

REINVESTMENT ZONE NUMBER ONE

MARCH 15, 2011

Reinvestment Zone Number One of the City of McKinney, Texas met in the Council Chambers of the Municipal Building on March 15, 2011 at 3:00 p.m.

Board Members Present: Chairman Don Day, Vice Chairman Travis Ussery, Joe Jaynes, Pete Huff, Geralyn Keever, and Ray Ricchi. Robbie Clark arrived at 3:20 p.m. Brian Loughmiller arrived at 3:22 p.m.

Staff Present: Deputy City Manager Jim Parrish; City Attorney Mark Houser; City Secretary Sandy Hart; Assistant Planning Director Kevin Spath; Senior Planner Jennifer Arnold; Director of Development Services John Kessel; Communications and Media Director CoCo Good; Strategic Services Manager Jason Cooley; Interim Deputy City Manager Lemuel Randolph; Main Street Director Ty Lake; Communications and Media Manager Anna Clark; Planning Director Jennifer Cox; Senior Planner Michael Quint; and Planner A. J. Satarino.

There were 6 guests present.

- 11-001TR1** Chairman Day called for Consideration/Discussion/Action on the Minutes of the Tax Increment Reinvestment Zone Number One Board Meeting of October 19, 2010. Board unanimously approved the motion by Ray Ricchi, seconded by Travis Ussery, to approve the Minutes of the Tax Increment Reinvestment Zone Number One Board Meeting of October 19, 2010.
- 11-002TR1** Chairman Day called for Discussion on the Administration of the Zone: 2011 Annual Work Program; Formal Process for Project Submission and Consideration; Long-Term Administrative Structure; Board By-Laws. Assistant Director of Planning Kevin Spath provided a brief update that included the Collin County Commissioners Court approving the interlocal agreement between the City, the Reinvestment Zone and the County at the requested 50 percent participation. Staff has been performing extensive external coordination with the Collin Central Appraisal District to make sure that they have the appropriate zone boundary, as this board has approved, and also external coordination with the State Comptroller's

office in trying to get the sales and use tax isolated to this geography. The Board agreed to schedule future meetings at 3:00 p.m. on the same day as regularly scheduled Council meetings. The Board agreed that the formal establishment of Board By-Laws was not desired at this time. Mr. Spath stated that Staff is trying to figure out how the TIRZ is best supported and coordinated within the City's organizational structure and within the context of the Town Center Initiative Business Plan and the McKinney Alliance Strategic Plan. Mr. Spath discussed establishing a formal application process for submitting projects. Chairman Day stated that City Council would like to see new City Manager hire a Director of Economic Development who will coordinate the MEDC, MCDL, MADC and both TIRZ1 and TIRZ2. City Attorney Mark Houser stated that Assistant to the City Manager Aretha Harvey has been looking at the application process for a number of TIRZs around the state and will be bringing options before the board to analyze at the next TIRZ meeting. GERALYN KEVER stated that she would prefer the City Manager to look for best practices, and look at those types of processes that are currently being used across the state and bring forward a recommendation for this body to consider as opposed to starting with the Board for that information.

11-003TR1 Chairman Day called for Discussion on the Historic Flour Mill Mixed-Use Catalyst Redevelopment Project. Chairman Day provided an update on the progress/status of the Historic Flour Mill mixed-use catalyst redevelopment project located between Virginia, Louisiana, Throckmorton and State Highway 5 and is part of the Town Center Study. Mr. Day stated that to implement the Town Center Master Plan, Staff applied for a grant a couple of years ago from the North Central Texas Council of Governments (NCTCOG). A grant was awarded for \$1,760,000 which requires the City to put in an additional \$440,000 in local match for the upgrade of the area around the Flour Mill. As part of

the grant, NCTCOG requires that the Flour Mill be renovated into a mixed use development that would include a residential component. Without the private renovation of the Flour Mill, the grant would not be available. Mr. Day stated that the owner of the Flour Mill has indicated a need for a grant from the TIRZ1 Board in the amount of \$200,000 that would only be funded after he completes his renovation and satisfies the conditions of the NCTCOG grant which should be in approximately 2 years. The owner will also be going before the McKinney Community Development Corporation (MCDC) to request funding to purchase property between the Flour Mill and the railroad track to turn it into a public parking lot. MCDC would retain ownership of this site. Mr. Spath stated that the City would have to have a cooperative funding agreement between the City, TxDOT, NCTCOG by June of this year in order to formally accept those grant dollars. Construction of the City's infrastructure improvements will need to be started by March, 2013 and the Flour Mill renovations will need to be substantially completed by December, 2015. Board requested a term sheet be brought back to the Board. City Attorney Mark Houser stated that the City Council could structure a Chapter 380 Agreement that could be later funded by the TIRZ money. Mr. Spath stated that the \$440,000 City match would be going to public street improvements. The \$250,000, if approved by MCDC, would be going toward purchasing the land and constructing a public parking lot. The \$200,000, if granted by the TIRZ Board, would be going to improvements inside the building. This will be brought back as an action item at the next TIRZ meeting.

11-004TR1 Chairman Day called for Consideration/Discussion/Action on the Annual Report. Assistant Director of Planning Kevin Spath explained the 2010 Annual Report. Board unanimously approved the motion by Pete Huff, seconded by GERALYN KEVER, to approve the Annual Report.

Board unanimously approved the motion by Ray Ricchi, seconded by Mayor Brian Loughmiller, to adjourn. Chairman Day adjourned the meeting at 3:50 p.m.

DON DAY
Chairman

ATTEST:

SANDY HART, TRMC, MMC
City Secretary