



Legislation Details (With Text)

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Title: Receive a report and hold a discussion regarding a Downtown Reinvestment Grant for 421 E. Oak (Monroe Pearson Building).

Sponsors:

Indexes:

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Attachments: 1. Exhibit 1- Grant Application

Date	Ver.	Action By	Action	Result
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Agenda Information Sheet

DEPARTMENT: Economic Development

DCM: Bryan Langley

Date: April 12, 2017

SUBJECT

Receive a report and hold a discussion regarding a Downtown Reinvestment Grant for 421 E. Oak (Monroe Pearson Building).

BACKGROUND

The building at 421 E. Oak 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 that will 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. The event center will share 269 parking spaces, available at the completion of this project, with Mr. Beaty's current buildings, which are adjacent (Zera Coffee, The Back Porch, Twice as Nice Resale, and two upstairs apartments). This renovation will result in a significant increase in property and sales tax.

RECOMMENDATION

During the Downtown Task Force meeting on March 9, 2017, staff communicated to the Task Force that City Council has approved expenditures of \$100,000 for the Downtown Reinvestment Grant for FY 2016-2017.

The Downtown Task Force recommends a grant in the amount of \$25,000. The Task Force asks that, if necessary, EDPB request a budget amendment to accommodate the maximum grant amount of \$25,000 for this project and for 112 W. Oak, which has also applied for a grant.

ESTIMATED SCHEDULE OF PROJECT

The project will be completed by October 2017.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

The Downtown Task Force reviewed the grant on March 9, 2017, and recommends a grant in the amount of \$25,000 (11-0).

FISCAL INFORMATION

Expenditure authority is \$100,000 for the Downtown Reinvestment Grant for FY 2016-2017.

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	Remaining 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: **3.4 Encourage development, redevelopment, recruitment, and retention**

EXHIBITS

1. Application

Respectfully submitted:
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Economic Development Program Administrator