



Legislation Text

File #: EDP16-054, **Version:** 1

Agenda Information Sheet

DEPARTMENT: Development Services/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 a Downtown Reinvestment Grant for 104 W. McKinney (Hop and Sting Brewery).

BACKGROUND

Hop and Sting Brewery submitted a Downtown Reinvestment Grant on September 10, 2015. City Council has since put the grant program on hold for review, but gave permission for this grant to move forward under the fiscal year 2014-2015 funding.

The building is located at E. McKinney and Locust Streets. The project will transform an underutilized 1920's building, which currently stores towed vehicles, into a state-of-the-art brew-pub that generates sales tax revenues and attracts visitors to the downtown.

This brewery will be an addition to our new "brewery district" that is developing in downtown with Armadillo Ale, Barley and Board (a small brewing operation), and the Denton County Brewing Company to the east at 200 E. McKinney Street.

The upgrades and renovation of the building will add modern accents to a building that adjoins the architecturally-significant Gulf Station building. The Hop and Sting Brewing Company plans on initially hiring 4 full-time employees and projects \$500,000 gross sales the first year. Sales are projected to increase to \$1.25 million by the third year.

The interior will be an inviting atmosphere for people to observe the brewing process and drink craft beer on-site. A limited number of bottled beers will be sold in special runs each year.

The brewery will require significant investment to renovate the building and purchase the necessary equipment to operate the brewery. The renovation and construction process will bring the building up to current City codes.

ESTIMATED SCHEDULE OF PROJECT

Work will begin soon and should be completed by summer 2017.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

The Downtown Task Force reviewed this grant application on August 11, 2016, and recommends a grant in the amount of \$25,000 (8-0).

FISCAL INFORMATION

The total estimated cost of the project is \$777,287. A \$25,000 grant represents an estimated return on investment of 1:31.

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

Exhibit 1-Grant application

Respectfully submitted:
Caroline Booth
Assistant Director Economic Development

Prepared by:
Julie Glover
Economic Development Program Administrator