



Legislation Details (With Text)

File #: ID 17-576 **Version:** 1 **Name:**

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On agenda: 5/9/2017 **Final action:**

Title: Consider adoption of an ordinance approving a grant application from Tim Beaty, representing 421 E. Oak, from the Downtown Reinvestment Grant Program not to exceed \$25,000; and providing for an effective date. The Economic Development Partnership Board recommends approval (7-0).

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit 1 - 421 E. Oak Ordinance and Agreement, 2. Exhibit 2 - 421 E. Oak Grant presentation 050917

Date	Ver.	Action By	Action	Result
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Agenda Information Sheet

DEPARTMENT: Economic Development

DCM: Bryan Langley

Date: May 9, 2017

SUBJECT

Consider adoption of an ordinance approving a grant application from Tim Beaty, representing 421 E. Oak, from the Downtown Reinvestment Grant Program not to exceed \$25,000; and providing for an effective date. The Economic Development Partnership Board recommends approval (7-0).

BACKGROUND

The building at 421 E. Oak (Monroe Pearson Building) is near the Euline Brock Transit Center. This building was most recently Fantasia Fans, and was originally a grocery warehouse in the early 1900s. The owner, Tim Beaty, wants to restore it, by building a dock on the west face of the building, replacing overhead doors and all original openings with windows, cleaning and preserving the original brick façade and placing awnings in the original locations on the east and south sides.

The interior of the building will preserve all brick walls and openings. New areas will be constructed for offices, a chapel, banquet hall, catering kitchen, restroom facilities and foyer. The building will be upgraded with a fire suppression system, electrical, plumbing and mechanical systems. The entire building will be retrofitted for structural support of a new roof system including skylights to mimic the originals. A new fire hydrant will be installed on Oak Street. Upgrades to the transformer will be made as part of an agreement with Denton Municipal Electric.

The new tenant, Walters Wedding Estates, will operate an event center, which can accommodate approximately 1,200 occupants. It's expected that many of the events will be weekend wedding celebrations, which will require overnight stays for many of the guests. Guests will create additional revenue for local restaurants, hotels, and businesses.

During the April 18 work session, Councilmembers requested more information about parking at 421 E. Oak. Since this development is within the Central Business District, it is exempted from the parking requirements in Subchapter 14 of the DDC per DDC 35.14.3.B. Within the CBD, only residential uses are required to provide additional parking when development or redevelopment occurs. The analysis provided with the event center Site Plan shows that within the total "Old Mill" development at 421 E. Oak, 413 E. Oak, and 420 E. McKinney (all under the same ownership), 269 parking spaces will be provided and shared among the businesses in the development, most of which operate Monday-Friday from 8 a.m. to 5 p.m. Further, the owner and the event center tenant plan to encourage guests to park at the Med Park DCTA station and take the train into Downtown. For comparative purposes, based on the current tenants and uses in all of these buildings, about 295 spaces would be required if these developments were outside of the CBD.

RECOMMENDATION

Staff recommends approval of the ordinance awarding a grant in the amount of \$25,000.

ESTIMATED SCHEDULE OF PROJECT

The project will be completed by October 2017.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

- April 18, 2017 The City Council reviewed two grants, 112 W. Oak and 421 E. Oak, during a work session. Council directed staff to present a \$20,000 budget amendment to raise the grant fund balance from \$30,000 to \$50,000 in order to fully fund the two grants.
- April 12, 2017 The Economic Development Partnership Board reviewed the request and recommends a grant in the amount of \$25,000 (7-0).
- March 9, 2017 The Downtown Task Force reviewed the request and recommends a grant in the amount of \$25,000 (11-0).

FISCAL INFORMATION

Council initially granted expenditure authority of \$100,000 for the Downtown Reinvestment Grant for FY 2016-2017. A budget amendment of \$20,000 has been presented to Council.

Expenditures to date are:

- \$20,000 JT Clothiers (paid)
- \$25,000 Armadillo Ale (approved, waiting on completion of project)
- \$25,000 Denton County Brewing (approved, waiting on completion of project)

- \$30,000 Balance

The total investment in this project is \$1,215,673. With a \$25,000 grant, the return on investment is 1:48.

STRATEGIC PLAN RELATIONSHIP

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: Economic Development
Related Goal: 3.3 Promote a business-friendly environment

EXHIBITS

1. Ordinance and agreement
2. Presentation

Respectfully submitted:
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