

EXHIBIT A

Tax Increment Reinvestment Zone No. 1 (Town Center)

Policy Guidelines

Intent

The Board for TIRZ No. 1 of the City of McKinney, Texas, has deemed policies governing the allocation and award of TIRZ No. 1 funds are necessary to ensure the long-term success of the TIRZ as specified by the approved Project Plan and Finance Plan.

Allocation and Award of TIRZ No. 1 Funds

The policy guidelines for the allocation and award of TIRZ No. 1 funds shall be as follows:

I. Catalyst Projects

Reimbursement or grant requests for qualifying Catalyst Projects shall be evaluated by Staff on a case-by-case basis and brought before the Board for consideration and action. Recommendations made by Staff will be based on established Board or internal evaluation criteria.

II. Vacant/Underutilized Sites/Buildings

- a. Funding for projects under the Environmental Remediation, Interior/Exterior Demolition, Historic Façade Restoration Improvements/Easements Category of the approved Project Plan shall be as follows:
 - i. Reimbursement or grant requests for qualifying vacant/underutilized site/buildings shall be evaluated by Staff on a case-by-case basis and brought before the Board for consideration and action. These requests should be limited to the lesser of the grant/reimbursement request or \$25,000 per qualifying project. Reimbursement or grant requests will be funded on a first-come, first-serve basis until the fiscal year allocation has been reached. Once the allocation for the fiscal year has been reached, Staff will recommend that the Board not fund additional requests until the following fiscal year.
 - ii. Any unawarded funds from the allocated \$100,000, in any Fiscal Year, shall be carried over from Fiscal Year to Fiscal Year up to a maximum of \$300,000 in carryover funding.
- b. Funding for projects under the Street, Utility and Streetscape Improvements Category of the approved Project Plan shall be as follows:

Reimbursement or grant requests for qualifying Street, Utility and Streetscape Improvements shall be evaluated by Staff on a case-by-case basis and brought before the Board for consideration and action. Recommendation made by Staff will be based on established Board or internal evaluation criteria.

- c. Funding for projects under the Land Acquisition Category of the approved Project Plan shall be as follows:
 - Reimbursement or grant requests for qualifying Land Acquisitions shall be evaluated by Staff on a case-by-case basis and brought before the Board for consideration and action. Recommendation made by Staff will be based on established Board or internal evaluation criteria.
- d. Funding for projects under the Critical Maintenance of the approved Project Plan shall be as follows:
 - Reimbursement or grant requests for qualifying critical maintenance items shall be evaluated by Staff on a case-by-case basis and brought before the Board for consideration and action. These requests shall be limited to the lesser of the grant/reimbursement or \$50,000 per qualifying project and should be considered on a 50/50 match basis, up to \$50,000 matched. Items considered 'critical maintenance' include structural and foundation repairs, roof repair or replacement, gutters, mechanical, electrical, and plumbing upgrades or replacement.
- e. Funding for projects under the Fire Suppression of the approved Project Plan shall be as follows:
 - Reimbursement or grant requests for qualifying fire suppression shall be evaluated by Staff on a case-by-case basis and brought before the Board for consideration and action. These requests shall be limited to the lesser of the grant/reimbursement or \$50,000 per qualifying project and should be considered on a 50/50 match basis, up to \$50,000 matched. Items considered 'fire suppression' include, but are not limited to: Underground lead-in mains, fire sprinkler risers and floor controls, fire sprinkler systems, standpipe hose systems, and fire alarm systems.

III. Mixed Income Housing

Reimbursement or grant requests for qualifying Mixed Income Housing projects shall be evaluated by Staff on a case-by-case basis and brought before the Board for consideration and action. Recommendations made by Staff will be based on established Board or internal evaluation criteria.

Meritorious Exceptions: The TIRZ Board retains full authority on a case-by-case basis to determine if a meritorious exception to these policy guidelines shall be made for worthy projects. Reimbursement or grant requests for meritorious exceptions shall be brought before the Board for consideration and action. These requests shall be limited to the lesser of the grant/reimbursement or \$100,000 per qualifying project and should be considered on a 50/50 match basis, up to \$100,000 matched. For those reimbursement or grant requests that receive a meritorious exception, additional funding through TIRZ reimbursement or grants should not be awarded for a specific period of time, as determined by the Board. Specific findings shall be made in any meritorious exception award to avoid precedent in subsequent applications. Examples of such findings could be rehabilitation costs far outweigh the value of the improvement or there are multiple critical maintenance items that need to be addressed.