

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

AUGUST 25, 2022

The McKinney Community Development Corporation met in regular session in the City Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on Thursday, August 25, 2022 at 8:00 a.m.

Board Members Present: Vice Chair Kathryn McGill, Secretary David Kelly, Treasurer Mary Barnes-Tilley, Board Members Jackie Brewer and Deborah Bradford, Board Alternate David Riche and Ad Hoc Member Joy Booth.

Absent: Chair Angela Richardson-Woods.

City Council Present: Mayor George Fuller, Councilwoman Geré Feltus and Councilman Patrick Cloutier.

Staff Present: President Cindy Schneible, City Manager Paul Grimes, Assistant City Manager Barry Shelton, Financial Compliance Manager Chance Miller, Director of Parks and Recreation Michael Kowski, Visit McKinney Executive Director Aaron Werner, MEDC President Peter Tokar, Main Street Interim Director Andrew Jones and MCDC Administrative and Marketing Coordinator Linda Jones.

There were several guests present.

Vice Chair McGill called the meeting to order at 8:00 a.m. after determining a quorum was present. Father Peter Mullins of St. Peter's Episcopal Church delivered the invocation which was followed by the Pledge of Allegiance.

Vice Chair McGill called for public comments on non-public hearing agenda items, and there were none.

22-0780 Vice Chair McGill called for a motion on minutes of the McKinney Community Development Corporation meeting of July 28, 2022. Board members unanimously approved a motion by Secretary Kelly, seconded by Board Member Brewer, to approve the minutes.

22-0781 Vice Chair McGill called for the Financial Report. Financial Compliance Manager Chance Miller provided a review of the July financials. Revenues for July were approximately \$1.7 million, \$1.6 of which was

sales tax revenues and \$90,000 of which was interest income. Expenses for July totaled about \$4.5 million and included operating expenses of \$53,000, project expenses of \$87,000, \$2.6 million for the TUPPS project, \$320,000 for parks construction and \$1.2 million in debt service payments. This resulted in a net deficit for July of about \$2.8 million, but the year-to-date net surplus is \$4.5 million. Sales tax for July indicates a 7.9% increase over the same time period in 2021. However, when taking audit collections into consideration, our true increase was 15%. During this same period, Allen saw a 3.4% increase (true: 5%), Plano saw a 7.1% increase (true: 19%), and Frisco saw a 27.4% increase (true: 32%). Year-to-date sales tax for McKinney is 16.6%. Mr. Miller asked for questions. Secretary Kelly asked about Frisco's high increase, and Mr. Miller shared that it's possible that the Frisco increase is because they were negatively impacted more from Covid. Frisco's increase is more in line with other sister cities when comparing the data over a two-year period. There were no questions on the checks issued report.

22-0782 Vice Chair McGill called for Board and Liaison Reports. She acknowledged that Board members have been busy out in the community. Since the last meeting, MCDC has had representation at the MISD New Teacher Breakfast, Leadership McKinney Class of 2023 Welcome event, Affordable Housing Collaborative Discussion, Byron Nelson results presentation and lunch, Momentous Institute tour, McKinney Chamber's East Side Development Update and tonight we have several attending the Volunteer McKinney Awards event. Ms. McGill, Treasurer Barnes-Tilley and Board Member Riche shared that the excitement at the new teacher breakfast was encouraging.

City of McKinney. City Manager Paul Grimes shared that the FY 23 budget was presented to Council on August 12. The proposed budget includes \$191 million in general fund with a total budget of \$652 million

which includes capital improvement projects, water and utilities, risk and equipment replacement. There will be a public hearing on September 6 to discuss the proposed budget, and Council will adopt the budget shortly thereafter. The proposed budget reflects a four-cent rate reduction from .497 to .457, which still yields an effective rate increase of 2.81%, well below the current 9% rate of inflation. Council is continuing to deliberate on potential redistricting plans based on the 2010 census. Council has authorized staff to begin negotiations with SciFi Networks for a broadband, low latency rollout for McKinney. For the FY 23 budget, a new funding formula based on a per capita calculation, is being proposed for community grants and other items. The budget also includes a \$50,000 line item from hotel occupancy tax for Chestnut Square. Board Member Brewer and Treasurer Barnes-Tilley sought clarification regarding the funding for Chestnut Square. Mr. Grimes clarified that it will be allocated for their operating budget. Secretary Kelly added that SciFi is a finalist to lay the fiber network which can be used by various providers, thus fostering competition.

Visit McKinney. Executive Director Aaron Werner shared that it was exciting to see some of the data regarding the economic impact of the AT&T Byron Nelson, including 8,200 hotel rooms attributed back to the tournament. He added that most of the hotel properties are already blocked for the week of next year's tournament, as the Academy of Country Music Awards will be in Frisco that same week. Activity surrounding the NCAA D2 kicked off already with the Lone Star Conference media day at the MISD Stadium. Visit McKinney's promotional grant deadline is October 7, so new Board will hear presentations at their first meeting. The STAR report for July indicated occupancy rate of 70.5%, up 1.2% from July 2021, and the year-to-date increase is 8.8%. Average daily rate is up 14.7%, which is about \$12 per night. In tracking the city's tier 1 properties, data shows that McKinney is

in line with sister cities' average of a nightly rate of \$118. Mr. Werner announced that Rachel Tamez will be leaving Visit McKinney, and she will be missed greatly. He invited Board members to join in a farewell reception for Ms. Tamez today at 4:00 p.m. at Visit McKinney. Vice Chair McGill encouraged Board members to refer to Visit McKinney's report attached to the agenda for additional details.

McKinney Economic Development Corporation. Vice Chair McGill referred Board members to the report attached to the agenda.

McKinney Main Street/MPAC. Interim Director Andrew Jones shared that the Back to 80's Sip and Stroll was both fun and successful. He invited Board members to a meet and greet with Guido van Helten on August 31 at 4:00 p.m. and the ribbon-cutting event starting at 5:00 p.m. MPAC will host the Gatlin Brothers on September 10. Plans are underway for Oktoberfest, September 23-25, and this year's event will be ticketless. Credit card and digital pay options will be encouraged. This year's event will include the Oktoberfest Happy Hour on Friday, September 23, from 2:00 – 4:00 p.m. Additionally, Main Street and Visit McKinney are partnering to offer the McKinney to Munich giveaway. Other highlights of Oktoberfest include a keg tapping, weenie dog and wannabe races, and the Police versus Fire Departments stein holding competition. Downtown will host a boutique circus from October 11-22. Secretary Kelly verified that all vendors at Oktoberfest will take credit and debit cards and spoke favorably of this new procedure. Mr. Jones added that they are also adding an extra beer tent this year.

McKinney Parks and Recreation. Director Michael Kowski announced that Robinson Ridge Park will go before Council in September for approval of a construction contract. Three playgrounds (including Serenity and Finney) will be torn down next week and the equipment will be donated to other countries. New playgrounds will be installed soon. The old stage, which was funded by MCDC, is in demand with several

events booked, and the new stage will be delivered in about a year. There will be a ribbon-cutting ceremony for the newly named Gilda Garcia Garza Aquatic Center beginning at noon on September 17, which will be followed by a Mexican Independence event. Labor Day weekend will fill Al Rauchhaupt and Craig Ranch soccer fields. Al Rauchhaupt will also host a youth cricket tournament. Mr. Kowski shared that Flora Ray will be leaving the Parks Department to accept a position, and promotion, in the Procurement Services Department.

TUPPS Subcommittee. Board Member Bradford reported that the subcommittee continues to meet monthly with the TUPPS team. Work is focused on keeping the project on budget – as the impact of the escalation of construction costs and other factors come into play. Interviewing of finalists for BYOB businesses begins the first two weeks of September. These are the Bring Your Own Business silos. The schedule confirms a soft opening on target for December with grand opening celebration for complete site in early Spring.

22-0783 Vice Chair McGill called for the President's Report. President Cindy Schneible offered congratulations to Chair Richardson-Woods and Vice Chair McGill on their Board reappointments, to David Riche and Joy Booth for their appointments as full members who will now be seated at the dais, and to Jon Dell'Antonia as new Board alternate. Ms. Schneible stated that the Board will vote on project grants today and shared the remaining budget is \$681,520. MCDC hosted a lunch last week to kick off discussions regarding collaborative affordable housing solutions. Joining the discussion were Vice Chair McGill, Assistant City Manager Kim Flom, Housing and Community Development Manager Janay Tieken, Affordable Housing Administrator Cristel Todd, Habitat for Humanity CEO Celeste Cox and McKinney Housing Authority Board Member Ada Simmons. This group will meet regularly and will expand

participation as other potential partners are identified. The goal from the MCDC perspective is to identify how we can partner to have the biggest impact. Ms. Schneible shared that we have received notice from Archstreet McKinney withdrawing their grant application which was awarded for the District 121 hotel. Archstreet is changing architectural firms, which moves their project timeline back. They do plan to resubmit once their new plans are finalized. She encouraged Board members to review the attached marketing report.

Vice Chair McGill shared that the Board will be voting on several Project Grants that were presented at the July Board meeting. She reported that Areté Athletics withdrew their application, so we will not be voting on that grant today.

22-0784 Vice Chair McGill called for consideration/discussion/action on Project Grant application submitted by Heritage Guild of Collin County (#22-12) in the amount of seventy-three thousand seven hundred sixty-five and no/100 dollars (\$73,765.00) to fund renovations and enhancements to buildings located in Chestnut Square including restrooms, kitchen and landscaping at Bevel House, groom's suite at Chapel, and deck replacement and front office restoration at the Visitor Center. Amount requested represents 95% of total project cost. Board members unanimously approved a motion by Treasurer Barnes-Tilley, seconded by Board Member Riche, to approve this agenda item.

22-0785 Vice Chair McGill called for consideration/discussion/action on Project Grant application submitted by McKinney Main Street (#22-14) in the amount of thirty-eight thousand two hundred and no/100 dollars (\$38,200.00) for Downtown lighting improvements and speaker updates. Amount requested represents 89% of total project cost. Board members

unanimously approved a motion by Board Member Bradford, seconded by Board Member Brewer, to approve this agenda item.

22-0786 Vice Chair McGill called for consideration/discussion/action on Project Grant application submitted by the Collin County History Museum (#22-15) in the amount of thirty-five thousand three hundred seventy-five and no/100 dollars (\$35,375.00) for the purchase of equipment and materials for the design, layout and construction of a "Created in Collin" exhibit at the museum. Amount requested represents 55% of total project cost. Board members unanimously approved a motion by Treasurer Barnes-Tilley, seconded by Board Member Riche, to approve this agenda item.

22-0787 Vice Chair McGill called for a Public Hearing and consideration/discussion/action on Project Grant Application submitted by Adriatica Master Association (#22-16) in the amount of ninety-eight thousand three hundred ninety-two and no/100 dollars (\$98,392.00) to complete a privately-owned, publicly accessible harbor park at Adriatica Village including amphitheater-style seating with multi-level, 18" retaining wall seating, grade level observation decks, cobblestone stamped walkway, irrigation and sod. Amount requested represents 100% of total project cost. President Schneible explained that the July public hearing agenda item listed the applicant as Adriatica Business Association instead of Adriatica Master Association. Due to this clerical error, MCDC counsel advised MCDC to re-post and conduct another public hearing. President Schneible and Vice Chair McGill expressed appreciation to Caroline Perry for her flexibility and willingness to be available to present to the Board today again today. Caroline Perry shared that the Adriatica Master Association is a property owners association with 38 members that provides housing, office and retail services for McKinney residents. Their mission is to bring commerce and community to Adriatica Village by maintaining and improving the features and landscape of the Village.

She stated that the Village is likely the most photographed location in McKinney as the Croatian scenery and lake offers a beautiful setting. The large open field frequently hosts hot air balloons, and the lake is a popular spot for fishing, canoeing and paddle boarding. The Adriatica Business Association hosts 12 to 15 events in the public area each year that have attracted as many as 1,000 visitors, and event proceeds are donated to local nonprofits. Ms. Perry stated that the Adriatica Master Association has developed, maintained and improved the multi-acre open green space that is recognized beyond the City. They have completed numerous projects outside the developer scope to enhance the area and provide better connectivity to the City's existing pedestrian paths. To date, they have spent about \$200,000 on these improvements, not including maintenance expense. One phase remains which is to complete the harbor park area to beautify the area and make it a safer environment. Currently, the amphitheater bowl constantly erodes and creates dangerous conditions for the heavy foot traffic experienced daily. This grant request would provide funding to build amphitheater-style seating into the slope with multi-level, 18" concrete seating and grade level observation decks to the south of the seating area. It will also allow for the completion of 320 additional linear feet of cobblestone-stamped walkway and provide for irrigation and signage. Ms. Perry stated that this final phase would be complete about 180 days after the approval of this grant. Ms. Perry stated that if the project goes over budget, those expenses will be funded through special assessment. Ms. Perry shared that they have discussed the project with Parks Director Michael Kowski, and he is in support of the project and has stated that he welcomes being able to incorporate Adriatica into the City Parks programming. The return of the Smiles Charity event, music and arts festivals and community and family movie are among the highly anticipated benefits of enhancing this area. The space will be activated for free events and recreational value

for McKinney residents and visitors. Vice Chair McGill asked for public comments. She and Board Member Brewer encouraged public participation in these public hearings and Board meetings. Board members unanimously approved a motion by Board Member Brewer, seconded by Secretary Kelly, to close the public hearing. Board members unanimously approved a motion by Board Member Bradford, seconded by Treasurer Barnes-Tilley, to approve this agenda item.

22-0788 Vice Chair McGill called for consideration/discussion/action on Project Grant application submitted by City of McKinney (#22-18) in the amount of seven million and no/100 (\$7,000,000.00) for the publicly accessible open space courtyard and plaza to be constructed as part of the new City of McKinney Municipal Complex. Amount requested represents 7% of total project cost. Board members unanimously approved a motion by Secretary Kelly, seconded by Board Member Riche, to approve this agenda item. President Schneible reminded Board members that this will be funded from MCDC fund balance.

22-0789 Vice Chair McGill called for a Public Hearing and consideration/discussion/action on Retail Development Infrastructure Grant application (RI 22-02) submitted by The Cotton Mill in the amount of thirteen thousand seven hundred fifty-four and no/100 dollars (\$13,754.00) for exterior sewer infrastructure work needed for the completion of additional restrooms for a new event venue at the property located at 610 Elm Street in McKinney. Chandler Casey introduced himself and McCall Casey and shared that The Cotton Mill is a landmark retail location just off Highway 5, and they have been in McKinney for about 26 years, slowly renovating the historic Cotton Mill. They are requesting funds for a new sewer line. They are adding restrooms needed to bring their new event hall, The Atrium, up to code. The sewer line is exterior to the property line and goes along the parking lot out to

Elm Street. Their bid for the project was \$27,508.50 and includes new street paving, trench safety plan, PSI Testing Lab, parking lot concrete, wall opening for the line and trench safety protection equipment. They are requesting \$13,754.25. Their goal for the project was to be complete for Fall and Winter events, so they began work a couple of months back, and the project is now complete. Due to the timing of the project, they are presenting the already completed project for reimbursement. Secretary Kelly sought clarity on their reason for completing the project prior to completing a grant application, and Chandler McCall clarified that their timing did not fit within the grant cycles. Vice Chair McGill asked for additional Board and public comments. Board Member Bradford thanked the applicants for their consistent attendance at MCDC Board meetings. Board members unanimously approved a motion by Treasurer Barnes-Tilley, seconded by Board Member Brewer, to close the public hearing.

Vice Chair McGill called for public comments on matters not on the agenda, and there were none.

Vice Chair McGill called for Board comments. Secretary Kelly commented on the outstanding event hosted by Salesmanship Club and shared that the 2022 Byron Nelson raised over \$7 million for Momentous Institute. Mr. Kelly congratulated David Riche and Joy Booth on their Board appointments.

Vice Chair McGill recessed the meeting into Executive Session at 8:56 a.m. in accordance with the Texas Government Code. Deliberation regarding economic development matters include Project 22-12 (Heritage Guild), Project 22-14 (McKinney Main Street), Project 22-15 (Collin County History Museum), Project 22-16 (Adriatica Master Association), Project RI 22-02 (The Cotton Mill), Project BlueSky and Project 20-09 (TUPPS Brewery & Entertainment Destination).

Vice Chair McGill reconvened the meeting of McKinney Community Development Corporation back into regular session at 9:48 a.m.

Vice Chair McGill called for action on Executive Session discussion. Board members unanimously approved a motion by Board Member Bradford, seconded by

Secretary Kelly, to approve an extension to the term sheet for Project BlueSky as discussed in Executive Session.

Vice Chair McGill called for a motion to adjourn. Board members unanimously approved a motion by Secretary Kelly, seconded by Board Member Riche, to adjourn.

Vice Chair McGill adjourned the meeting at 9:49 a.m.

A video recording of this meeting is available through the City of McKinney meeting archive.

These minutes approved by the MCDC members on: _____

ANGELA RICHARDSON-WOODS
Chairman

DAVID KELLY
Secretary