

TIRZ No. 1 Funding Request

Prepared For:

City of McKinney TIRZ
Program

Prepared By:

D. Preston Lancaster
UB33 McKinney LLC



Table of Contents

03 **Before & After**

Construction Dec. 2023 – Apr. 2025

04 **Letter of Intent**

General Funding Request

07 **Narrative**

Project Detail and Justification

10 **Application**

TIRZ No. 1 Funds Application



12 **Costs Breakdown**

Breakdown of TIRZ Allowable Street Utility and Building Costs

13 **Public Utility Infrastructure Site Work Photos**

Site Work Photographic Timeline

24 **Building Construction Photos**

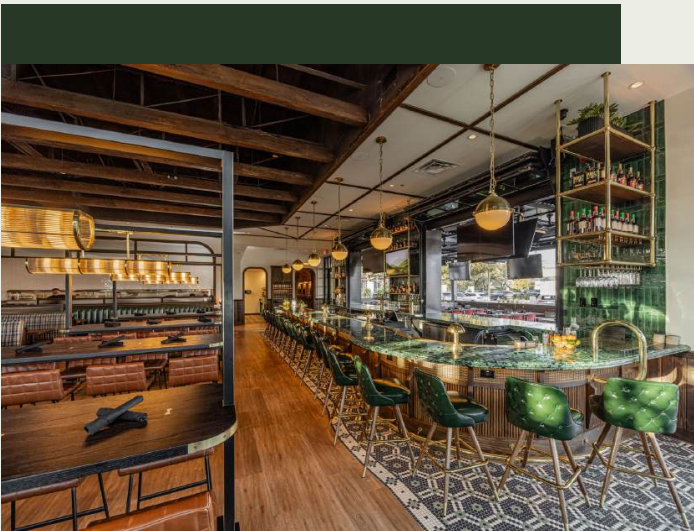
Building Work Photographic Timeline

31 **Before & After Photos**

Photos Pre & Post Construction

36 **Contact Information**

Thank you & Contact Information



BEFORE



AFTER



Union Bear McKinney – TIRZ No. 1 Funding Request

308 W. Virginia Street, McKinney, TX 75069

Applicant: UB33 McKinney LLC

Category: Vacant/Underutilized Site – Request for Meritorious Exception

Letter of Intent

Sept 26, 2025

City of McKinney

Tax Increment Reinvestment Zone (TIRZ) Program

221 N. Tennessee Street

McKinney, TX 75069

Dear TIRZ Administrator,

On behalf of UB33 McKinney LLC, doing business as Union Bear McKinney, I am submitting this letter of intent to formally request consideration for TIRZ No. 1 reimbursement under the *Vacant/Underutilized* project category, with a *Meritorious Exception* based on the extraordinary scope and cost of public infrastructure improvements and historic preservation efforts required for the development of our site at 308 W. Virginia Street.

As the owner of 33 Restaurant Group, we are deeply rooted in the Downtown McKinney community. Our group has proudly operated Cadillac Pizza Pub since 2010 and The Yard since 2018—both of which are local institutions that have contributed meaningfully to the revitalization and charm of the Historic Town Center. In recognition of our long-term commitment and contributions to the city, 33 Restaurant Group was honored with the **2024 McKinney Chamber Community Award for Outstanding Business of the Year**, and The Yard was named the **2020 Development Project of the Year** by the City of McKinney.

Union Bear McKinney continues that legacy. This project transformed a long-underutilized historic property into a vibrant, full-service restaurant that preserves the site's architectural integrity while introducing a new neighborhood anchor for the community. In doing so, we encountered numerous challenges, including:

Continued Next Page:

1. PUBLIC UTILITY INFRASTRUCTURE REPLACEMENT

Due to insufficient existing services, we were required to fully replace domestic water, fire water, storm, and sanitary sewer lines—at a cost of \$622,161.90. These systems now serve not only our project but also provide upgraded infrastructure for future development along Virginia and Church Streets.

2. FIRE SUPPRESSION SYSTEMS

We installed new fire sprinkler systems, alarms, and fire water supply lines to bring the building up to code and ensure long-term safety. This work totaled \$94,854.00.

3. ENVIRONMENTAL REMEDIATION

We conducted professional asbestos abatement and site testing prior to construction to ensure safety and compliance, totaling \$4,800.00.

4. CRITICAL MAINTENANCE (HISTORIC STRUCUTAL STABILIZATION)

Preserving the original building required full foundation replacement, masonry wall reinforcement, shoring, steel fabrication, and roof stabilization. These efforts totaled \$147,024.24 and were necessary to prevent collapse.

5. STREETScape & RIGHT-OF-WAY IMPROVEMENTS

As part of our sitework package, we made significant sidewalk, curb, and streetscape repairs in the public right-of-way totaling \$74,263.50.

Summary of Investment and Request

Reimbursement Request by Category	Amount
Utility Infrastructure	\$622,161.90
Streetscape Improvements	\$74,263.50
Fire Suppression Systems	\$94,854.00
Environmental Remediation	\$4,800.00
Critical Maintenance / Preservation	\$147,024.24
Total Reimbursement Requested	\$943,103.64

Continued Next Page:

The utility infrastructure upgrades completed as part of this project benefit far more than just our business—they eliminate a longstanding barrier to redevelopment in the district. This intensive and time-consuming work extended our timeline by more than six months and required a significant financial investment. Now, any future project along Virginia and Church Streets can tie into properly sized, modern utility systems without absorbing the burden we carried. These improvements correct long-deferred maintenance issues and bring long-term resilience to a key part of McKinney's Historic Town Center.

In addition to these infrastructure improvements, we are respectfully requesting reimbursement for several other categories of work that provide lasting public benefit and meet the City of McKinney's TIRZ policy guidelines. These include fire suppression systems, streetscape enhancements, environmental remediation, and critical maintenance to preserve the integrity of a historic structure in Downtown McKinney.

As outlined, we are seeking \$943,103.64 in total reimbursement. This amount reflects verified expenses across eligible categories, with a clear focus on infrastructure improvements and preservation efforts that extend beyond the footprint of our single project. We are applying under the Vacant/Underutilized project category, with a Meritorious Exception requested based on the extraordinary scope and cost of the public infrastructure upgrades and historic preservation required to redevelop our site.

We are honored to play a role in the ongoing revitalization of Downtown McKinney and are proud to invest in its long-term vibrancy. Thank you for your time and thoughtful consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Preston Lancaster', written over a circular stamp or seal.

Preston Lancaster

Owner, 33 Restaurant Group LLC, UB33 McKinney LLC, PRB33 LLC

plancaster@33group.com

214-733-9764

Narrative Attachment – Project Justification

Project Background and Community Impact

Union Bear McKinney is a full-service restaurant and community gathering space located at 308 W. Virginia Street in Historic Downtown McKinney. Developed and operated by 33 Restaurant Group, Union Bear builds on a longstanding tradition of investing in and revitalizing the city's historic core. Our group is proud to also own and operate Cadillac Pizza Pub (since 2011) and The Yard (since 2018), both of which have helped shape the downtown district's vibrancy and commercial resurgence.

This newest development reflects the same values of preservation, economic vitality, and community connection. It brings new life to a long-underutilized and historically significant property and transforms it into a welcoming anchor destination for locals and visitors alike.

Preservation and Redevelopment Challenges

What sets this project apart is the extraordinary scope and difficulty required to preserve the historic structure while bringing it up to modern standards. In addition to structural challenges, the project faced numerous hurdles related to fire safety, environmental conditions, and overall building integrity:

- **Structural Rehabilitation**
The original foundation had no steel reinforcement and had to be completely removed and replaced. The building's roof structure was sagging, and the masonry walls had fissures, requiring plate reinforcement and shoring to avoid collapse.
- **Fire Suppression System Installation**
The historic structure lacked a fire suppression system, requiring installation of a full code-compliant fire water system including dedicated lines, pumps, and risers to meet modern life-safety standards.
- **Environmental Remediation**
The structure contained hazardous materials, including asbestos, which were professionally abated and removed to ensure safety for workers and future occupants.
- **Critical Maintenance & Historic Preservation**
Preservation of original masonry, window openings, and architectural detailing required specialized labor and materials, increasing costs and complexity. The work was done under review of the Historic Preservation Commission to maintain the building's character and integrity.
- **Design Iterations and Compliance**
Early plans for a two-story redevelopment were ultimately scrapped after coordination with the Planning Commission and Historic Preservation Commission, which would have required complete demolition. The project was redesigned—with significant added cost—to preserve the building's character while meeting modern code and historical compatibility requirements.

Extraordinary Public Utility Upgrades

During civil engineering review, it was discovered that the existing water and sewer infrastructure under Virginia and Church Streets was insufficient and deteriorating—some lines being made of clay and cast iron, others only inches below grade. As a result, the city required:

- **Full replacement of fire water, domestic water, and sanitary sewer lines**
- **Including trenching and installation across different portions of Virginia Pkwy and Church Street**
- **Multi-phase construction to limit service disruption, adding over six months to project timeline**

These public utility upgrades, along with streetscape improvements amounted to **\$696,425.40 in direct costs** and were essential not just for Union Bear but for any future development or current businesses along these corridors. By completing this work, we've provided improved utility access to nearby properties and reduced the infrastructure burden for future growth.

Public Benefit

- **90+ new jobs** created in downtown
 - **\$7M+ in annual taxable sales projected**
 - **\$575K+ in annual state sales tax revenue**
 - **\$30K+ in estimated annual ad valorem taxes**
 - Significant **street-level improvements** to aging utility infrastructure
 - Enhanced **capacity for future development** along Church and Virginia
-

See Summary of Investment and Request on Next Page:

Summary of Investment and Request

Category	Amount
Total Project Investment	\$8,532,955.08
Total TIRZ-Eligible Costs	\$1,302,717.25
Total Reimbursement Requested	\$943,103.64

Reimbursement Request by Category	Amount
Utility Infrastructure	\$622,161.90
Streetscape Improvements	\$74,263.50
Fire Suppression Systems	\$94,854.00
Environmental Remediation	\$4,800.00
Critical Maintenance / Preservation	\$147,024.24
Total Reimbursement Requested	\$943,103.64

In Closing

This project represents a transformational reinvestment in the Historic Town Center, combining the preservation of a vacant and underutilized yet historically significant building with major public infrastructure improvements. By bringing 308 W. Virginia Street back into active commercial use, we've eliminated a key underutilized site in the district and replaced it with a vibrant, locally owned gathering space that draws foot traffic, fosters community connection, and honors McKinney's architectural character.

At the same time, we undertook extraordinary and costly utility infrastructure upgrades—replacing outdated water, fire water, sanitary, and storm lines, and completing major streetscape enhancements to improve access, safety, and long-term resilience. These upgrades not only made our redevelopment possible, they also remove significant barriers for future businesses or projects along Virginia and Church Streets. Future developers and small business owners will now benefit from fully modernized infrastructure without bearing the costs we absorbed.

Together, the building preservation and the infrastructure work provide long-term public value aligned with the goals of the TIRZ program. We believe this qualifies under the **Vacant/Underutilized Project category**, with a **Meritorious Exception** based on the extraordinary scope and cost of public infrastructure improvements and historic preservation efforts required for the redevelopment of this site. We are proud to play a role in Downtown McKinney's ongoing revitalization and grateful for your consideration.

Sincerely,

D. Preston Lancaster, Owner UB33 McKinney, LLC

APPLICATION FOR TIRZ No. 1 FUNDS

**Before submitting this application for processing, please verify that your project is eligible for reimbursement by reviewing the info provided within the application packet or the TIRZ no. 1 Project Plan.*

Submittal Checklist:	Verified Project Eligibility [✓]	Letter of Intent [✓]	Completed Application [✓]
	Eligible Construction Cost Estimate(s) [✓]		Relevant Supporting Info [✓]

SECTION 1. GENERAL PROJECT INFORMATION

Project or Business Name:	Union Bear Brewing Co.				
Location of Project:	Town Center - Historic Downtown McKinney				
Physical Address of Project:	308 W Virginia Street				
	City:	McKinney	State:	TX	ZIP: 75069
Property Size:	.551	acres	CollinCAD Property ID:	1104753	
CollinCAD Geographic ID:	R-0856-031-167B-1				

SECTION 2. APPLICANT INFORMATION

Name:	D. PRESTON LANCASTER				
Company:	UB33 MCKINNEY LLC				
Mailing Address:	2591 DALLAS PKWY STE 300				
	City:	FRISCO	State:	TX	ZIP: 75034
Email Address:	PLANCASTER@33GROUP.COM				
Phone:	214-733-9764	Fax:		Cell:	214-733-9764

SECTION 3. PROPERTY OWNER INFORMATION *(if different than Applicant info above)*

Name:	D. PRESTON LANCASTER				
Company:	PRB33 LLC				
Mailing Address:	2591 DALLAS PKWY STE 300				
	City:	FRISCO	State:	TX	ZIP: 75034
Email Address:	PLANCASTER@33GROUP.COM				
Phone:	214-733-9764	Fax:		Cell:	214-733-9764

TIRZ #1 REIMBURSEMENT APPLICATION

PAGE 1 OF 2

SECTION 4. DETAILED PROJECT INFORMATION

Project Category: (check one)	Catalyst []	Vacant/Underutilized Site/Buildings [✓] *maximum of \$25,000 per project*	Mixed-Income Housing []
Proposed Land Use(s): (multi-family residential, restaurant, office, etc.)	Free-standing, Full-Service Restaurant with parking lots		
Estimated Date of Project Completion:		4/08/2025	
Current Number of Dwelling Units:	d.u.	Number of Dwelling Units Post-Construction:	d.u.
Current Area of Building/Use(s):	5,000 sq. ft.	Area of Building/Use(s) Post-Construction:	6,953 sq. ft.
Days/Hours of Business Operation:	Mon-Sat: 11a to 11p, Sun 11a-10p		Number of New Jobs Created: 90
Estimated Annual Taxable Sales (Post Construction):		\$ 7,000,000	
Current Appraised Value of Property and Improvements:		\$ 2021 Pre-Construction Appraised Value: \$469,973	
Estimated Appraised Value of Property and Improvements (Post-Construction):		\$ 2025 Post-Construction Appraised Value: \$2,379,636	
Estimated Construction Cost for Entire Project including all Phases:		\$ 8,532,955	
Portion of the Project for which Reimbursement is Requested: (building demo, public utility improvement, fire safety improvements, etc.)		Utility Infrastructure - \$622,161.90 Fire Suppression - \$94,854.00 Environmental Remediation - \$4,800.00 Critical Maintenance - \$147,024.24 Street Streetscape Improvements - \$74,263.50	
Requested Reimbursement Amount:		\$ 943,103.64	

BY SIGNING THIS APPLICATION, I CERTIFY THAT I AM THE LEGAL OWNER OF THE ABOVE REFERENCED PROPERTY OR THAT I AM AUTHORIZED TO REPRESENT AND ACT ON THE BEHALF OF THE OWNER OF THE ABOVE REFERENCED PROPERTY. I ALSO CERTIFY THAT ALL OF THE INFORMATION PROVIDED HEREON IS ACCURATE AND TRUE SO FAR AS I AM AWARE AND UNDERSTAND THAT I AM LEGALLY RESPONSIBLE FOR THE ACCURACY OF THIS APPLICATION. I FURTHER UNDERSTAND THAT: (1) I AM NOT GUARANTEED REIMBURSEMENT, (2) REIMBURSEMENT WILL NOT BE POSSIBLE IF THERE ARE NO UNALLOCATED TIRZ FUNDS AVAILABLE, AND (3) THIS APPLICATION VESTS NO DEVELOPMENT RIGHTS AS SPECIFIED IN CHAPTER 245 OF THE TEXAS LOCAL GOVERNMENT CODE.

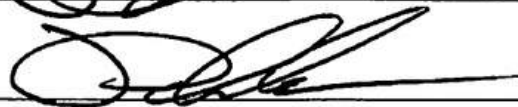
Applicant's Signature:



Date:

9/26/2025

Owner's Signature:



Date:

9/26/2025

FOR OFFICIAL USE ONLY

Project Cost Breakdown

Total Project Cost - Union Bear McKinney

308 W. Virginia Street

Land & Building	\$ 1,900,000.00
Architectural & Civil Costs	\$ 224,240.00
Asbestos Abatement	\$ 4,800.00
Building Improvements	\$ 3,616,318.38
Public Utility Work	\$ 1,209,506.23
Restaurant Equipment	\$ 594,737.21
Audio Visual	\$ 151,798.09
Furniture	\$ 248,160.00
Signage	\$ 41,792.20
Pre-Opening Payroll	\$ 127,857.42
Pre Opening Food & Bev Expense	\$ 63,496.55
Struxure Patio	\$ 324,849.00
Legal/Acct	\$ 25,400.00
TOTAL DEVELOPMENT COSTS	\$ 8,532,955.08

TIRZ

Allowable Building Costs

Asbestos Abatement	\$ 4,800.00
Building Foundation	\$ 94,717.25
Slab Sawcut & Removal	\$ 30,920.00
Masonry	\$ 26,265.00
Masonry Shoring	\$ 39,439.24
Structural Steel	\$ 170,723.00
Waterproofing	\$ 15,500.00
Wet Fire Sprinkler system	\$ 45,933.00
Total Allowable Building Costs	\$ 428,297.49

TIRZ

Allowable Under Street Utility Improvement Costs

Pavement Sawcutting for Utility Work	\$ 26,991.00
Street Paving (concrete) for Utility Work	\$ 100,345.50
Storm Water	\$ 84,318.11
Excavation	\$ 100,239.00
Domestic & Fire Water Lines	\$ 440,875.21
Surveying for Utility Work	\$ 13,828.94
Erosion Control	\$ 750.00
Sanitary Sewer Line Replacement	\$ 84,526.00
Asphalt for Utility Work	\$ 22,546.00
Total Allowable Under Street Utility Costs	\$ 874,419.76

Total Costs that fall into an allowable TIRZ Category	\$ 1,302,717.25
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Amount of TIRZ Request as a Vacant/Underutilized Site	\$ 943,103.64
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Public Utility Infrastructure Site Work



DEC 2023

Site Work begins along Virginia St. & Church St.



DEC 2023

Each day the steel sheets have to be removed and replaced before and after work. This includes signage and barricades.

Public Utility Infrastructure Site Work



JAN 2024

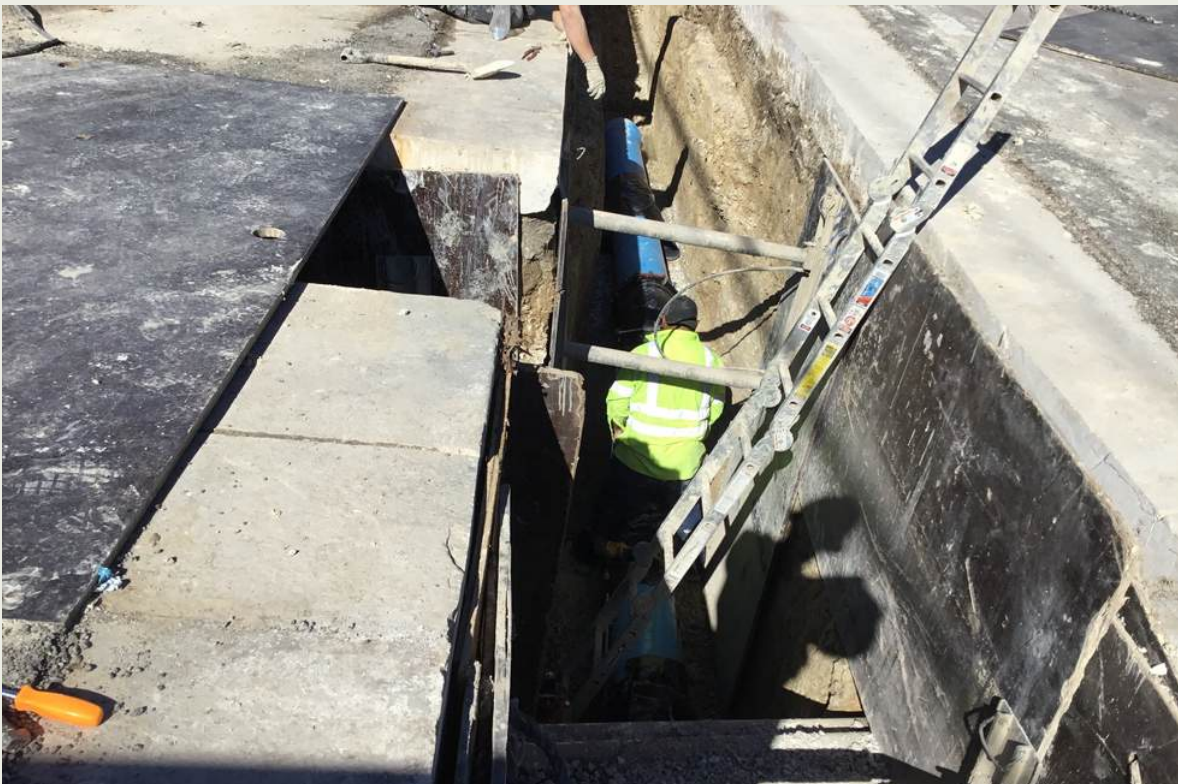


JAN 2024

Public Utility Infrastructure Site Work



FEB 2024



JAN 2024

Public Utility Infrastructure Site Work



FEB 2024



FEB 2024

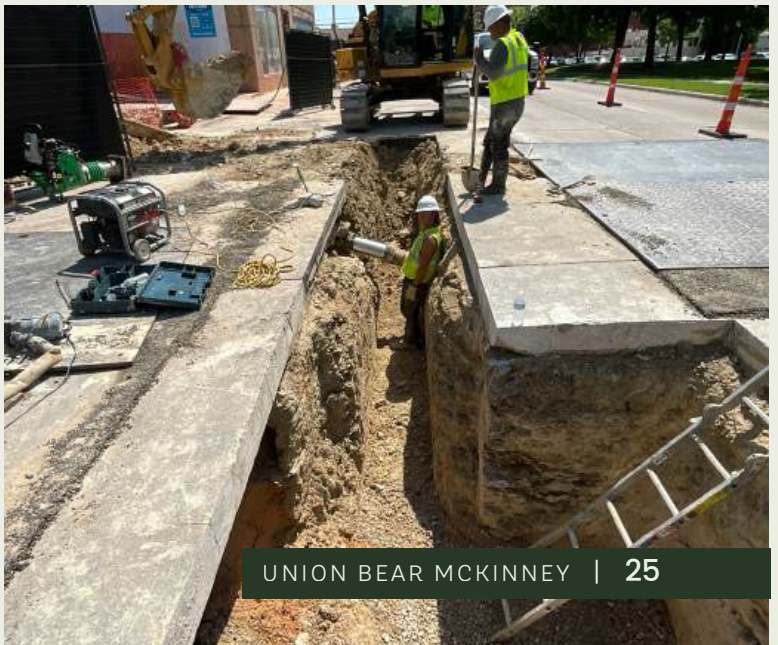
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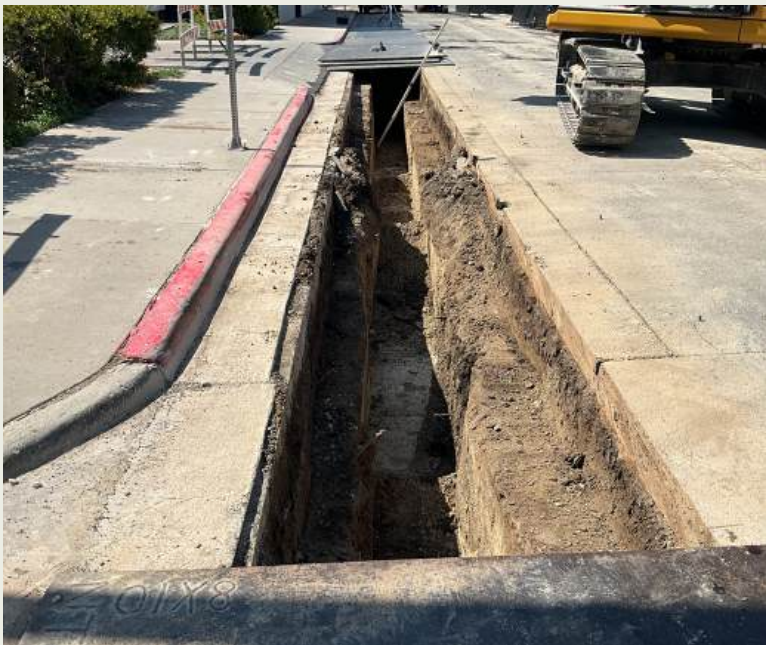
Public Utility Infrastructure Site Work



Public Utility Infrastructure Site Work



Public Utility Infrastructure Site Work



Public Utility Infrastructure Site Work



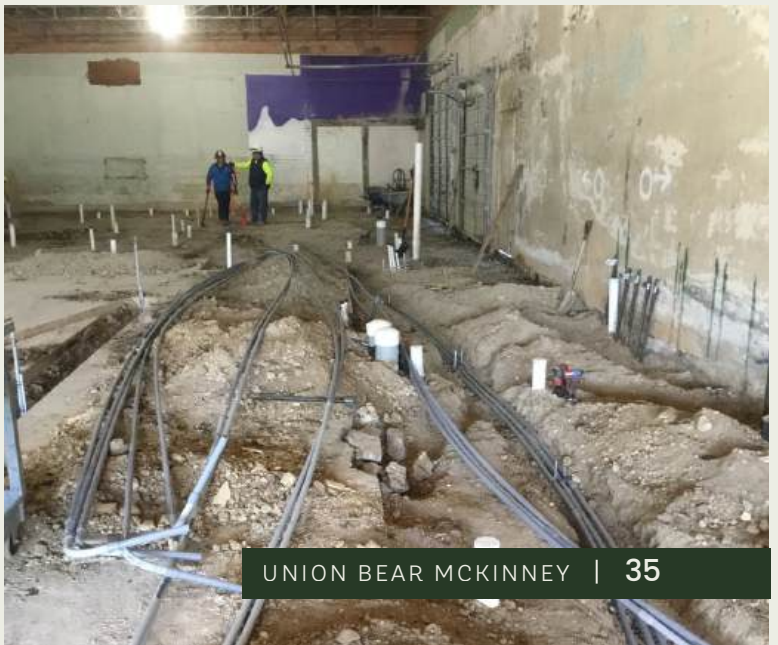
Public Utility Infrastructure Site Work



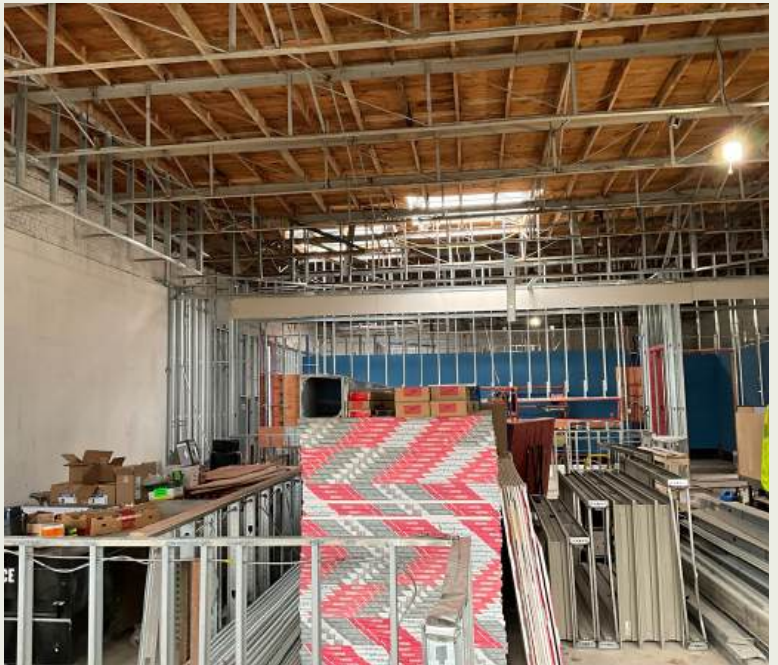
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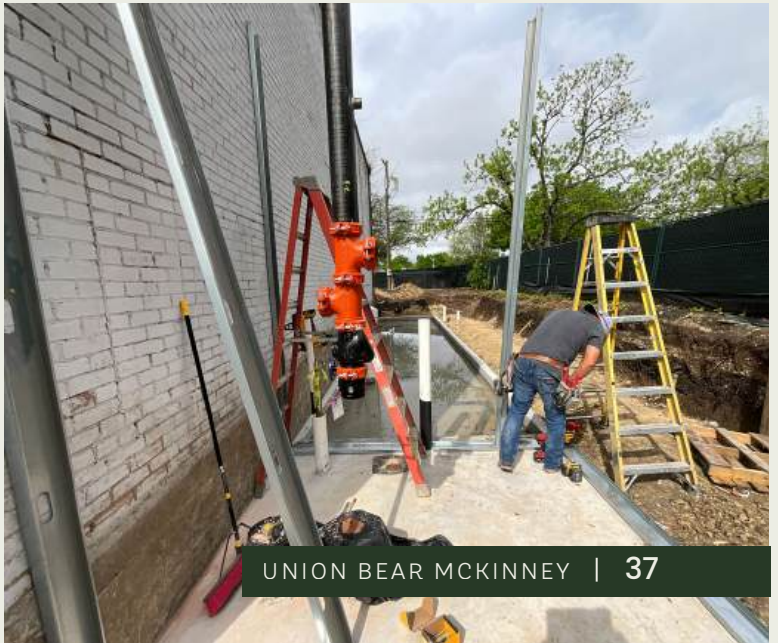
Building Construction Photos



Building Construction Photos



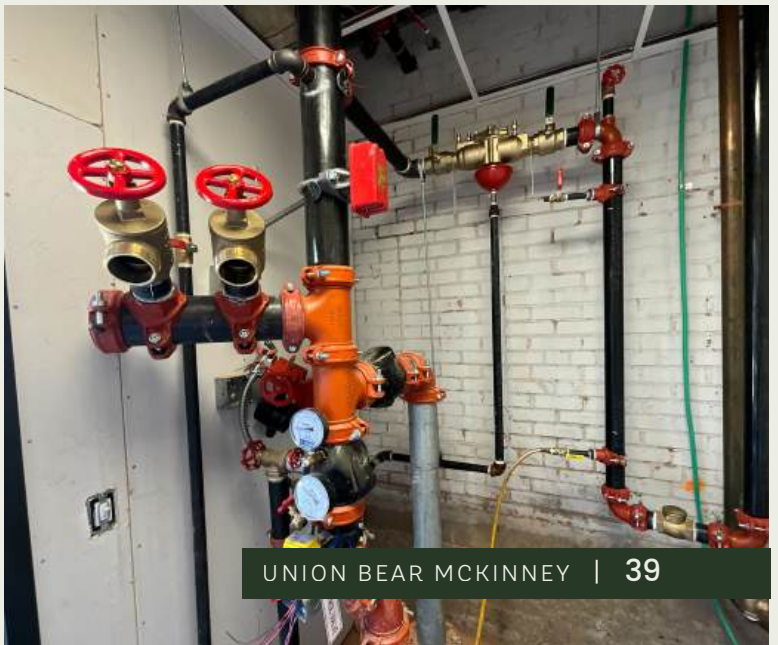
Building Construction Photos



Building Construction Photos



Building Construction Photos



Building Construction Photos



Building Construction Photos



BEFORE



AFTER



BEFORE



AFTER



BEFORE



AFTER



BEFORE



AFTER





Thank you!

Thank you to the City of McKinney for your thoughtful consideration of our application and for your continued support of local business and revitalization efforts. We are incredibly proud to be part of the Historic Downtown community and grateful for the opportunity to contribute to its ongoing growth and vibrancy. We look forward to continuing our investment in McKinney for years to come.



PRESTON LANCASTER

CELL: 214-733-9764

EMAIL: PLANCASTER@33GROUP.COM

33 RESTAURANT GROUP LLC

2591 DALLAS PKWY STE 300

FRISCO, TX 75034

Union Bear
BREWING COMPANY