



Arete Athletics
1720 Bray Central
McKinney, Tx. 75069

June 24, 2022

Dear MCDC Board,

Thank you for the opportunity to submit the attached presentation and application for consideration. We had an opportunity to present an overview of our expansion plans a few months ago. Our next step was to go back and prepare more detailed information per your request. Additionally, we have completed all budgeting, contracting, and permitting for our new construction project. We are very pleased to announce that the project has kicked off, and we look forward to bringing this new facility to our great city in 2023!

Understanding that we are a small organization and taking on a very significant construction project, we would welcome your assistance with the attached application. Your assistance will allow us to bring additional amenities to our community at a much faster rate. I look forward to presenting in person and answering any questions you may have.

Thank you,

A handwritten signature in black ink, appearing to read "Lance Black", written over a light blue horizontal line.

Lance Black
Arete Athletics, Partner
lance@lblack.com
260 Adriatic Parkway
McKinney, TX 75072

McKINNEY COMMUNITY DEVELOPMENT CORPORATION
Project Grant Application
Fiscal Year 2022

Applications must be completed in full, using this form, and received by MCDC, via email or on a thumb drive. Contact us to discuss your plans and schedule a meeting with the Projects Subcommittee prior to completing the application.

Please submit application, including all supporting documentation, via email or on a thumb drive for consideration by the MCDC to:

McKinney Community Development Corporation
5900 S. Lake Forest Blvd., Suite 110
McKinney, TX 75070

Attn: Cindy Schneible (cschneible@mckinneycdc.org)

2022 Project Grant Application Schedule

Application Deadline	Presentation to MCDC Board	Board Vote and Award Notification
Cycle I: December 31, 2021	January 27, 2022	February 24, 2022
Cycle II: March 31, 2022	April 28, 2022	May 26, 2022
Cycle III: June 30, 2022	July 28, 2022	August 25, 2022

APPLICATION

Project Grants support for projects eligible for consideration under Sections 501 and 505 of the Texas Local Government Code. These include:

- Projects Related to the Creation or Retention of Primary Jobs
- Infrastructure Improvement Projects Necessary to Develop New or Expanded Business Enterprises
- Public Parks and Open Space Improvements
- Projects Related to Recreational or Community (city/public access) Facilities
- Professional and Amateur Sports and Athletic Facilities, including Children’s Sports
- Entertainment, Tourist and Convention Facilities
- Projects Related to Low Income Housing
- Mass Transit-Related Facilities (facilities and/or equipment)
- Airport Facilities

McKinney Community Development Corporation – Overview

In 1996 McKinney voters approved the creation of a 4B (now Type B) sales tax corporation to support community and economic development projects and initiatives to enhance quality of life improvements and economic growth for McKinney residents. MCDC receives revenue from a half-cent sales tax and awards grant funds for projects, promotional activities and community events that showcase the City of McKinney and support business development and tourism.

Guided by a City Council-appointed board of seven McKinney residents, the impact of investments made by MCDC can be seen throughout the community.

Projects eligible for funding are authorized under The Development Corporation Act and Chapters 501 to 505 of the Texas Local Government Code.

McKinney Community Development Corporation – Mission

To proactively work, in partnership with others, to promote and fund community, cultural and economic development projects that maintain and enhance the quality of life in McKinney and contribute to business development.

Guiding Principles:

- Serve ethically and with integrity
- Provide responsible stewardship
- Embrace our role and responsibility
- Honor the past – provide innovative leadership for the future
- Make strategic and transparent decisions that best serve the community

McKinney Community Development Corporation – Goals

- Ensure application/project eligibility for MCDC consideration under Sections 501 to 505 of the Texas Local Government Code (see information below)
- Meet citizen needs for quality of life improvements, business development and sustainable economic growth for residents in the City of McKinney
- Provide support for cultural, sports, fitness, entertainment, community projects and events that attract resident and visitor participation and contribute to quality of life, business development and increased McKinney sales tax revenue
- Highlight and promote McKinney as a unique destination for residents and visitors alike
- Demonstrate informed financial planning – addressing long-term costs, budget consequences and sustainability of projects for which funding is requested
- Educate the community about the impact that local dining and shopping has on investment in quality of life improvements in McKinney

General Guidelines

- Applications must be completed in full, **and provide all information requested**, to be considered by the MCDC board.
- Applicant must have been in business (preferably within the City of McKinney) for a minimum of two (2) years. The MCDC board may waive this requirement for economic development projects.

General Guidelines - continued

- The land, building or facility where the proposed project will be located should be owned by the Applicant. However, if the Applicant does not own the land, written acknowledgement/approval from the property owner must be included with the application. The letter must document the property owner is aware of the proposed use of the property or facility; and the property owner has reviewed the project plan and application, approves and supports the efforts of the Applicant.
- **Preference may be given** to Applicants who have **not** received funding from MCDC within the previous 12-month period.
- Performance agreements are required for all approved grants.
- Funded Projects must be completed within one year of the date the grant is approved by the MCDC board, unless an exception is granted.
- Completed Project must be inspected for Code compliance.
- A signed Contractor's Sworn Statement and Waiver of Lien to Date form must be completed, notarized and provided to MCDC prior to receiving grant funds.
- Property owner will be responsible for maintaining the infrastructure improvements made with funding for ten (10) years.
- Grant recipients must maintain financial books and records of the funded project and of their operations as a whole for at least two years, should MCDC or the City of McKinney require an audit. The books and records must be available upon request, and create a clear audit trail documenting revenues and expenses of the funded project.
- Within 30 days of completion of the funded project, the grant recipient is required to submit a final report that includes detailed information on the activity; visual documentation of pre and post-project completion; and any outstanding receipts for expenditures included under the scope of the grant.
- Grant recipient must recognize McKinney Community Development Corporation as a sponsor/funder of the project improvements. MCDC will provide a logo for grant recipient use.

Process

The McKinney Community Development Corporation Board of Directors are responsible for reviewing and voting on applications for grant funding, in accordance with requirements of the Texas Local Government Code.

- A completed application form must be submitted to MCDC in accordance with the schedule outlined above.
- The application will be evaluated to determine eligibility for MCDC funding under State law.
- Once eligibility for consideration is confirmed, a public hearing will be conducted, during a regularly scheduled MCDC board meeting, on the grant application submitted.
- Prior to the public hearing, notice will be published and posted in accordance with the requirements of the Open Meetings Act and the Texas Local Government Code. **The application, along with all documents/attachments will become public information once submitted to MCDC.**
- Following the public hearing, grant requests will be referred to a subcommittee of the MCDC board for evaluation and recommendation of approval or denial to the full board.
- Board action on the grant application will be scheduled for the board meeting the month following the public hearing.

- If a grant is approved, a performance agreement will be drafted for execution between MCDC and applicant.
- Funds awarded for approved applications are provided on a reimbursement basis, following submission of receipts and documentation of payment for qualified expenditures.
- The final 20% of the award may be withheld until a final project report is submitted to MCDC and compliance with all requirements of the executed performance agreement are confirmed.

APPLICANT INFORMATION

Name: Lance Black

Company: Arete Athletics

Federal Tax I.D.: 81-0837238

Incorporation Date: 12-14-15

Mailing Address: 1720 Bray Central Dr.

City: McKinney

ST: TX

Zip: 75069

Phone: 972-415-1128

Fax: N/A

Email: lance@lblack.com

Cell: 972-415-1128

Website: www.areteathletics.com

Check One:

- Corporation Partnership Sole Proprietorship
 Governmental entity
 Nonprofit – 501(c) Attach a copy of IRS Determination Letter
 Other

PROJECT INFORMATION:

Project/Business Name: Arete Athletics

Location of Project: 1720 Bray Central Dr.

Physical Address: 1720 Bray Central Dr.

City: McKinney

ST: TX

Zip: 75069

Property Size: 8 acres

Collin CAD Property ID: 2772841

Please provide the information requested below:

- An expansion/improvement Yes No
- A replacement/repair Yes No
- A multi-phase project Yes No
- A new project Yes No

PROPERTY OWNER INFORMATION *(if different from Applicant info above):*

Name: Lance Black

Company: Virtuwave Holdings, LLC

Mailing Address: 260 Adriatic Parkway

City: McKinney

ST: TX

Zip: 75072

Phone 972-415-1128

Fax: N/A

Email: Lance@lblack.com Cell: 972-418-1128

DETAILED PROJECT INFORMATION:

Project Details and Proposed Use: See attached document

Estimated Date of Project Completion: July 2023

Days/Hours of Business Operation: 8am – 10pm 7 days a week

Estimated Annual Taxable Sales:

Current Appraised Value of Property: ~\$6mm Estimated Appraised Value (*Post-Improvement*): ~\$13mm

Estimated Construction Cost for Total Project: ~\$8mm

Total Estimated Cost for Project Improvements included in grant request: \$987,750.00

Total Grant Amount Requested: \$987,750.00

Will funding be requested from any other City of McKinney entity (e.g. TIRZ Grant, City of McKinney 380, CDBG Grant)?

Yes

No

If yes, please provide details and funding requested:

Has a request for grant funding been submitted to MCDC in the past?

Yes

No

Date(s):

Will the project be competitively bid?

Yes

No

If yes, please attach bids for the project - TBD

Has a feasibility study or market analysis been completed for this proposed project? *If so, please attach a copy of the Executive Summary.*

NO

Additional Information – please attach the following (All Included in Presentation)

- Business plan
- Current financial report
- Audited financials for previous two years (if not available, please indicate why)
- Plat/map of property extending 200' beyond property in all directions (if applicable to your project)
- Detailed budget for the project
- Describe planned support activities; use; admission fees if applicable
- Timeline and schedule – from design to completion
- Plans for future expansion/growth

Acknowledgements

If funding is approved by the MCDC board of directors, Applicant acknowledges the following:

- The Project for which financial assistance is sought will be administered by or under the supervision of the applying individual/company.
- All funds awarded will be used exclusively for the purpose described in this application.
- Applicant owns the land, building or facility where the proposed infrastructure improvements will be made. If the Applicant does not own the land, written acknowledgement/approval from the property owner must be included with the application. The letter must document the property owner is aware of the proposed improvements and use of the property or building; and the property owner has reviewed the project plan and application, approves and supports the efforts of the Applicant.
- MCDC will be recognized as a funder of the Project. Specifics to be agreed upon by applicant and MCDC and included in an executed performance agreement.
- Individual/company representative who has signed the application is authorized to submit the application.
- Applicant will comply with the Grant Guidelines in executing the Project for which funds were awarded.
- Funded Projects must be completed within one year of the date the grant is approved by the MCDC board, unless an exception is granted.
- Completed Project must be inspected for Code compliance.
- A signed Contractor's Sworn Statement and Waiver of Lien to Date form must be completed, notarized and provided to MCDC prior to receiving grant funds.
- Property owner will be responsible for maintaining the infrastructure improvements made with funding from Grant for ten (10) years.

Acknowledgements - *continued*

- A final report detailing the successful completion of the Project will be provided to MCDC no later than 30 days following completion of the Project.
- Grant funding is provided on a reimbursement basis subsequent to submission of a reimbursement request, with copies of invoices and paid receipts for qualified expenses.
- Up to 20% of the grant funds awarded may be withheld until a final report on completion of the Project is provided to MCDC.
- A performance agreement will be required that may outline requirements for acknowledging MCDC funding support for the project. Additionally, it will contain a provision certifying that the applicant does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. Further, should the applicant be convicted of a violation under 8 U.S.C. § 1324a(f), the applicant will be required to repay the amount of the public subsidy provided under the agreement plus interest, at an agreed to interest rate, not later than the 120th day after the date the MCDC notifies the applicant of the violation.

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BY SIGNING THIS APPLICATION, I CERTIFY THAT I AM THE LEGAL OWNER OF THE ABOVE REFERENCED PROPERTY OR THAT I AM AUTHORIZED TO REPRESENT AND ACT ON THE BEHALF OF THE OWNER OF THE ABOVE REFERENCED PROPERTY. I ALSO CERTIFY THAT ALL OF THE INFORMATION PROVIDED HEREON IS ACCURATE AND TRUE SO FAR AS I AM AWARE AND UNDERSTAND THAT I AM LEGALLY RESPONSIBLE FOR THE ACCURACY OF THIS APPLICATION. I FURTHER UNDERSTAND THAT I AM NOT GUARANTEED A GRANT.

Applicant's Signature



Signature

Lance Black
Printed Name

6-24-22
Date

Property Owner's Signature



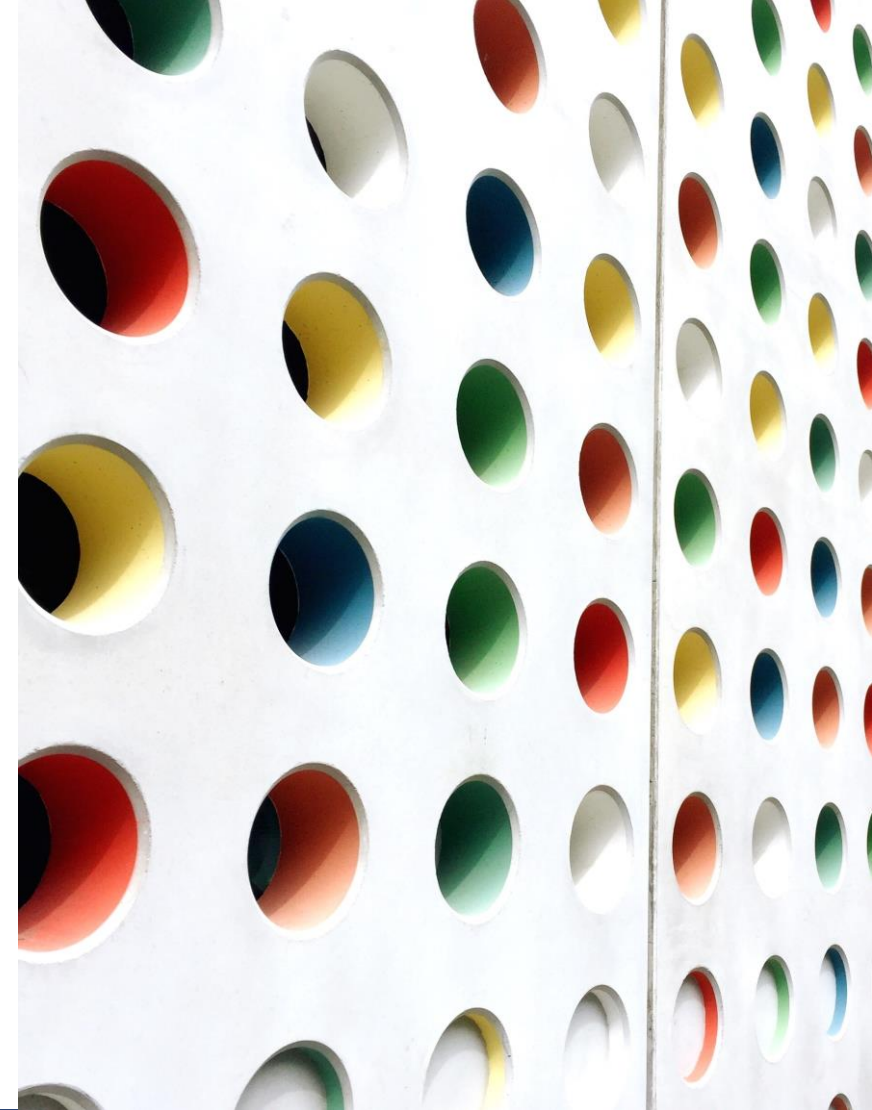
Signature

Lance Black
Printed Name

6-24-22
Date

INCOMPLETE APPLICATIONS, OR THOSE RECEIVED AFTER THE DEADLINE, WILL NOT BE CONSIDERED.

A FINAL REPORT IS TO BE PROVIDED TO MCDC WITHIN 30 DAYS OF THE COMPLETION OF THE PROJECT. FINAL PAYMENT OF FUNDING AWARDED WILL BE MADE UPON RECEIPT OF FINAL REPORT.



Facility Expansion Plan

June 15, 2022

The Meaning of Areté

“THE ‘**EXCELLENCE**’ AND MORAL
‘**VIRTUE**’ BORN FROM SEEKING
TO USE UP EVERY LAST DROP OF
REACHING ONE’S HIGHEST
POTENTIAL AND ABILITIES”



Development Beyond the Court



Leadership and Staff



KRISTA GIBSON

Executive Excellence Leader



LANCE BLACK

Executive Business Leader



PAM DEWEY

Executive Financial Leader

50 + Staff and Coach's

Current & Expansion Programming

- Club Teams - (Public tryout, but private club)
- Camps summer times - (Available to Public)
- Clinics - (Available to Public)
- Private lessons - (Available to Public)
- Lil' A's - (Available to Public)
- Adult Programming - (Available to Public)
- Training - (Available to Public)
- New - Pickleball Options - (Available to Public)
- Senior Fitness - (Available to Public)
- New - Cross Train - (Available to Public)
- New - The Areté Foundation

The Opportunity

Lack of youth facilities
in McKinney

Incredible growth in
and around Mckinney

Currently not enough
space for demand

Increased economic
impact to community

Increased space will
provide opportunity for
more programming
(Pickleball/adult
leagues/etc)

Increase in space will
allow better service
and more amenities for
families

Public Activity Offerings

- Summer Camps for boys/girls youth aged 6-18
- Volleyball position clinics on a regular basis
- Private Lessons
- Lil' A's Academy (academy training for ages 6-10)
- Adult Open Gym (Every Week)
- Pickleball (Adult Gym open during weekdays)
- Training (Full and complete training team onsite for fitness training)

Court Rentals for most activities - \$55/hr

Camps/Clinics are custom priced ranging from \$20-\$225/set of clinics

Adult Open Gym - \$5/night

Pickleball during off hours - \$20/hr or customer



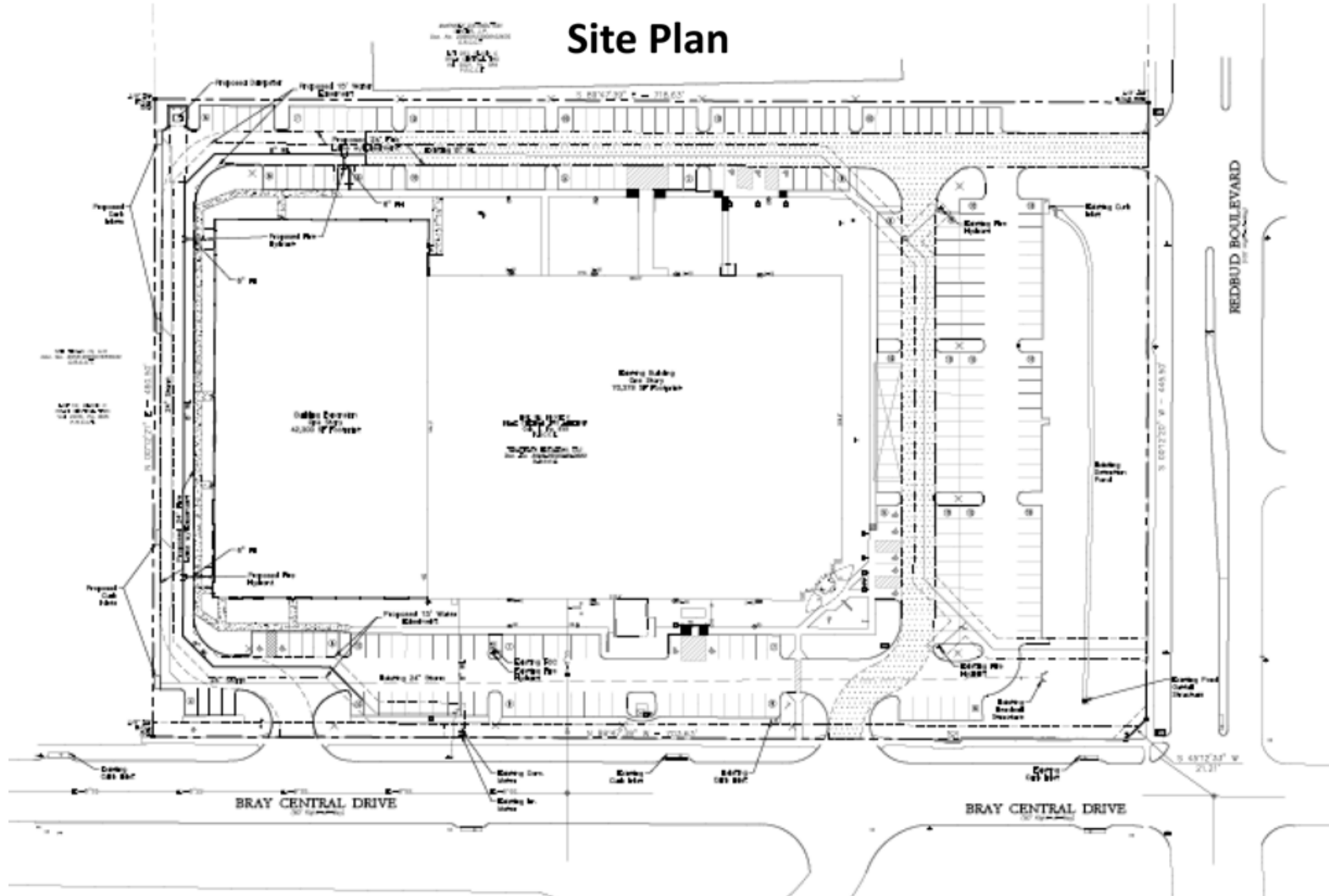
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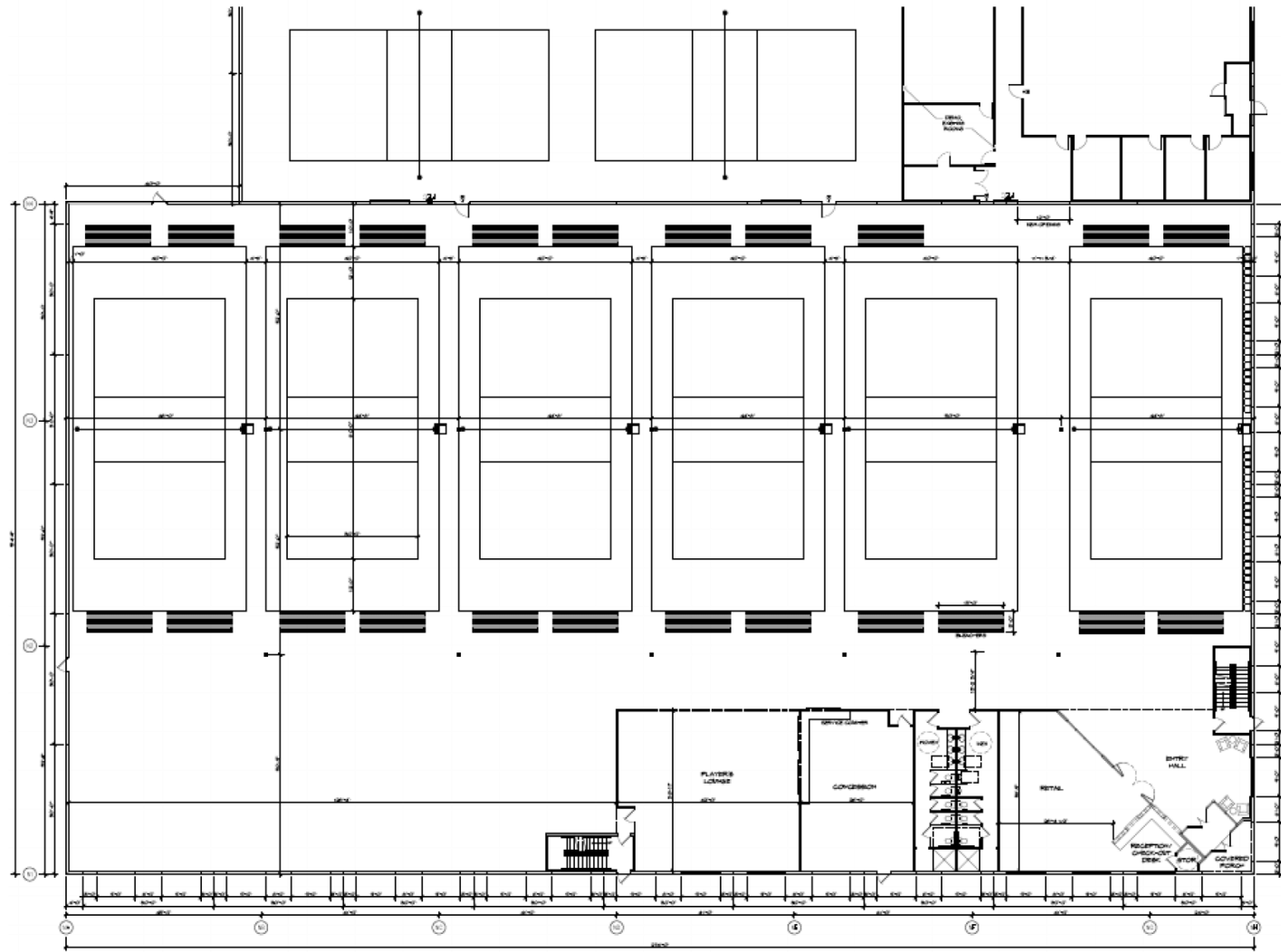


The Project: Expansion Poster

Site Plan



Floor Plan



Simple Economic Impact Example

- No other sports activity in McKinney has or has had as many weekend activities/tournaments as Arete
- In comparison, the Division II football game had an Economic Impact (EI) of approximately \$1.2 million attended by approximately 5,000.
- When Arete hosts weekend activities, we typically have approximately 1,500 players, parents, guests and visitors over two days.
- We estimate that 35% of them stay overnight.
- If you extrapolate that to only ten (10) activities over a six months period, our EI exceeds that of the DII Championship game.

Timeline

- Construction Contract Signed June 15th 2022
- Demolition – Site Grade – Utilities – June/July 2022
- Concrete – September 2022
- Steel – Walls – Roof – October/November 2022
- Framing/Insulation – December 2022
- Electrical/HVAC/Fire Sprinkler – January 2023
- Interior Sheetrock/FRP install/Trim – Feb/March 2023
- Low Voltage/Landscape/Stain Flooring – April 2023
- Buffer for Rain/Inspections/Holiday – May 2023
- Move In – June 2023

Arete Ownership has already committed to a \$7mm construction loan

Construction contract is signed, and work has begun

Arete will incur an additional \$80K in kitchen appliances once construction is complete

FF&E Budget

Courts	Price
Bleacher(s)	\$ 90,900
Poles/Nets	\$ 29,490
Courts	\$ 190,331
Shipping	\$ 4,202
Tax	\$ 10,279
<u>Fitness Room</u>	
Flooring/Court/Turf	\$ 35,543
Basketball Equipment	\$ 6,342
Strength/Cables/Racks Equip	\$ 82,464
Cardio/Cages Equip	\$ 18,459
Proteus	\$ 19,500
<u>TV/AV/Security Systems</u>	
Security Cameras	\$ 144,257
Access Security (Doors)	\$ 52,785
WIFI Access Points	\$ 36,460
Video Wall (Security Doc)	\$ 178,816
Audio	\$ 39,772
Energy Efficiency Automation	\$ 48,150
Grand Total	\$ 987,750



Contact Information

Lance Black 972.415.1128

John Valencia 214.202.3683



Building Our Community's Leaders