



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 21-1065, **Version:** 1

Conduct a Public Hearing and Consider/Discuss/Act on an Amendment to a Lease Agreement Executed Between McKinney Community Development Corporation (Landlord) and TUPPS Brewery, LLC (Tenant) for Project #20-09, to Increase Funding From MCDC to the Amount of Thirteen Million Three-Hundred Thirty-Three Thousand Two Hundred Sixty-Two and No/100 Dollars (\$13,333,262.00) and to Further Include Additional Lease Provisions for Required Direct Tenant Funding, including Funding Originating from the City of McKinney, Texas, to Establish Sufficient Funds to Meet All Eligible Project Costs Contained in the Approved Budget for the Rehabilitation and Revitalization of the Property Located at 402 E. Louisiana Street, McKinney, Texas, to Create a World-Class Cultural and Entertainment Destination to Serve as a Catalyst for Economic Development in McKinney, Texas, Require Approval of Guaranteed Maximum Price for the Project by December 31, 2021, and a Project Completion Date of December 31, 2022.

COUNCIL GOAL: Enhance Quality of Life in McKinney
Direction for Strategic and Economic Growth

MEETING DATE: December 7, 2021

DEPARTMENT: McKinney Community Development Corporation

CONTACT: Cindy Schneible, President

ITEM SUMMARY:

- The purpose of the public hearing is to review and vote on a request to provide additional funding for investment in the rehabilitation and revitalization of the property located at the southeast corner of Greenville and Dungan Streets to create a world-class cultural and entertainment destination to serve as a catalyst for economic development east of Highway 5 in McKinney, Texas, and amend the lease executed between McKinney Community Development Corporation and TUPPS, LLC in September, 2020.
- The proposed project includes the following components:
 - Rehabilitation of the building located at 402 E. Louisiana into a new and larger taproom and restaurant
 - Construction of a new building to house the production facility as well as a wing built to house the barrel aging room and event space
 - Construction of a beer garden and beautification of the surrounding area tying the front of the property into the City's redevelopment of Greenville Street.
 - Complete rehabilitation and beautification of the south half of the property and construction of outdoor entertainment areas for children and adults, open to the public, including a stage for live music and events, small structures to house local artists,

coffee roasters and other businesses, outdoor seating and restrooms

- The public access spaces will be maintained by TUPPS.
- TUPPS will be a tenant of the property paying rent rates over forty years that will facilitate ownership of the improvements, with an option to purchase the land at market rate at the conclusion of the lease period.
- It is anticipated the project will require 12 months to construct. The expected occupancy date for completion of the initial phase of the project will be September 2022. Completion of all work by December 31, 2022.
- Construction cost, based on 95% complete construction documents and bids secured, is \$11,327,171.
- Total project cost is budgeted at \$16,682,671.

BACKGROUND INFORMATION:

- TUPPS Brewery is a family owned and operated, community driven craft brewery located in McKinney, Texas.
- Since opening its doors in 2015, TUPPS Brewery has grown from a hobby in a garage to the 10th largest independently owned craft brewery in the state the second fastest growing production brewery in Texas.
- TUPPS Brewery currently distributes to 189 counties in Texas with plans to expand into remaining counties across the state in 2022 as capacity allows.
- The new, expanded facility will provide increased capacity necessary to fulfill current demand, forecasted future demand, and expansion into Houston and South Texas, along with capacity to introduce new products.
- TUPPS Brewery has been a destination business in the City of McKinney for nearly five years, drawing thousands of customers from not only McKinney but also from across the DFW metroplex.

FINANCIAL SUMMARY:

- Increased project investment requested from MCDC is \$2,000,000 for a total of \$11,333,260.
- Additional funding, in the amount of \$1,000,000 will be provided by TUPPS, LLC; and \$2,500,000 from the City of McKinney.
- The request is eligible for consideration under Sections 505.151 and 505.152 of the Texas Local Government Code.