



Legislation Text

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Agenda Information Sheet

DEPARTMENT: Economic Development

CM/ ACM: Jon Fortune

Date: September 21, 2016

SUBJECT

Receive a report, hold a discussion and make a recommendation to City Council regarding Downtown Reinvestment Grant for 200 E. McKinney Street (Denton County Brewing Company).

BACKGROUND

At the July 21, 2016, City Council meeting, staff was directed to distribute a total of \$20,000 to any grant applicants who had submitted between October 1, 2015, and July 21, 2016. Seth Morgan, Owner of Denton County Brewing Company, 200 E. McKinney Street, submitted a Downtown Reinvestment Grant application on January 8, 2016.

The building at 200 E. McKinney was the former Purvis Bearing Company. By changing the use of this warehouse to a brew pub, we expect pedestrian traffic to increase. This will add to our growing "brewery district" that is developing in downtown with Armadillo Ale, Barley and Board and the Hop and Sting Brewing to the west, at 104 W. McKinney.

Upgrades include all electrical and plumbing, adding roll up patio doors (facing the Bearded Monk, to the west) and façade improvements. An unexpected expense has been that the owners discovered there is not enough water pressure in the existing lines to run the fire suppression system, so they will have to run water lines back to East Oak Street to meet that requirement.

RECOMMENDATION

The Downtown Task Force recommends a grant in the amount of \$10,000. As the grant program is still "frozen" at this time, the Task Force recommends the additional amount of \$15,000 be granted when the program is resumed, as the project scored 27 points, making it eligible for the maximum grant.

ESTIMATED SCHEDULE OF PROJECT

The project will be completed by December 2016.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

The Downtown Task Force reviewed the grant on August 11, 2016, and recommends a grant in the amount of \$10,000, with the request that City Council grant the full amount allowed (\$25,000). If the grant program is still "frozen" at this time, they request the additional amount of \$15,000 be granted when the program is resumed. (8-0)

FISCAL INFORMATION

The total amount of this project is \$500,000. With a \$10,000 grant, the rerun on investment is 1:50; with a \$25,000 grant, the return on investment is 1:20.

STRATEGIC PLAN RELATIONSHIP

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: **Economic Development**

Related Goal: **3.4 Encourage development, redevelopment, recruitment, and retention**

EXHIBITS

1. Grant application

Respectfully submitted:
Caroline Booth
Assistant Director of Economic Development

Prepared by:
Julie Glover
Economic Development Program Administrator