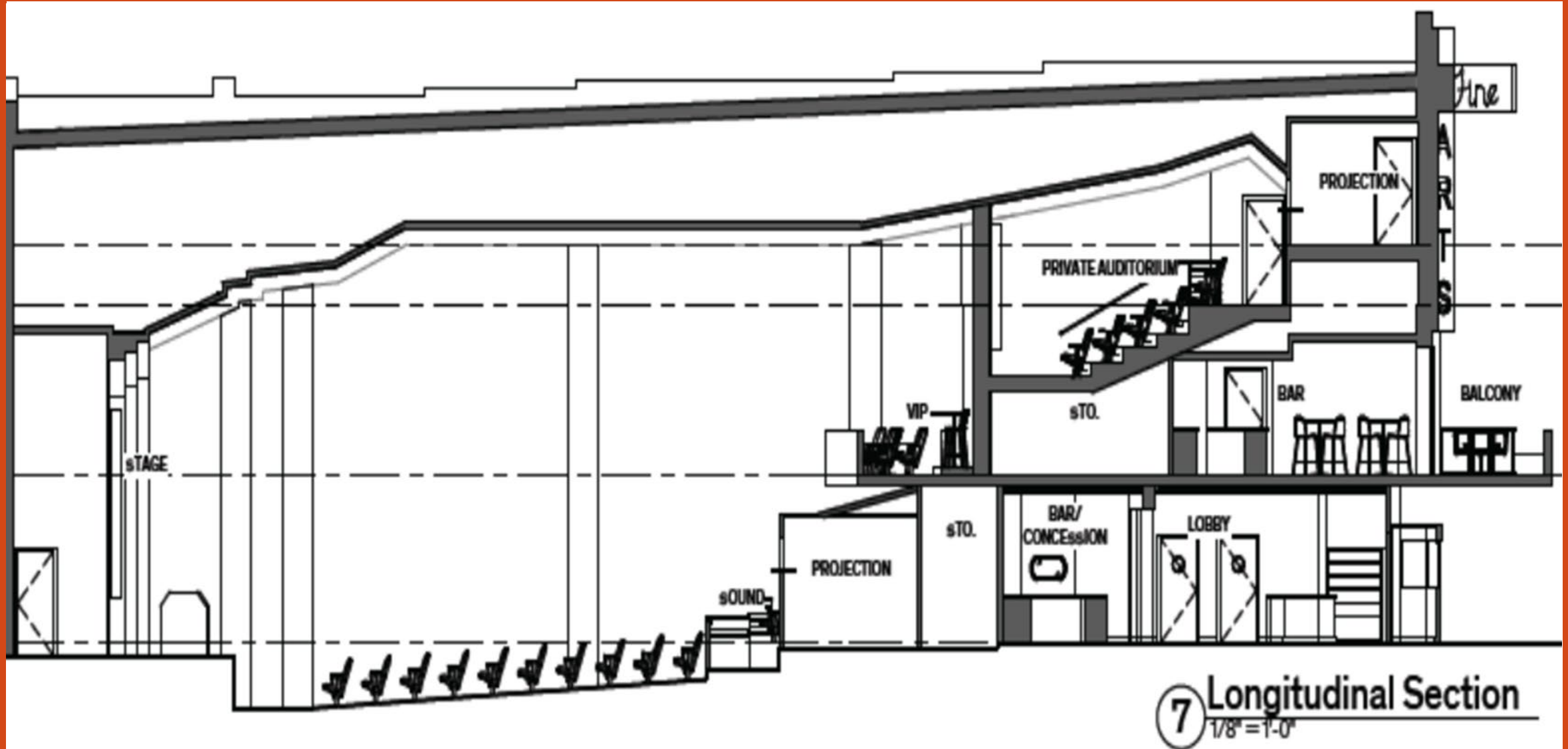
- Lobby
  - Bar/Concessions
  - Main Theater
  - 200 seats

- **Second Floor**

- Secondary Theater
  - 30 seats – mezzanine
  - Bar (approx. 30 seats) with a balcony overlooking the square

- **Third Floor**

- Private Theater
  - 50 seats



# Predevelopment Activities

The property was purchased in 2018 for \$769,442 and \$2.2 Million has been invested in predevelopment activities

Purchase of the property

Engagement of the Architect & Engineer

Interior demolition & remediation

Renovation plans and permits issued

Obtained approval for Historic Tax Credits



# Underwriter Review

- 3<sup>rd</sup> Party Underwriter hired by the City for evaluation of Fine Arts Project proposal in February 2023
- Goals of Underwriter Report:
  - Evaluate developer experience and capacity
  - Financial review of sources and uses, operating proformas, and financial statements
  - Review of appraisals, cost assumptions, capital budgets, operating statements, marketing data, and other funding commitments
  - Identifying potential sources and need for public funding



# Underwriter Review – Capital

## Development Costs

<b>Pre-Development</b>	
Building Purchase	\$ 769,442
Architect, Engineer, Consultant & Legal Fees	\$ 736,386
Asbestos Abatement, Demolition, Roof Replacement	\$ 574,621
Property Taxes & Other	\$ 129,018
<b>Total Pre-Development Costs*</b>	<b>\$ 2,209,467</b>
<b>Rehabilitation</b>	
Rehabilitation Costs & Contingency	\$ 5,186,074
Furnitures & Fixtures	\$ 629,985
Soft Costs	\$ 410,000
Interest & Related Costs	\$ 684,096
<b>Total Projected Rehabilitation Costs</b>	<b>\$ 6,910,155</b>
<b>Total Projected Project Costs</b>	<b>\$ 9,119,622</b>

## Loan, Estimated Funding Sources, and Need

Remaining Pre-Development Loan	\$677,427
Construction Loan	6,910,155
<b>Loan Sub Total</b>	<b>\$7,587,582</b>
Estimated Historic Tax Credits	(2,710,956)
Estimated additional cash paydown from developers	(555,260)
<b>Loan Paydown Sub Total</b>	<b>\$4,321,366</b>
<b>Maximum Loan -Appraised Value as Complete- 75% LTV</b>	<b>\$ 3,195,000</b>
<b>Variance (Estimated Incentive Need)</b>	<b>\$1,126,366</b>

**Estimated Capital Incentive Need**  
**\$1,126,366**

\*Predevelopment costs are funded by a combination of 1.5M Cash and 0.7M Remaining Loan Balance

# Underwriter Review – Operating

	Year 1	2	3	4	5	6	7	8	9	10
Total Revenue	1,230,880	1,333,830	1,455,306	1,484,412	1,514,100	1,544,662	1,575,269	1,606,775	1,638,910	1,671,688
Total Expenses (Operating and Goods Sold)	1,068,072	1,143,016	1,209,608	1,223,279	1,237,133	1,251,175	1,265,407	1,279,832	1,294,456	1,309,281
Net Profit/Loss	162,808	190,814	245,698	261,133	276,967	293,487	309,862	326,943	344,454	362,407
Debt Service (p+i) bank	315,210	315,210	315,210	315,210	315,210	315,210	315,210	315,210	315,210	315,210
Bank required DSC Reserve (0.25%)	78,802									
Sub Total	394,012	315,210	315,210	315,210	315,210	315,210	315,210	315,210	315,210	315,210
Variance	-231,204	-124,396	-69,512	-54,077	-38,243	-21,723	-5,348			

Estimated Operating Incentive  
Need \$544,503

# Incentive

- Original Request was \$2.0 Million
- Proposed Incentive \$1.6 Million from the Downtown TIRZ Fund
- \$1,076,366 in a City of Denton Chapter 380 incentive grant at **Certificate of Occupancy** to pay down construction loan principal to the required \$3,195,000.
- \$50,000 reimbursed in a City of Denton Façade Grant
- Up to \$544,503 in a City of Denton Chapter 380 incentive funded **over 7 years**, to cover the projected shortfall between Net Profit and Debt Service, if revenues and expenditures are met.

Term	7 Years
Capital Incentive	\$1,076,366
Façade Grant	\$50,000
Operating Incentive	\$544,503
Tax Rebates	\$0
Total Impact	\$1,670,869

# Comparison & Advantages/Disadvantages

Advantages	Disadvantages
<ul style="list-style-type: none"><li>• Redevelop a vacant property and increase density in the downtown core</li><li>• Adds to the culture of Denton, increases foot traffic, and quality of life Downtown</li><li>• Conforms with the TIRZ Project Plan and other strategic plans</li><li>• Acts as a catalyst to spur new private investment in downtown</li><li>• Initial cash grant is paid only after construction is complete and the certificate of occupancy is in place</li><li>• Developer is investing and leveraging other funding sources (historic tax credits)</li><li>• DISD and UNT educational Art and Film Partnerships. Facilitates community events</li><li>• City retains generated taxes (property, sales, mixed beverage)</li><li>• Performance-based annual rebates that are paid over time, incentivizes Theatre to perform well</li></ul>	<ul style="list-style-type: none"><li>• Jobs are not significant</li><li>• Does not significantly expand the tax base or increase TIRZ No. 1 revenue</li><li>• Initial grant would represent an investment of approximately 25% of the TIRZ fund</li></ul>

# TIRZ Fund

Tax Year	Certified Tax Value	Tax Rate	Incremental Value	Incremental Value Contribution	Annual TIRZ Revenue	Interest Income	Cumulative TIRZ Revenue		Total Expenditures	Fund Balance	
			Certified value less base value	Incremental value times contribution rate	Incremental value times tax rate/100		Cumulative total of year revenues				
2010	79,356,854										
2011	80,331,050	0.68975	80,331,050	974,196	6,720	17	6,737				
2012	93,040,263	0.68975	93,040,263	13,683,409	94,381	297	101,415				
2013	100,452,300	0.68975	100,452,300	21,095,446	145,506	1,084	248,005				
2014	116,769,435	0.68975	116,769,435	37,412,581	258,053	2,821	508,879				
2015	127,204,599	0.68975	127,204,599	47,847,745	330,030	5,855	844,764		76,000		
2016	150,021,979	0.68334	150,021,979	67,131,869	458,739	11,439	1,314,942		76,000		
2017	161,351,215	0.637856	161,351,215	77,894,643	496,856	6,712	1,818,509		1,542,845		
2018	170,678,753	0.620477	170,678,753	86,755,804	538,300	11,589	2,368,398		156,000		
2019	209,626,251	0.590454	209,626,251	123,755,927	730,722	16,930	3,116,050		139,587		
2020	234,054,363	0.590454	234,054,363	146,962,634	867,747	10,870	3,994,667		24,988		
2021	232,894,462	0.565823	232,894,462	138,183,847	781,876	19,667	4,796,210		51,507		
2022	248,740,222	0.560682	248,740,222	152,445,031	854,732	82,138	5,733,080	Actual	115,267	3,550,886	
2023	261,579,433	0.560682	261,579,433	164,000,321	919,520		6,483,181	10-Year Forecast			
2024	274,658,405	0.560682	274,658,405	175,771,396	985,519		7,468,699				
2025	288,391,325	0.560682	288,391,325	188,131,024	1,054,817		8,523,516				
2026	302,810,891	0.560682	302,810,891	201,108,633	1,127,580		9,651,096				
2027	317,951,436	0.560682	317,951,436	214,735,124	1,203,981		10,855,077				
2028	333,849,007	0.565682	333,849,007	229,042,938	1,295,655		12,150,732				
2029	350,541,458	0.565682	350,541,458	244,066,143	1,380,638		13,531,370				
2030	368,068,531	0.565682	368,068,531	259,840,509	1,469,871		15,001,241				
2031	386,471,957	0.565682	386,471,957	261,047,838	1,476,701		16,477,942				
2032	405,795,555	0.565682	405,795,555	277,472,896	1,569,614		18,047,556				

- Last supplement of the year used for the recording of value for the TIRZ
- Valuation actuals through 2022
- FY22/23 Fund balance is \$3,500,886

- Growth rate of 5% used for projections
- Cap of \$24.8 M is estimated in 2036, term completed in 2039
- Expenditures total to date 2,182,194

# Strategic Plan Alignment

## City of Denton Key Focus Areas

- Key Focus Area 3: Foster Economic Opportunity and Affordability
  - Increase in tourism

## 2040 Comprehensive Plan

- Key Action #69: Identify opportunities to incorporate venues for arts and music events in future development, including Downtown. Pursue the next steps for the reuse of City Hall West and the potential development of a new fine arts theatre.

## Economic Development Strategic Plan

- 2D.2 Downtown Development: Successful downtown development and an authentic town square are among Denton's top economic development achievements. The City should continue to prioritize the downtown area.

# Policy Alignment

## Denton Tax Abatement and Chapter 380 Policies

- Strategic Growth Area (SGA): Creative
- NAICS Code: 711310 Promoters of and Similar Events with Facilities

## Incentive Evaluation Matrix Summary

SGA Target: 13 points

Priority Considerations: 35 points

Public Benefit Factors: 37 points

**Total Points:** 85 Excellent (85-175 points)

## Downtown TIRZ No. 1 Project Plan

- Eligible Project Category: Downtown Projects- may include grants, loans and services for public and private development.
- Eligible TIRZ project may also include:
  - Historic preservation
  - Demolition
  - Environmental remediation
  - Economic development grants



# Community Impact

## Job Training

- Partner with the University of North Texas to provide training, and internships for aspiring film, hospitality, and theater arts majors.

## Community and Special Events

- Offer discounted rates to local non-profits to hold fundraisers, celebrations, and event awareness events
- Offering events (low or no cost) related to cultural history screenings including guest speakers
- Partner with local festivals to provide a venue

## Educational

- Coordinate with Denton ISD and neighboring districts to offer field trips to view educational and or historical films
- Present and host educational productions

# Staff Recommendation

- Provide an incentive - total impact (\$1.6 Million) \$1,076,366 in a City Chapter 380 Grant **at Certificate of Occupancy (CO)** to pay down construction loan principal to the required \$3,195,000. Up to an additional maximum amount of \$544,503 via Chapter 380 Grant as needed to cover the projected shortfall between Net Profit and Debt Service if projected revenues and expenses are met. No tax rebates and the City retains the property, sales, and mixed beverage tax.

## Next Steps

- Consideration by City Council – March 2024



# Questions



# City of Denton

City Hall  
215 E. McKinney St.  
Denton, Texas 76201  
[www.cityofdenton.com](http://www.cityofdenton.com)

## Legislation Text

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**File #:** TIF24-006, **Version:** 1

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### AGENDA CAPTION

#### Staff Reports:

1. Economic Development Director Hiring Update - Christine Taylor
2. Main Street Program Update - Kristen Pulido
3. Downtown Master Plan Update - Cameron Robertson and Sean Jacobson



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## AGENDA INFORMATION SHEET

**DEPARTMENT:** Economic Development

**ACM:** Christine Taylor, Assistant City Manager

**DATE:** February 28, 2024

### **SUBJECT**

#### Staff Reports:

1. Economic Development Director Hiring Update – Christine Taylor
2. Main Street Program Update – Kristen Pulido
3. Downtown Master Plan Update – Cameron Robertson and Sean Jacobson

### **BACKGROUND**

#### **Economic Development Director Hiring Update:**

A comprehensive update on the hiring process for the Economic Development Director (formerly Wayne Emerson). This will include an overview of the progress made, and the proposed timeline moving forward.

#### **Main Street Program Update:**

Update on Main Street program from new Main Street Program Manager, Kristen Pulido. Recent activity includes, renewed contracts, accreditation, and Main Street board training.

#### **Downtown Master Plan Update**

The current Denton Downtown Master Plan was adopted in 2002. Downtown has changed and grown quite a bit since then and will continue to grow in the future. The main purpose of the update is to:

- Confirm if the vision and goals for Downtown are still relevant today and for the near future;
- Evaluate if the Downtown boundary should be expanded in size to maximize future opportunities;
- Set clear policy direction and supporting implementation strategies that will continue the economic growth of Downtown, enhance pedestrian experience, and preserve the character of the Downtown, and;
- Identify additional open space, increase housing choices, enhance mobility connectivity and balance development while protecting existing neighborhoods and historic resources.

The updated Downtown Master Plan will help guide decisions in Downtown Denton over the next 20 years. The updated plan will address key downtown opportunities and challenges, which include but not limited to parking, mobility, housing, open space, historic preservation, drainage, infrastructure, and other public service needs.



This project will take approximately 10-12 months with an anticipation completion date of May/June 2024.

**EXHIBITS**

Exhibit 1 – Agenda Information Sheet

Respectfully submitted:  
Matilda Weeden  
Economic Development Specialist