

April 26, 2022



Item 42

# Historic Kress Building Redevelopment

Goal 1: Create an Environment Conducive to Strong, Sustainable Economic Development. 1.1 Stabilize and expand El Paso's tax base



# Project Summary : Public & Area Benefits

## The Kress Building Redevelopment:

- Restores a historic Downtown El Paso landmark (*Kress Building, b. 1937*)
- Increases **food offerings** in Downtown El Paso and in proximity to San Jacinto Plaza
- Provides **economic benefits to surrounding property owners** by attracting visitors and residents to the area
- Improves the area's visual image and surrounding streetscape
- Increases use of **surrounding facilities** such as parking garages, the Civic Center, the Streetcar and Bus systems
- **Leverages recent public and private investments** in the area



# Project Summary : Proposed Restoration

## Minimum Capital Investment: \$18,400,000

Proposed restoration will include **45,000 SF** of retail, entertainment, restaurant, spa services, and meeting space.

- Ground Floor: 15,000 sf for **dining options and retail shops**
- Second Floor: 15,000 sf of **entertainment and meeting spaces**
- Basement: 15,000 sf of **hospitality amenities**, including a spa
- **Pedestrian and service tunnel system** located under Oregon St. providing an underground connection between the Plaza Hotel and the Kress Building

Applicant is **Mills Plaza Properties V, LP** and **Kress Tunnel, LLC**

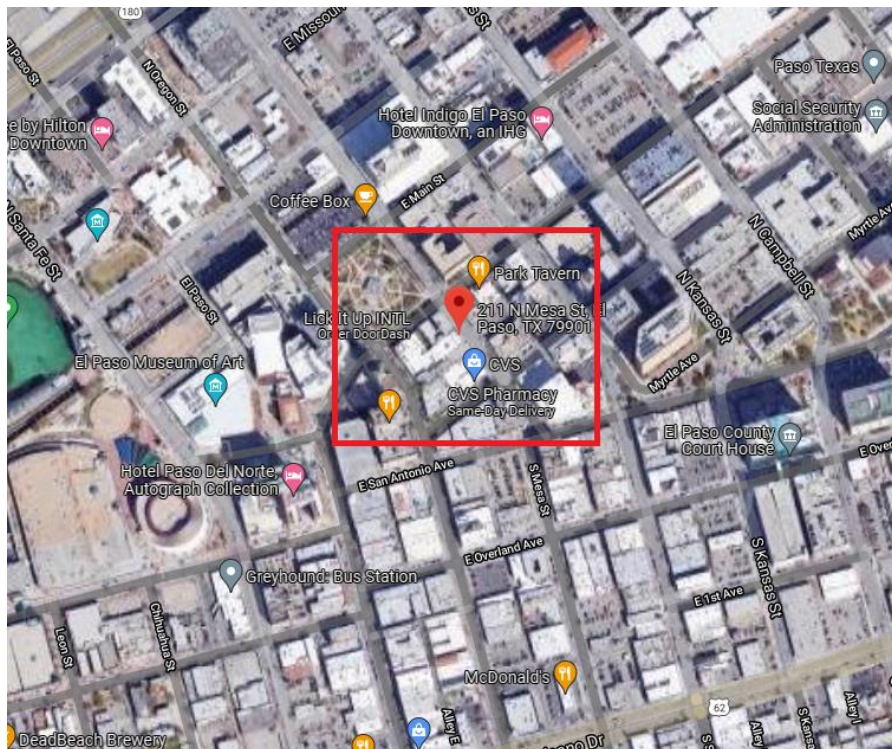


# Downtown Redevelopment : Preservation

- Historic preservation and rehabilitation is central to our Downtown revitalization strategy.
- Of the 28 completed or active projects incentivized over the last ten years, **five historic renovations** have been completed, **representing a nearly \$188 million investment**.
- Those renovations include redevelopment of the **Plaza Hotel, Paso del Norte Hotel, Bassett Tower, Martin Building** and **Stanton House**.
- These projects have resulted in the addition of **four active hotels** and **more than 600 guest rooms** to our Downtown area.



# Site Location : 211 N. Mesa St.



# Current Conditions : 211 N. Mesa St.



Exterior at  
Mesa Street



Exterior at Mills  
Avenue



Interior A

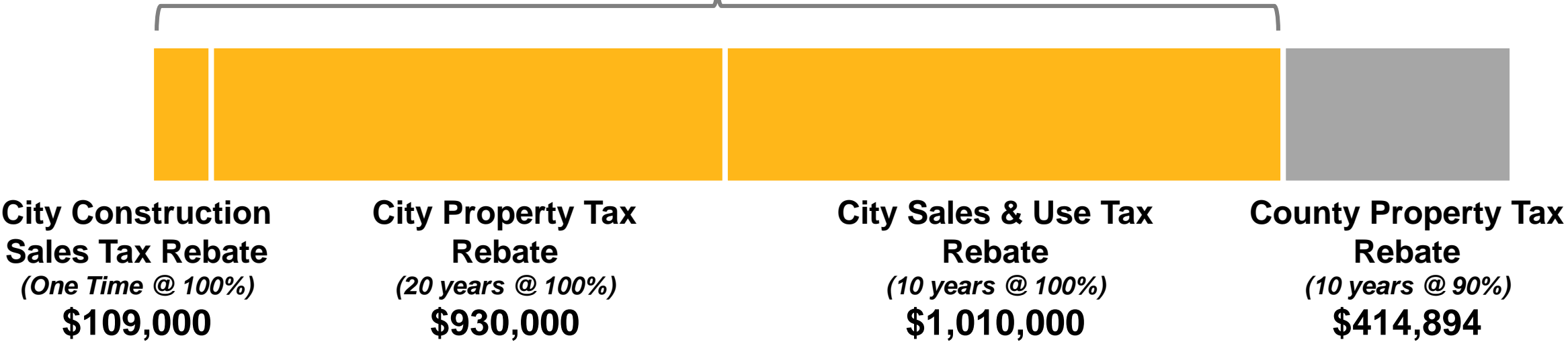


Interior B



# Proposed : Local Incentive

**Total City Incentive\* = \$2,049,000**

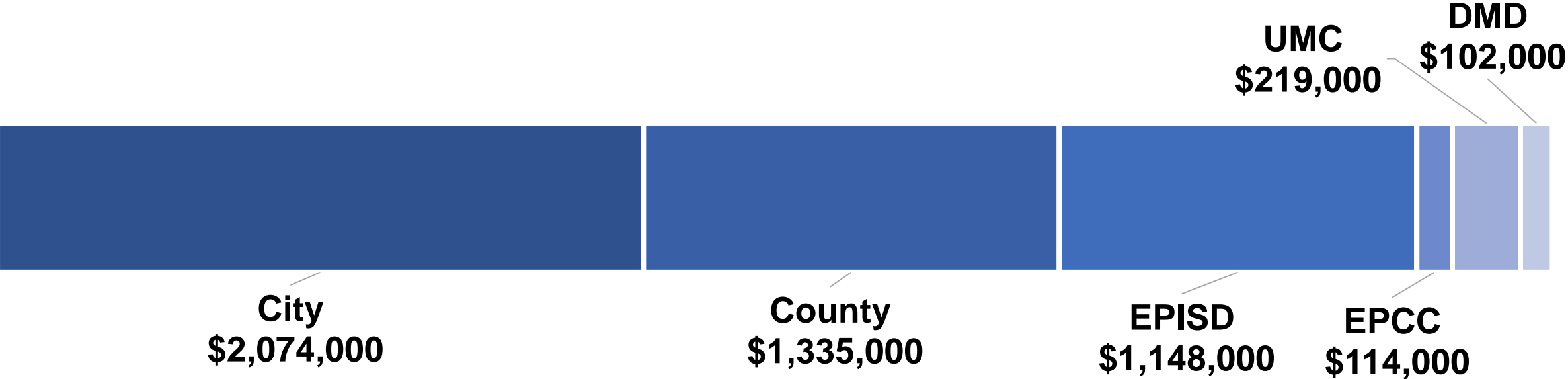


\*City permitting and development fees are also waived



# Community Benefit : New Tax Revenue

Over 20 Year Agreement Term\*



\*Includes new property tax revenue and sales and use tax revenue generated above current base value

# Project Re-cap : Public & Area Benefits

- **Supports the use of surrounding downtown facilities**, including San Jacinto Plaza, Plaza Hotel, and the Paso del Norte Hotel
- **Provides amenities**, including spa services, that can be accessed by the public and Plaza Hotel visitors to offer a luxury experience aligned with the Hotel's 4-star luxury rating.
- **Assists in creating a wide variety of activities** in Downtown, including food, shopping, and event and office space
- Contributes to the preservation of **Downtown's historic character**
- Brings online a building that has been vacant for the last three decades, located in the heart of Downtown



# Council Requested Action

Authorize the City Manager to sign a **Chapter 380 Economic Development Agreement** for the redevelopment, rehabilitation, and improvement of the **Kress Building** and, pending City approval, the development and construction of a sub-surface tunnel beneath North Oregon Street.





# Mission

Deliver exceptional services to support a high quality of life and place for our community



# Values

Integrity, **R**espect, **E**xcellence,  
**A**ccountability, **P**eople



# Vision

Develop a vibrant regional economy, safe and beautiful neighborhoods and exceptional recreational, cultural and educational opportunities powered by a high performing government

