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Billionaire Paul Foster's historic Kress Building set for multimillion-dollar renovation

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The Plaza Hotel Pioneer Plaza grand opening

Paul L. Foster and his wife Alejandra de la Vega opened their latest project, The Plaza Pioneer Plaza in downtown El Paso. The iconic Trost hotel had been closed for almost 30 years. *Mark Lambie and Briana Sanchez, El Paso Times*

Downtown El Paso's long-vacant, historic Kress Building, owned by El Paso billionaire Paul Foster, will undergo a multimillion-dollar renovation to make it a place with multiple uses, including restaurants, stores and a spa, preliminary plans show.

This will be Foster's third major building renovation in Downtown.

The renovation includes a proposal to construct a tunnel underneath Oregon Street to connect the Kress Building with Foster's [renovated Plaza Hotel Pioneer Park](#), which opened in June 2020.

The distinctive art deco building, a former Kress department store, is located at Mills Avenue and Oregon Street, directly across from San Jacinto Plaza.



The historic Kress Building at Mills Avenue and Oregon Street in Downtown El Paso is shown on Jan. 24, 2019. VIC KOLENC/EL PASO TIMES FILE PHOTO

The project will cost at least \$18.4 million, including acquisition cost, according to a tax incentives term sheet approved by El Paso City Council on Monday for the proposed project.

Foster bought the building in January 2019 for \$2.29 million through a federal bankruptcy auction, which sold several of businessman William "Billy" Abraham's historic, dilapidated Downtown buildings.

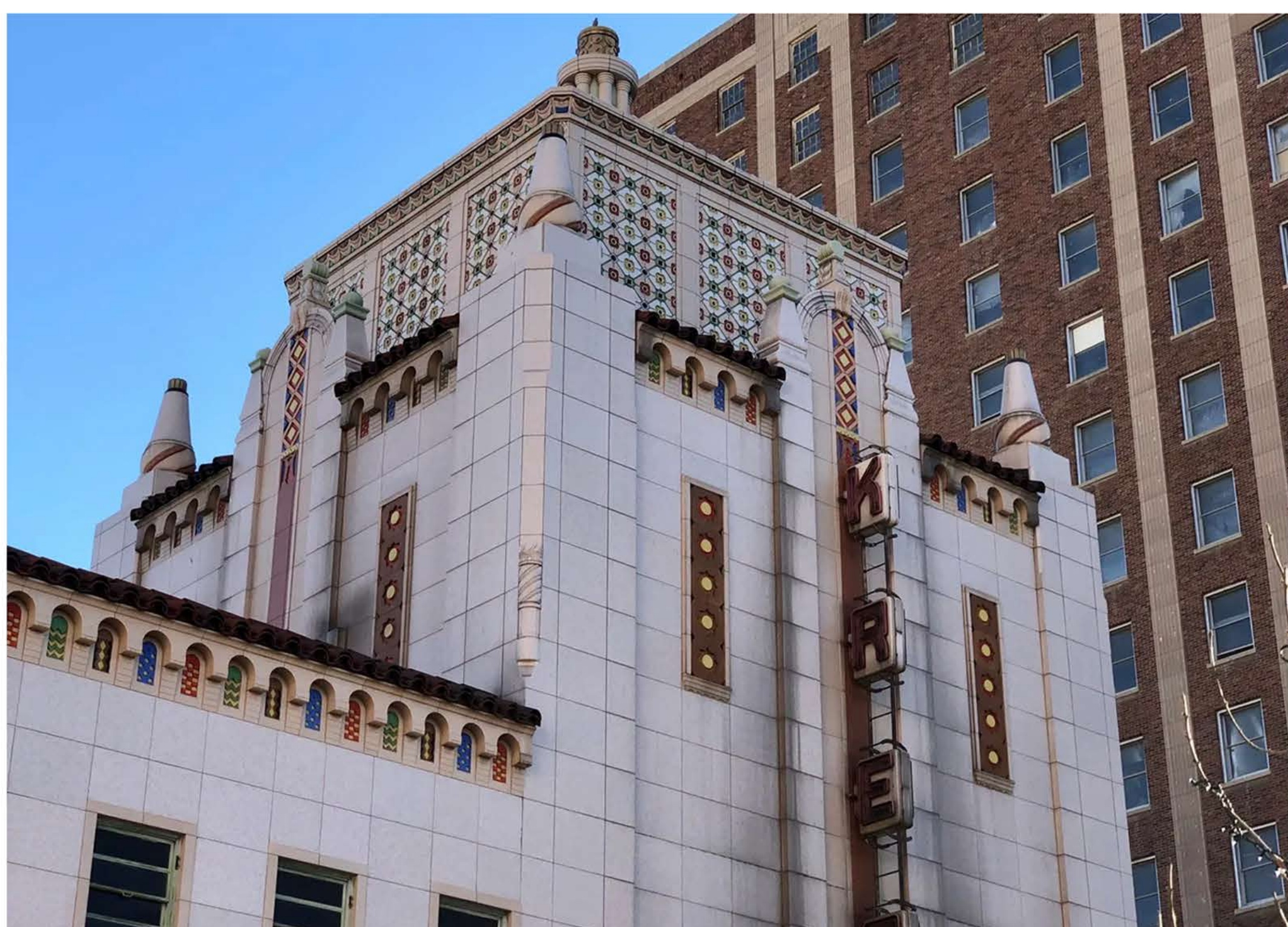
The city would provide up to \$2.05 million in property-tax, sales-tax and use-tax rebates over 20 years under the term sheet approved by the City Council after it discussed the incentives in an executive session at its Monday work session.

The final incentives agreement will be brought to the City Council later for approval, a city spokesperson said.

More: [Online auction fails to sell historic Caples Building in Downtown El Paso](#)

A spokesperson for Franklin Mountain Investments, which oversees Foster's real estate ventures, said in an email that company officials would not comment on the preliminary plans because details of the proposed city incentives still are being negotiated.

Also, "decisions about certain spaces" in the building are still in the works, the spokesperson added.



The Kress Building has a distinctive art deco facade. It's located at Mills Avenue and Oregon Street in Downtown El Paso, as seen on Jan. 25, 2019. VIC KOLENC/EL PASO TIMES FILE PHOTO

The Kress Building's art deco exterior will remain intact. Images attached to the term sheet indicate the façade will look much as it does today, except cleaner.

Preliminary plans indicate that about 45,000 square feet of space in the basement, first, and second floors would be developed in this way: about 15,000 square feet of dining options and stores; about 15,000 square feet of entertainment and meeting spaces; and about 15,000 square feet for a spa and other hospitality amenities tied to the Plaza Hotel.

More: [Peter Piper Pizza, Applebee's, Boss Tenders adding six El Paso locations in \\$25M expansion](#)

The L-shaped structure was one of a group of distinctive art deco buildings designed by Edward Sibbert, the former Kress retail chain's chief architect from 1929-1944, according to information from the Samuel H. Kress Foundation.

It has entrances on Mesa Street as well as on Oregon Street and Mills Avenue.



The historic Kress Building's L-shaped configuration can be seen in this view from the adjacent Plaza Hotel Pioneer Park's patio roof as seen on June 17, 2020. VIC KOLENC/EL PASO TIMES

The Kress department store first opened in El Paso in 1907, at 211 N. Mesa St., which is the building's official address, according to information from the El Paso History Alliance. Two fires in the mid-1900s forced the store to be reconstructed twice. And in 1937, the store opened at its current location at Mills and Oregon, according to the History Alliance information. The Mesa entrance remains part of the building.

The department store closed in 1997, according to El Paso Times archives. The building housed other businesses since then, but it's been vacant for many years.

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