

McKinney Community Development Corporation
Special Meeting
June 6, 2012

The McKinney Community Development Corporation (MCDC) met in Special Session in the Dowdy boardroom located at 5900 South Lake Forest Drive, Suite 110, McKinney, Texas at 7:30 A.M. on June 6, 2012.

Board members present included board chair Tracy Rath, board vice-chair George Fuller, board secretary Dan Hall, Eric Davis, and Jason Burress. Staff members present were executive director Cindy Schneible and administrative assistant Connie Gibson. Board members Kevin Griffin and Michael Puhl were absent.

There were several guests present.

Tracy Rath called the meeting to order at 7:31 A.M.

The meeting was called into Executive Session at 7:32 A.M.

The meeting was called into Open Session at 9:20 A.M.

George Fuller made a motion to approve the Letter of Intent McKinney Gateway Hotel and Event Center Project, presented by Mr. Gray with the understanding that the MCDC's existing "project" will require amendment, according to state laws and our bylaws, at the time definitive agreements are approved by the Board.

Mr. Fuller stated he felt some things were lacking in the LOI, but he has confidence the Council will work diligently to address all concerns expressed by the MCDC board. The motion was seconded by Dan Hall. Chair Rath asked for any comments or discussion.

Jason Burress stated he had a very hard time approving the LOI as written, in particular paragraph five. As the LOI currently reads, the Ownership Vehicle's selection of a Starwood brand which is less prestigious than Sheraton (e.g.) Four Points by Sheraton), or a less prestigious non-Starwood brand (e.g. Holiday Inn) but offered to be built to the standards of the contemplated Sheraton would arguably leave MCDC and the City of McKinney without a voice to approve or disapprove. He indicated he felt the language was too vague and not acceptable to the City or its tax payers. He suggested changing the language to read "the ownership vehicle selection of a hotel brand as a franchisor for the hotel and the execution and material amendment of a franchise agreement will be subject to City and MCDC approval should the selection not be a Starwood Sheraton hotel. With that change Mr. Burress stated he would vote to support the LOI.

Eric Davis commented that he very well may be for the development agreement once it is drafted, but the LOI as it's been presented has too many holes in it,

particularly a lack of an open process of bidding. He expressed concern that approval of the LOI would preclude additional negotiation with the development group. Mr. Davis again indicated potential approval of the development agreement when presented to MCDC, but that he was uncomfortable with the LOI as presented.

Tracy Rath shared that she had many concerns about the project, the least of which was her belief that McKinney deserved better than a Sheraton hotel. She stated she believed it would be prudent to wait, and that this project would only be enhanced if it went through an RFP process. With no other discussion Mrs. Rath asked those in favor of the motion to signify by raising their hands.

The vote failed (3-2) with George Fuller and Dan Hall voting in favor of the motion, and Tracy Rath, Jason Burrell and Eric Davis voting against it.

City Manager Jason Gray stated he understood the board's concerns, and he would need to confer with Council as to next steps. He asked for a written list of issues regarding the LOI, from the board. Mrs. Rath requested that the items be forwarded to Cindy Schneible for compilation and forwarding to Mr. Gray.

The meeting was adjourned at 9:27 A.M.

TRACY RATH – Board Chair