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Hugs Café Inc. and KDC Break Ground on New Headquarters and 'Home for Hugs' Training Academy in downtown McKinney

New \$10 million facility to streamline operations, increase hospitality training for adults with disabilities





Hugs Cafe Inc. Exterior and Lobby Renderings; Credit: Corgan

DALLAS – (May 7, 2025) ---- <u>KDC</u> and Hugs Café Inc. today broke ground on a new \$10 million headquarters and training academy. Hugs Café Inc. is an organization dedicated to providing training and employment for adults with disabilities.

The new headquarters and training facility is made possible by the generous support of KDC, H-E-B, Sammons Enterprises Inc., Compatriot Capital, McKinney Community Development Corporation, Mabee Foundation and The FS Foundation. Hugs Café Inc. currently operates four successful programs: Hugs Café, Hugs Greenhouse, Hugs Home Cooking and Hugs Training Academy.

"We are thrilled to continue our training and employment success story in McKinney," said Lauren Smith, executive director with Hugs Café. "This new facility allows us to further address the challenge of high unemployment rates among adults with disabilities who can work and want to work, offering them a path forward and a secure tomorrow."

The new 13,500-square-foot facility, located at 221 Andrews St., McKinney, is slated to open in the summer of 2026. The two-story building will house Hugs Café, which is relocating from 224 E Virginia St, McKinney. Amenities include a state-of-the-art training academy and training kitchen, four classrooms, a rooftop deck and a patio. In addition, the new facility will have administrative offices, learning areas and workspaces to facilitate an environment of instructor and staff collaboration, creating a vibrant learning area and workspace.

"Making this vision into a reality for Hugs Café Inc. is an incredible opportunity for KDC to impact the lives of individuals seeking more personalized training to become part of the workforce," said Eric Hage, KDC president. "We thank the Hugs Café staff and our fellow donors for letting us take part in building a brighter future for these individuals and their families."

Through a challenge grant with the Mabee Foundation, Hugs Café Inc has completed 60% of its fundraising goal, with the task of raising the final \$4 million in the next 12 months.

KDC is serving as the project developer, Corgan is the architect and Brasfield & Gorrie is the project's general contractor. In addition, Valliance Bank has agreed to be the strategic financial partner.

Hugs Café is the organization's flagship program, employing adults with intellectual and developmental disabilities in a café setting. The original brick-and-mortar location was created in 2015 by Ruth Thompson. The organization currently employs 75 individuals, 53 who represent the disability community.

Over the next five years, Hugs Café Inc. plans to achieve several milestones, including serving 650 individuals, establishing 25 nonprofit mentorships, forming 10 curriculum licensing partnerships, and opening three new Hugs Café locations -- the first of which will be Hugs Café Dallas, slated to open Fall 2025. Hugs currently supports other organizations practicing a similar business model in Dallas; Fayetteville, Arkansas; Northbrook, Illinois; Ridgeland, Mississippi; and Tallahassee, Florida.

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About Hugs Café

Hugs Café Inc is a nonprofit social enterprise in McKinney, Texas dedicated to providing meaningful training and competitively paid employment for adults with intellectual and developmental disabilities. It is Hugs Café's passion to offer a place of hope, understanding, grace and success to each individual so they may be recognized for their abilities and talents in the community. For more information, please visit hugscafe.org.

About KDC

For 35 years, KDC has been a leading national real estate development and investment firm. In that time, KDC has developed more than 150 corporate build-to-suit office, data center and industrial projects totaling approximately 40 million square feet. KDC's portfolio includes projects for FedEx, JPMorgan Chase, Liberty Mutual, Raytheon, State Farm (Dallas and Atlanta campuses), Toyota North America and Volkswagen. KDC is committed to supporting the nonprofit community through the KDC Cares Program, which includes development services of new facilities and financial support. KDC is headquartered in Dallas and is supported by a national team with offices in Dunwoody, Georgia, and Charlotte, North Carolina.