

**McKinney Community Development Corporation
TUPPS Project Subcommittee
September 7, 2021**

The McKinney Community Development Corporation TUPPS Project Subcommittee met at 8:30 a.m. on September 7, 2021, at McKinney Community Development Corporation, 5900 S. Lake Forrest Drive, Suite 110, McKinney, Texas.

MCDC board members present in-person or via Zoom: Vice Chairman Rick Glew, Treasurer Angela Richardson-Woods, Board member David Kelly and Board alternate Deborah Bradford.

Staff present: MCDC President Cindy Schneible, Strategic Services Manager Trevor Minyard and MCDC Administrative and Marketing Coordinator Linda Jones.

Others present: Keith Lewis and Chase Lewis, both from TUPPS Brewery.

Keith Lewis shared that the budget is currently almost \$4 million over budget. He provided an update on the site plans including:

- Brewery building cuts made to reduce cost include eliminating large kitchen, eliminating private dining room and eliminating offices;
- Adding back in a small kitchen and bathrooms to support the beer garden;
- Eliminating fencing around the property; and
- Eliminating outdoor stage pad.

The above modifications allow for an expanded outdoor beer garden and improved drainage.

Keith and Chase Lewis discussed the three factors that impacted the project budget:

1. Unforeseen scope including increased use of steel and concrete from 50% to 95%;
2. Increased project scope of \$500,000 mostly for the brewhouse; Strategic Services Manager will look at potential changes to the lease agreement and potential changes to schedule of payments; and
3. Impact of COVID on cost of materials of more than \$3.3 million.

Keith Lewis shared several funding avenues they have explored including banks with whom they have discussed potential loans. They also shared that their current private investors will increase their investment to an additional \$1 million from owner equity, so the remaining deficit is \$2.9 million. They estimate they would receive about \$175,000 from sale of equipment at the current site. Additional discussion centered around TUPPS' current valuation, project risk assessment and growth expectations.

Next steps include:

- Consider additional funding and potential payment options;
- Strategic Services Manager will look at potential changes to the lease agreement and potential changes to schedule of payments if MCDC investment is increased; and
- TUPPS will provide final GMP.

The next subcommittee meeting will be September 14 at 8:30 a.m. via Zoom.

Meeting was adjourned at approximately 10:30 a.m.

These minutes were approved by the MCDC Board on

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Mary Barnes-Tilley, Secretary

Jackie Brewer, Chairman