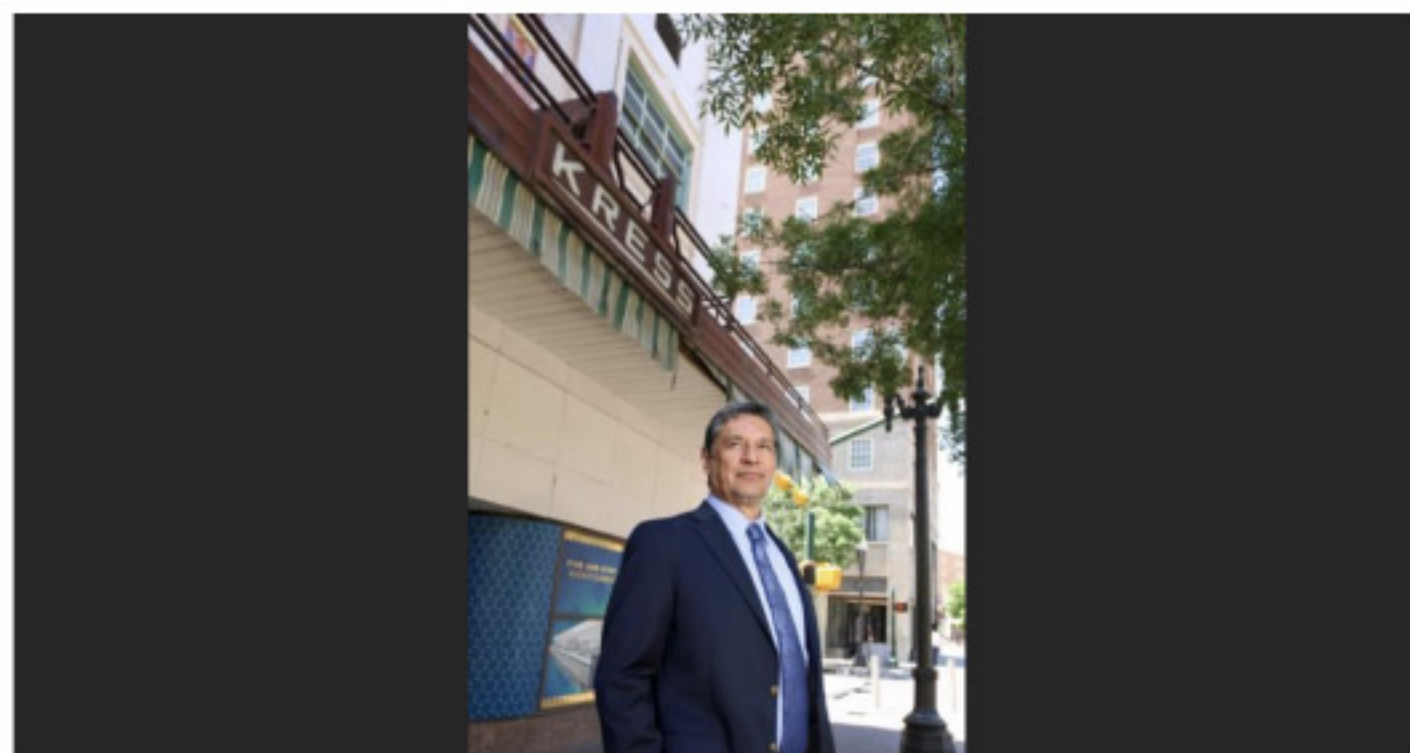


EDITOR'S PICK

Paul Foster's Kress building restoration to include spa, food hall and (maybe) a tunnel

By Sara Sanchez / El Paso Inc. staff writer Apr 26, 2022 Updated Jul 7, 2022 0



"We've heard the rumor for years of a secret network of tunnels Downtown that take you all the way to Mexico and things like that. We've never been able to find it," Kell said.

Photo by Cosima Rangel



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Like other long-vacant Downtown buildings come to life, a new generation of El Pasoans will soon be able to make new memories at the Kress.

On Tuesday, City Council unanimously approved a tax incentive package to support the project, which is being led by El Paso businessman Paul Foster's Mills Plaza Properties.

The company plans to restore the tired building, transforming the basement into a day spa with a salon and the first floor into a food hall. The second floor will include an "entertainment venue," executives say.

The Chapter 380 economic agreement between the city and Mills Plaza Properties includes about \$2 million in incentives, including a 100% property tax rebate for 20 years.

As part of the agreement, the company will invest a minimum of \$18.4 million to restore the historic building in front of San Jacinto Plaza. A final project price tag was not yet available.

City incentives also include a rebate of all sales and use tax over 10 years, or about \$1 million.

In March, El Paso County approved a 90% property tax rebate over 10 years, for about \$414,894 in incentives.

Foster was not at Tuesday's City Council meeting but said in a news release that the Kress is a historical asset for El Paso.

"We have developed a transformation plan that retains the design, architecture and great history of that building, and want it to serve as a venue that will continue the renaissance of Downtown El Paso," he said.



The Kress building
El Paso Inc. file photo

On Tuesday, several members of City Council brought up fond memories of the Kress. City Rep. Joe Molinar said as soon as you heard the word "Kress," you knew it was time to get dressed up and take the bus to Downtown.

Mayor Oscar Leeser said he remembers selling ladies' shoes at Bakers Shoes in Downtown, and he'd walk over to the Kress for tacos.

"There isn't any family you can talk to that doesn't have memories of the iconic building," Leeser said. "It's important to preserve your history."

The Kress opened in 1937 and largely operated as a five-and-dime department store until about 1980. It's been vacant since about 1992. Foster acquired the building in late 2018 for about \$2.29 million after another auction bidder pulled out of the purchase.



Families cross from Juárez to El Paso to shop at the Kress Department Store.
Photo: El Paso Museum of History file photo

City officials said the owners will also pursue federal historic tax incentives and apply to the National Park Service to place the Kress on the National Register of Historic Places.

William Kell, chief operating officer of Franklin Mountain Investments, said the company is working with Atlanta-based Revel Architecture & Design for the food hall concept. FMI is also working with local architecture firm InSitu, as well as Cooper Carry, an Atlanta-based firm that worked on the historic Plaza Theatre.

The first-floor food hall will feature local vendors and a bar with plans to bring back the beloved soda fountain, according to Kell.

"We're looking to bring in local vendors that have demonstrated they have an interesting product that people love," he said. "We're hoping to attract several of those to Downtown, so you can go to one convenient location and try them all out."

The building will soon undergo preliminary testing to see what's behind the walls, Kell said. There's also been a temporary roof added.

Kell said the company has cleared the Kress of the junk and dead animals that were found in the building, which has been vacant for nearly 30 years.

He added that some Kress features, including the original flooring, plaster molded ceiling and logo embossments on some walls will be retained in the restoration.

On the second floor of the Kress, Kell said the company is still in the process of screening an entertainment venue, and it could have private event, gaming and screening spaces.

Mills Plaza Properties is also considering constructing a tunnel under Oregon Street that would connect the Kress to the Plaza Hotel at Pioneer Park, which is also owned by Foster and reopened in 2020 after a multimillion-dollar restoration.

The tunnel, which would need to go through the city's building permitting process and be approved by City Council, would allow patrons of the hotel to access the planned spa at the Kress.

Kell said the process on the tunnel should get going in the next month or two.

"We've heard the rumor for years of a secret network of tunnels Downtown that take you all the way to Mexico and things like that. We've never been able to find it," Kell said.