

**RESOLUTION NO. 2022-01-001**

**A RESOLUTION OF THE MCKINNEY COMMUNITY DEVELOPMENT CORPORATION, AMENDING GUIDELINES AND CRITERIA FOR FUNDING OF PROMOTIONAL EXPENDITURES, AND ENTERTAINMENT AND TOURIST PROJECTS; AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE.**

**WHEREAS**, the McKinney Community Development Corporation is a Type B economic development corporation operating pursuant to Chapter 505 of the Texas Local Government Code, also referred to as the Development Corporation Act (hereinafter referred to the "Act"); and

**WHEREAS**, Section 505.103 of the Texas Local Government Code provides in pertinent part that "[a] Type B corporation may spend not more than 10 percent of the corporate revenues for promotional purposes"; and

**WHEREAS**, in Texas Attorney General Opinion GA-0086 (2003), the Attorney General addressed promotional expenditures of economic development corporations and concluded as follows: (1) promotional expenditures of an economic development corporation are factual in nature for the board of directors to resolve in the first instance, nonetheless, a promotional expenditure under the Act must advertise or publicize the City of McKinney for the purpose of developing new and expanded business enterprises; (2) that City Council may approve or disapprove promotional expenditures; (3) that economic development corporations may not spend more than ten percent (10%) of its current annual revenues for promotional purposes in any given year; and (4) that unexpended revenues specifically set aside for promotional purposes in past years may be expended for such purposes; and

**WHEREAS**, Section 505.152 of the Act defines permissible entertainment and tourist related projects, in pertinent part as follows: "'Project' means land, buildings, equipment, facilities, expenditures, and improvements . . . found by the board of directors to: (A) be required or suitable for use for . . . entertainment, tourist, . . . purposes and events, including . . . auditoriums, amphitheaters, concert halls, . . . museums, exhibition facilities, and related store, restaurant, concession, . . . and other related improvements that enhance any of those items;" and

**WHEREAS**, the Board of Directors of the McKinney Community Development Corporation desires to establish a set of guidelines and criteria for the funding of promotional expenditures and entertainment/tourist projects.

**NOW THEREFORE, BE IT RESOLVED BY THE MCKINNEY COMMUNITY DEVELOPMENT CORPORATION, AS FOLLOWS:**

**Section 1. Findings Incorporated.**

That the foregoing recitals are hereby found to be true and correct legislative findings of the McKinney Community Development Corporation, and are fully incorporated into the body of this Resolution.

## **Section 2. Guidelines and Criteria for Promotional Expenditures.**

That the McKinney Community Development Corporation does hereby establish the following guidelines and criteria for the funding of promotional expenditures:

- (a) That consistent with Section 505.103 of the Texas Local Government Code, as amended, the McKinney Community Development Corporation is limited to funding ten percent (10%) of the annual Type B sales tax revenues for promotional purposes, and as approved by the City Council of the City of McKinney, Texas.
- (b) All funding by the McKinney Community Development Corporation of promotional projects must advertise, publicize or promote the City of McKinney for the purpose of developing new and expanded business development.
- (c) All funding of applications for promotional expenditures shall be on a reimbursement basis only. Accordingly, recipients of Type B sales tax revenue for promotional expenditures shall remit to the President of the McKinney Community Development Corporation, invoices, and or receipts which sufficiently evidence the qualified and approved promotional expenditure.
- (d) All promotional expenditures funded by the McKinney Community Development Corporation shall include a statement on the written or printed materials that the promotional activity or event was funded in part by the McKinney Community Development Corporation. Grant recipients will be provided a McKinney Community Development Corporation logo for use in their advertisement or promotional activity. Further, recipients will be required to enter into an agreement with the McKinney Community Development Corporation concerning the use of said funds in accordance with State law.
- (e) The funding of promotional expenditures shall be limited to the following forms of advertisement, promotion or publicity which advertises the City of McKinney for economic and business development purposes:
  - (1) Commercial advertisement to attract new businesses to the City of McKinney in the form of television, radio, newspaper, magazine or social media channels;
  - (2) Written literature that includes the purposes, activities or initiatives of the McKinney Community Development Corporation; or
  - (3) Printed materials containing the name of the McKinney Community Development Corporation on promotional items. T-shirts will not be eligible for reimbursement.
  - (4) Production and placement of a video promoting an event and the City of McKinney for business development purposes.
- (f) The Board of Directors of McKinney Community Development Corporation may establish additional grant award criteria.

**Section 3. Guidelines and Criteria for the Funding of Entertainment and Tourist Projects.**

That the McKinney Community Development Corporation does hereby establish the following guidelines and criteria for the funding of entertainment/tourist facilities projects:

- (a) The funding of entertainment and tourist projects shall be consistent with section 505.152 of the Act, and shall be limited to the providing of land, buildings, equipment, facilities, expenditures, and improvements found by the Board of Directors of the McKinney Community Development Corporation to be required or suitable for entertainment, tourist purposes and events, limited to the following: auditoriums, amphitheatres, concert halls, museums, exhibition facilities, related stores, related restaurants, related concessions, and other related improvements that enhance any of those items.
- (b) The funding of entertainment and tourist projects shall not include the funding of entertainers.
- (c) All funding of applications for entertainment and tourist related projects shall be on an eighty percent - twenty percent (80% - 20%) reimbursement basis only. Accordingly, recipients of Type B sales tax revenue for entertainment and tourist related projects may receive eighty percent (80%) advance funding for qualified and approved entertainment and tourist related projects. The remaining twenty percent (20%) may be reimbursed by the McKinney Community Development Corporation upon the submission by the applicant of receipts or invoices in the amount of at least one hundred percent (100%) of the qualified expenses for approved entertainment or tourist related project.
- (d) Applicants will be required to enter into an agreement with the McKinney Community Development Corporation concerning the use of said funds in accordance with State law.

**Section 4. Effective Date.**

This Resolution shall become effective from and after its passage.

**DULY RESOLVED** by the McKinney Community Development Corporation on this the \_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Angela Richardson-Woods, Chair  
McKinney Community Development Corporation

ATTEST:

\_\_\_\_\_  
, Secretary  
McKinney Community Development Corporation