

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.
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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