

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

MAY 28, 2020

The McKinney Community Development Corporation met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on May 28, 2020 at 8:00 a.m.

Board members present: Chairman Jackie Brewer, Vice Chairman Rick Glew, Secretary Mary Barnes-Tilley, Treasurer Angela Richardson-Woods and Board members Kathryn McGill, David Kelly and John Mott.

Alternate Board member present: Deborah Bradford.

City Council members present: Mayor George Fuller, Councilman Scott Elliott and Councilman Frederick Frazier.

Staff Members Present: President Cindy Schneible; City Manager Paul Grimes; Assistant City Manager Kim Flom; Assistant City Manager Trevor Minyard; Assistant City Manager Barry Shelton; Financial Compliance Manager Chance Miller; Director of Parks and Recreation Michael Kowski; Main Street and MPAC Director Amy Rosenthal; and MCDC Administrative and Marketing Coordinator Linda Jones.

There were several guests present.

Chairman Brewer called the meeting to order at 8:03 a.m. after determining that a quorum was present. She announced that May is National Melanoma Skin Cancer Awareness Month and today is National Hamburger Day. Ms. Brewer invited attendees to participate in a moment of reflection considering recovery – recovery of loss, recovery of illness, recovery of addiction, recovery of depression and especially recovery of our community. She announced that the meeting can be viewed on Spectrum Channel 16, U-Verse Channel 99 and online at mckinney.legistar.com.

Chairman Brewer called for comments on agenda items, and there were none.

20-0427 Chairman Brewer called for a motion on the minutes of the McKinney Community Development Corporation meeting of April 23, 2020. Board members unanimously approved a motion by Treasurer Richardson-Woods, seconded by Board member Mott, to approve the minutes.

- 20-0428** Chairman Brewer called for a motion on the minutes of the McKinney Community Development Corporation Executive Committee meeting of May 13, 2020. Board members unanimously approved a motion by Board member Mott, seconded by Vice Chairman Glew, to approve the minutes.
- 20-0429** Chairman Brewer called for a motion on the minutes of the McKinney Community Development Corporation Finance Committee meeting of May 21, 2020. Board members unanimously approved a motion by Board member Kelly, seconded by Treasurer Richardson-Woods, to approve the minutes.
- 20-0430** Chairman Brewer called for the Financial Report. Finance Compliance Manager Chance Miller stated that April had a net profit of close to \$1 million, with revenues of about \$1.3 million and expenditures of about \$350,000. April sales tax, which reflects February sales, showed a 28% increase over April of 2019. This increase reflects an audit adjustment of \$800,000. He reminded the Board that this is the last normal report before the impact of COVID-19. The annual sales tax increase is now 14.4%. Mr. Miller asked for questions, and there were none. Chairman Brewer added that the sister city comparison again shows McKinney as favorable.
- 20-0431** Chairman Brewer called for Board and Liaison Updates.
City of McKinney. City Manager Paul Grimes updated the Board on two key programs regarding pandemic recovery. First is the McKinney Strong grant program, for which MCDC authorized \$1 million. President Schneible will provide details later in the meeting, but the first round went great and City Council will be discussing a second round at their June 2 regular meeting. Second is the CARES Act funding, which is federal funding that will be distributed to Collin County. Collin County will be sharing that funding with municipalities on a pro rata basis. City Council

has indicated that they would like to see a portion of that \$10 million go towards business recovery efforts. Mr. Grimes stated that he is already working with other county mayors, city managers and staff of neighboring communities to establish some consistency in how we all approach the business recovery assistance. He reminded the Board that CARES Act funding must be spent prior to the end of the 2020 calendar year. The other funding from CARES Act is about \$45 million for housing assistance, \$30 million upfront and \$15 million in reserve, to be used for rent, mortgage, food and utilities. This funding will be administered by Collin County, Frisco, McKinney, Plano and Allen. McKinney's share of this funding will be about \$6.9 million, and McKinney already has an infrastructure in place through our CDBG that can administer this funding. The application for housing assistance will open on June 1 and is very different from the CDBG rental assistance program that is geared towards low to moderate income households. The CARES Act assistance is based on 200% of median family income. In McKinney, a family of four with a household income of \$160,000 can still qualify for rental or mortgage assistance under this program. The program will offer around \$2500 a month for up to four (4) months with a \$10,000 maximum. Staff has already done a great job, but there's a lot of work to be done in the next six months, since the funding must be spent by year's end. He stated that Amy Rosenthal will update the Board on Downtown construction activities. Mr. Grimes asked for questions. Treasurer Richardson-Woods asked if there is a cap on the program for individuals who receive funding from multiple programs. Mr. Grimes stated that the McKinney Strong program is a totally separate program with different criteria than the CARES Act, so administration will be done separately and one program's funding will not impact the other program's funding.

Visit McKinney. President Schneible directed the Board to the report attached to the agenda and highlighted several items at the request of

Visit McKinney Director Dee-dee Guerra. Visit McKinney has completed their Cycle II grants. They received grant requests totaling \$36,280 and awarded \$22,000 including \$2,500 to Heritage Guild to promote weddings, \$500 to Heard Craig's Arts Meets Floral event and \$2,500 to SBG Hospitality for advertising and promotion of the new location for McKinney Wine and Music Festival. On behalf of Ms. Guerra and Visit McKinney, President Schneible expressed gratitude to the Board and City for their support for the Byron Nelson coming to McKinney beginning in 2021. She added that the Drum Corps International (DCI) event scheduled for this summer has been postponed but they still may host a drum line battle this summer.

McKinney Economic Development Corporation. President Schneible directed the Board to the report attached to the agenda.

McKinney Main Street/MPAC. Director Amy Rosenthal thanked Chairman Brewer for offering thoughts and reflection regarding recovery. She stated that the Downtown area is starting to see some recovery, and that the dine out event and extended patio seating brought in some shoppers and diners. She added that some shops are seeing 60%-65% of their typical normal Saturday sales. Downtown's goal is to make sure people are received in a safe manner, with many stores offering hand sanitizers, encouraging masks and limiting the number of occupants. Ms. Rosenthal shared that the goal is to get people back Downtown, and they have signs on Highway 5 and on Highway 75 promoting the Downtown area. The Light Up Louisiana construction project is moving forward and will beautify that area with wide sidewalks and lights. She thanked the Board for their support on the new neon signs and added that the third sign has been installed atop the parking garage. Downtown is working with SBG Hospitality for a Sip and Stroll Craft Beer Walk. Ms. Rosenthal shared that Main Street and MPAC staff are reimagining, recreating and rethinking their events. Most of the revenue for MPAC is typically

generated during summer, but with limited seating, they are working with TUPPS to host a summer concert drive-through series at the brewery. Additionally, they are considering a “reverse” July 4 parade, where the floats are parked and the cars drive through a route. Ms. Rosenthal asked for questions. Vice Chairman Glew expressed appreciation for the staff’s creativity. Chairman Brewer asked about the status for Oktoberfest. Ms. Rosenthal stated that Oktoberfest will be a combination of multiple smaller events over an extended period of time with the goal of bringing people in to celebrate, shop and dine at the restaurants rather than one big event with food vendors.

McKinney Parks and Recreation. Director Michael Kowski announced that recreation centers will reopen on June 1 with limited capacity and a phased approach will allow for evaluations before fully opening. He invited the Board to visit the Parks website, sign up for their newsletter and check out the video series on YouTube. They are currently evaluating the traditional July 4 celebration, but hope to be able to provide fireworks for residents. Mr. Kowski thanked the Board for the joint meeting that offered proactive thinking and good conversation. He asked for questions. Treasurer Richardson-Woods commented that she and her daughter have been enjoying the dog park and walking trails at Bonnie Wenk. Chairman Brewer added that she has noticed the lights going up at Al Ruschhaupt Park. Mr. Kowski added that they have completed three playground replacements. Board member McGill commented that her neighborhood is connected to one of the long nature trails, and she enjoys seeing all the wildlife that results from preserving green space. Board member Kelly asked for an update on the Fitness Court, and Mr. Kowski stated that it should be available in about a month, adding that the concrete slab has been poured and the equipment has been delivered.

Chairman Brewer commented that her thoughts and prayers are with the family of Sam Johnson, who passed away.

20-0432 Chairman Brewer called for the President's Report. President Schneible offered a recap of the Small Business Recovery Grant Program, stating that we received 271 applications and 225 grants have been approved so far for a total of \$336,000. She added that seven applications are still under review, and 29 have been declined. Of those 29, ten were duplicates and most of the remainder were declined because they were located outside of city limits or they were home-based. She expressed gratitude for those who have been involved in the process, including a team of eight reviewers from across city departments. It has truly been a team effort with support from Development Services, MPAC, Visit McKinney, City Manager's Office, Legal, Finance and GIS. Ms. Schneible called attention to the reports attached to the agenda, including a final report for the neon lights project. She reminded the Board of the deadline tomorrow (May 29) for Cycle II of Promotional Grants that will be presented to the Board at the June meeting. Ms. Schneible stated that the discretionary project grants balance is \$747,161. Applications from Cycle II projects will be presented today in addition to a couple of other projects, one that is scheduled for Board action today which is an economic development project that would be funded from the fund balance if approved. Ms. Schneible asked for questions. Treasurer Richardson-Woods asked what expenses most of the recovery grants awarded reimbursed. Ms. Schneible stated that utilities, communications and rent were the eligible categories, and most of the awards covered rent. Treasurer Richardson-Woods asked if there would be a second round of grants, since there's money left from the \$1 million originally allocated by the Board. President Schneible answered there could be another round, and there's a stimulus team that meets regularly to

reassess the needs of the community, so funds could potentially be redirected at some point. Chairman Brewer asked if CARES funding would provide a path for funding for businesses that are not within the city limits. City Manager Paul Grimes stated that the CARES Act funding for business recovery is not designed to include ETJs, but the city will look for ways to address this need with the county. Regarding the MCDC funded recovery grant, Secretary Barnes-Tilley asked if staff reached out to those whose applications were missing information or were not submitted. Ms. Schneible responded that those entities received multiple emails and phone calls, even offering to help get information to the application. We expended great effort to help those folks. She added that we will be proposing a second round, and that we plan to target those 220 entities with incomplete applications. We are also keeping a list of those who have shared that they missed the first round and will email that group if a second round opens. Chairman Brewer said she was proud of this recovery grant program and how quickly the team was able to help businesses before it was too late for them. She cited that a few companies even withdrew their applications after reopening in order to get funds to other small businesses that needed it more. Treasurer Richardson-Woods asked when companies will receive the funding, and Ms. Schneible stated that it's already in their accounts. Board member Kelly asked how the issue of reimbursement was resolved, and Ms. Schneible explained that applicants only had to present documentation of their bills up to \$1,500 to receive the amount requested. Board member Kelly commented that he was happy to see so many Downtown businesses on the list. Vice Chairman Glew asked if the presentation later in the meeting would show applicant location information, and Ms. Schneible said it would. Mr. Glew added that the report shows that applications were from all over McKinney, and he is pleased that the reach was throughout the city. Chairman Brewer referred the Board to

the ManeGait final report, stating that their event was canceled but they are doing an online fundraiser called Back in the Saddle. She added that Empty Bowls was also an online event, and asked that the Board remember all those nonprofits that had to cancel their events.

20-0312 Chairman Brewer called for a Public Hearing and consideration/discussion/action on an application submitted by McKinney Parks Foundation (#20-05) in the amount of five thousand nine hundred twenty-four and 89/100 dollars (\$5,924.89) for interior and exterior restoration of a shipping container to be used for storage and procurement of tools and supplies to be used in the management, enhancement, restoration and maintenance of McKinney Park's properties. Amount requested represents 100% of the project cost. Chairman Brewer called for public comments, and there were none. Board members unanimously approved a motion by Board member Kelly, seconded by Board member McGill, to close the Public Hearing. Board members unanimously approved a motion by Treasurer Richardson-Woods, seconded by Vice Chairman Glew, to approve funding in the amount of \$5,924.89.

20-0313 Chairman Brewer called for a Public Hearing and consideration/discussion/action on an application submitted by Hugs Café, Inc. (#20-06) in the amount of thirteen thousand three hundred twenty-four and 90/100 dollars (\$13,324.90) for the purchase and installation of greenhouse heaters, electrical infrastructure and misters. Amount requested represents 33.88% of total project cost. Chairman Brewer called for public comments, and there were none. Treasurer Richardson-Woods shared that she visited the Hugs Greenhouse last week and was impressed by the operation, products and pricing, adding that she is proud to be a part of this project that will allow for diversification in their growing methods and additional employment opportunities. Chairman Brewer shared that Hugs Greenhouse also has a booth at the Farmers

Market. Board members unanimously approved a motion by Board member McGill, seconded by Board member Kelly, to close the Public Hearing. Board members unanimously approved a motion by Vice Chairman Glew, seconded by Board member Mott, to approve funding in the amount of \$13,324.90.

20-0314 Chairman Brewer called for a Public Hearing and consideration/discussion/action on an application submitted by McKinney Main Street and the Historic Downtown McKinney Cultural District (#20-07) in the amount of sixty-six thousand and No/100 dollars (\$66,000.00) for the purchase of "Better Block in a Box", a project that Includes all elements for placemaking and pop-up events and activities. Amount requested represents 93% of total project cost. Chairman Brewer called for public comments, and there were none. Board members unanimously approved a motion by Treasurer Richardson-Woods, seconded by Board member McGill, to close the Public Hearing. Chairman Brewer added that the timing of this project is good, as Main Street will be planning small events to help stores bounce back from COVID. Board member Kelly asked when the box would be available. Main Street Director Amy Rosenthal replied that it would be available for the Oktoberfest series of events. She reminded the Board that the box is specifically custom-made for McKinney and would be branded and wrapped to include MCDC and Downtown messaging. Treasurer Richardson-Woods asked if the Board could see a mock-up, and Ms. Rosenthal said she could send that to the Board when available. Board members unanimously approved a motion by Treasurer Richardson-Woods, seconded Secretary Barnes-Tilley, to approve funding in the amount of \$66,000.

20-0315 Chairman Brewer called for a Public Hearing and consideration/discussion/action on an application submitted by District 121, LLC (#20-08) in the amount of two million forty thousand two hundred fifty and

No/100 dollars (\$2,040,250.00) for the development and construction of The Commons at District 121, a .7 acre privately owned and maintained, publicly accessible open space and landscaped area featuring a stage with LED screen, outdoor rooms defined with floor pavers/stamped concrete, cushioned seating, tables and umbrellas, outdoor fire pits, children's play area, lighting, sound systems and seating for the District 121 office, entertainment, retail and restaurant mixed-use development in Craig Ranch. Amount requested represents 100% of the cost for the project. Chairman Brewer called for public comments, and there were none. Board members unanimously approved a motion by Vice Chairman Glew, seconded by Board member Kelly, to close the Public Hearing. Chairman Brewer reminded the Board that this project would be funded through the fund balance. Vice Chairman Glew added that during the Executive Committee meeting, there was consensus by the MCDC Executive Committee, Mayor, Council and City Manager that this should be a priority project. Board members unanimously approved a motion by Secretary Barnes-Tilley, seconded by Vice Chairman Glew, to approve funding in the amount of \$2,040,250.00.

20-0433 Chairman Brewer called for a Public Hearing and consideration/discussion/action on an application submitted by TUPPS Brewery (#20-09) in the amount of eleven million three hundred thirty-three thousand two hundred sixty-two and No/100 dollars (\$11,333,262.00) for the rehabilitation and revitalization of the property located at the southeast corner of Greenville and Dungan Streets to create a World-Class Cultural and Entertainment Destination to serve as a catalyst for economic development East of Highway 5 in McKinney, Texas. TUPPS President Keith Lewis thanked the Board for the opportunity to share their vision for making McKinney their forever home. He shared that they have been working with the city for five or six months regarding a new location and

have found a vibrant spot. TUPPS Brewery was opened in May 2015 after four years of brewing in the Lewis' home garage. They brewed 350 barrels the first year, then added canned beer in 2016, expanded to Austin in 2017, partnered with Ben E. Keith for distribution in 2019 and are now one of the top brands in Austin, outselling virtually all of the Dallas brands there. In 2019, they added Kroger as retail partner and expanded into Oklahoma. Even in the 2020 environment while their draft business is nearly zero, TUPPS has seen significant increases in their packaged goods sales. This year, TUPPS is entering the hard seltzer business with a product called Blurr. Mr. Lewis shared that during this pandemic, TUPPS had zero layoffs and did not apply for any funding. He stated that their biggest challenge now is that they've outgrown their current location with every tank full, and they are projected to brew 11,000 barrels, 12,000 with a successful launch of seltzer. TUPPS offers a fun atmosphere for young adults and families and hosts many events including the St. Patrick's Day Festival, Fourth of July celebration, parades and charity events. TUPPS has a passion for the music community, artists and craftsmen, but their ability to host even bigger events is limited by its current location. They currently bring in food trucks for events, but they envision an expansion that includes food offerings. Connecting with the community is important to TUPPS, and they have various beer labels that highlight charities and foundations. A portion of the sales from those labels goes to the charity featured on the can. Rising Hope beer supports the breast cancer foundation, Dive Bar Brunch supports musicians, Red Cross beer supports American Red Cross, and Trailhead supports veterans. Sales from Trailhead have already funded one veteran on a hike to Mount Kilimanjaro. In Texas, TUPPS is ranked number sixteen in sales out of 341 breweries and anticipates being in the top ten soon. They are the fifth largest brewer in DFW with the fourth most vibrant taproom. Mr. Lewis stated that the

location they are looking at in McKinney is the historic McKinney Grain site at the corner of Greenville and Dungan, strategically located to be a catalyst for bringing people east from downtown. Mr. Lewis showed drawings and discussed plans for the 4.5-acre site including a 10,000 square foot taproom (current taproom is 3,000 square feet); office space; a barrel aging room which will add to the ambience of a tour while aging high-octane beers for flavor; an enclosed production facility; an outdoor bar; outdoor entertainment zone including a stage; a relaxing water feature; an adult play area; a kids play area; and a culinary school in partnership with Collin College. The outdoor areas would be open for anyone to enjoy the art and entertainment. The goal is to be a craft community focusing on beer, entertainment, music, food, artists and craftsmanship, all on one campus. Mr. Lewis stated they have received estimates from three firms, and they are asking MCDC for just over \$11.3 million structured as a long-term lease from the city with an option to own. The financial structure includes a two-percent (2%) revenue share with the city. Mr. Lewis added that other cities including Denver, Portland, Minneapolis and Charlotte have seen success in opening breweries to help revitalize areas that need help. In the new location, Mr. Lewis believes the brewery could generate tourism for downtown and east side areas. He shared that since September 1, the brewery has served 30,000 unique individuals at the brewery. Most come to the brewery then go home; but the goal is for them to come to the brewery, then stay for downtown activities. Mr. Lewis asked for questions. Treasurer Richardson-Woods asked if the design would allow organizations to rent space, and Mr. Lewis stated that the taproom, barrel age room and space within the actual brewery would be available for groups. The brewery area with steel tanks is planned with a 5,000 square foot area for larger corporate groups as well. Vice Chairman Glew asked about the vast difference in some of the quotes. Mr. Lewis explained that this is the first

round of estimates, and the next phase will be working with more detailed ideas and will provide more granularity. He added that the design will look and feel like the current TUPPS location. Board member Mott asked if there was any type of sound barrier at the corner where the stage would be located. Mr. Lewis stated that the stage is on the south end facing north. There will be containers along the backside. He added that most of the performers will be singer-songwriter acts and most of the time the music ends at 8:00. Board member Kelly asked for further information regarding the impact on the existing communities. Mr. Lewis stated that TUPPS has been sensitive to their neighbors and would continue being good neighbors. He added that the people on the east side seem to be excited that as economic development happens, their property values rise. Board member Kelly expressed concern about current residents being able to afford to stay in their homes as values rise. Mayor George Fuller stated that this is always an issue with gentrification, and that the city is already investigating some possible avenues that could be available with legislation to provide protection for current residents. The goal would be for everyone to benefit from the gentrification, and that residents could benefit when they sell but not be priced out while still there. Mayor Fuller stated that there is not an easy model available, but that McKinney is prepared to blaze a trail that ensures existing homeowners ride the wave of economic growth and benefit and not be a victim of it. Board member Kelly asked who would be responsible for maintenance of the property, and Mr. Lewis replied that TUPPS will be. Board member Kelly added that he's extremely excited for this project. There was competition for this project and city staff worked hard to put a package together that works for everyone. Chairman Brewer thanked Mr. Lewis for the presentation and for giving back to the community while bringing economic growth to the east side of town. Vice Chairman Glew added that at the top of MCDC's strategic

goals are redevelopment east of Highway 5, making Downtown McKinney a cultural center and building a destination center, and this project checks all three of those boxes. Secretary Barnes-Tilley added her support of the project. Vice Chairman Glew asked if the outdoor area would have shade structures, and Mr. Lewis said there will be shade structures in the design. Chairman Brewer stated that the Public Hearing will remain open until the June MCDC Board meeting.

20-0434 Chairman Brewer called for a Public Hearing and consideration/discussion/action on amendments to a Project Grant approved for The North Texas Family Health Foundation (#19-08) in the amount of \$800,000 for horizontal infrastructure costs related to the construction of a Federally Qualified Health Center, located at 1620 Virginia Parkway, McKinney Texas to extend the date to obtain a Certificate of Occupancy to December 31, 2020; and to extend the deadline for employing and maintaining a minimum of fifty-one full-time equivalent employment positions to December 31, 2025. Kate Perry, Director of Healthy Communities for Independence Financial, stated that she is the lead for the design build on the Family Health Center. She introduced James Tippit, President of North Texas Family Health Foundation, and Rob Temple, Head of Government Relations. Ms. Perry reminded the Board that the center is a medical home providing medical, dental and behavioral health services without regard to ability to pay. Their temporary site opened in December 2017. They expanded in 2019 to include women's healthcare services. Over the past year, the clinic has seen nearly 4,000 patients and provided more than 17,500 services. The majority of patients are from Collin County and most are from the area immediately surrounding the clinic. Ms. Perry shared that the new site is well underway. In January, they pulled the permit and paid impact fees. Concrete was poured in April for the foundation, fire lanes and parking.

Steel started going up in May, and the initial framing is almost complete. While these milestones are exciting, Ms. Perry stated that COVID-19 is impacting their daily activities, but the clinic team is doing a phenomenal job in adapting to changing conditions. The clinic is partnered with the One Heart McKinney initiative and looking for ways to respond and recover. With unemployment, the clinic has seen a rise in uninsured patients and in those seeking behavioral services. Board members unanimously approved a motion by Treasurer Richardson-Woods, Secretary Barnes-Tilley, to close the Public Hearing. Board members unanimously approved a motion by Secretary Barnes-Tilley, seconded by Board member McGill, to approve both extensions.

20-0435 Chairman Brewer called for consideration/discussion/action on a request by Kiwanis Club of McKinney to extend the term on Promotional and Community Event Grant (PC#19-06) to October 31, 2020 in order to accommodate promotion of the McKinney Kiwanis Triathlon scheduled for September 20, 2020. President Schneible stated that the Kiwanis Club was forced to postpone this event again due to COVID-19. The new event date is September 20. Board members unanimously approved a motion by Vice Chairman Glew, seconded by Board member Mott, to approve the term extension.

20-0436 Chairman Brewer called for consideration/discussion/action on McKinney Strong COVID-19 Business Grant Program - Phase II. President Schneible reminded the Board that this grant was made available to small businesses and nonprofits in McKinney with 50 or fewer FTEs. Applicants were required to provide documentation supporting hardship endured because of COVID and documentation of eligible expenses including rent, utilities and communications. The application period was May 1-10. A postcard mailer went to 3,000 small businesses, and the grant was heavily promoted through social media platforms including

Facebook, Twitter and Instagram of MCDC, City of McKinney, Chamber, Visit McKinney, MEDC and Main Street. She reminded the Board that 271 applications were received, 253 were started but never submitted. Applications came from across McKinney, with a strong cluster from downtown businesses. She added that 92% of the applicants were businesses and 8% were nonprofits. Retail represented the largest category of business type, but there was a variety. Ms. Schneible reminded the Board that this was a city-wide effort including staff from MCDC, MPAC, Visit McKinney, Finance, Development Services and the City Manager's Office. Reviewers used a variety of resources to make sure applicants were either a registered business or nonprofit within the city limits. Most of the applicants were positive and expressed appreciation, while a small number shared they felt the process was too complicated. Some even withdrew their applications, since they were able to reopen and concluded they didn't need the assistance. The team has already had some discussions but will continue to identify ways to improve efficiency if we go forward with a second round. Ms. Schneible reminded the Board that the grant was to provide a maximum \$1,500 grant based on eligibility of the applicant. This first round of funding totaled about \$350,000, leaving \$650,000 of the original Board allocation. The team is asking the Board, and will be asking Council, to open a second round. This round would target those who started an application but did not submit. She offered that other possible changes to the program may include expanding the parameters to home-based businesses if we can document that they remit sales tax to McKinney; consider changing the employee count requirement; and limiting to small businesses. One reason to limit to small businesses is that there are other resources available for nonprofits through One Heart McKinney and the North Texas Cares grant. Another topic under discussion that may or may not be relevant to MCDC in terms of funding is an additional

program with a larger grant amount. Ms. Schneible stated that some businesses, particularly restaurants, have suffered huge losses because of inventory. The stimulus team comprised of staff from MCDC, City Manager's Office, Visit McKinney, MEDC, Main Street and the Chamber meet regularly to consider community input and needs and how programs can be structured to address those needs. Ms. Schneible asked if Assistant City Manager Kim Flom had anything to add, and Ms. Flom thanked her for her hard work. Vice Chairman Glew asked if there were parameters regarding other funds available for and distributed to nonprofits, and Ms. Schneible replied that she has requested that data but hasn't seen a report back at this time. City Manager Paul Grimes stated that One Heart McKinney has pledges of about \$200,000 and already has distributed about \$45,000 to \$50,000 already to nonprofits. Mr. Glew asked about the other source for nonprofits, and Ms. Schneible replied that North Texas Cares is spearheaded by Communities Foundation of Texas and United Way of Dallas with a number of other funders and is administering larger grants in amounts of \$40,000 to \$50,000 to nonprofits, based on the organization's budget. Mr. Glew asked if it was too late to still consider nonprofits whose Round 1 applications were not completed, and Ms. Schneible replied that there were no nonprofits in the unsubmitted category. Chairman Brewer asked if the awarded funds to nonprofits were distributed as quickly as those to businesses, and Ms. Schneible stated that the goal is to get funding to nonprofits as quickly as possible, so they are reviewing and funding as applications come in. Ms. Brewer asked about the plan to add home-based businesses, and Ms. Schneible said they are seeking the Board's input on that. Treasurer Richardson-Woods asked about the needs of applicants of home-based businesses who were declined, and Ms. Schneible stated that the team is looking to grant reimbursement for utilities and communications for home-based businesses and considering

that the potential amount should be smaller than for businesses with commercial locations. Board member Kelly asked for clarification regarding non-business entities, and Ms. Schneible stated that the proposal for a second round as presented would not include nonprofits. Mayor Fuller added that Council discussions have led to a general consensus that the amount for non-brick and mortar, home-based business should be \$1,000 versus \$1,500 for commercially located businesses. Vice Chairman Glew asked how the team would verify that the home-based business is legitimately generating revenue, adding the difficult to determine a livelihood from a hobby. Mayor Fuller replied that the goal will be to help those legitimate businesses as best as possible, but there will be challenges that the staff will have to find a way to overcome. Board member Kelly expressed his belief that there would be limited abuse to the program and a \$1,000 limit is reasonable. Mr. Glew clarified that he was inquiring if there was a question on the application that would allow the applicant to identify their home-based business as one or the other. Treasurer Richardson-Woods and Vice Chairman Glew stated their agreement with \$1,500 for small businesses and \$1,000 for home-based businesses. City Manager Paul Grimes stated that a business would likely have a tax ID and a hobby would not, so that may be the differentiator. Secretary Barnes-Tilley commented that \$1,500 or \$1,000 covers only a small amount. Board member Mott asked if this would be a reimbursement program, and Ms. Schneible stated that it would be based on proof of expense. Ms. Schneible summarized what she's hearing from the Board is that the Board would like to proceed with a second round that includes home-based businesses at \$1,000. Secretary Barnes-Tilley also clarified that the employee count would remain at 50 or fewer FTEs. Board member Kelly asked about the consideration of a larger grant amount for the second round. Ms. Schneible stated that there has been a lot of discussion, and the concern

for this program was being able to ensure equity for those who applied in the first round. The team is considering larger grants, possibly to larger companies, through a separate program that would be funded through a variety of sources including funds from the CARES Act, the City of McKinney, MEDC and possibly MCDC funds remaining after a second round of recovery grants. Board members unanimously approved a motion by Chairman Brewer, seconded by Board member Kelly, to approve the extension of the McKinney Strong COVID-19 Small Business Grant program in an aggregate amount not to exceed one million dollars (\$1,000,000) according to parameters discussed to support economic development, specifically business retention, to promote business recovery and ensure economic health of businesses in the City of McKinney. The amount available subject to the ten percent (10%) signature cap under the Texas Local Government Code 505.103 and further subject to any currently budgeted promotional expenses. Estimated amount currently is \$650,000.

20-0437 Chairman Brewer called for consideration/discussion/action on the proposed FY 21 MCDC budget for submission to the City Manager for review. Chairman Brewer stated that the Finance Committee (herself, Board member Kelly and Treasurer Richardson-Woods) met and reviewed the proposed budget. She called attention to several items that were discussed in detail including increases for expenses associated with costs to MCDC for continuing to maintain our own website and for increases in the amount for Promotional and Community Event Grants from \$150,000 to \$200,000. Chairman Brewer also clarified that the HUB 121 grant may not fund this year due to COVID-19, so that's in the budget for next year as well. President Schneible added that the budget includes an additional allocation for 10% of total revenue for future COVID-19 recovery projects and a one-time increase of support for

MPAC from \$375,000 to \$500,000 for FY21. Vice Chairman Glew stated that he agrees with increasing the Promotional and Community Grants to \$200,000 and expressed concern that applicants are increasingly asking for the \$15,000. He proposed that specific measures be put in place to help the subcommittee with applicant evaluations in order to fair and equitable. Ms. Schneible added that we go through a review process on the grant application at the end of each fiscal year and would welcome input regarding how the criteria and application might change. She added that applicants are required to include a budget that supports their request. Board member Kelly asked if it would be possible to require quotes for specific media purchases rather than just an overall budget, and Ms. Schneible added that we could consider that, but it would be difficult especially for smaller nonprofits. Mr. Glew added that getting quotes that far in advance would be difficult for any group but suggested that we make sure the granularity for each grant is consistent. Treasurer Richardson-Woods added that the Finance Committee did discuss not necessarily awarding all the grants available but to do due diligence in evaluating all applications. Chairman Brewer offered that Board members should be reviewing the application packets in advance and letting staff know of areas that need more information or clarification by the applicants. Treasurer Richardson-Woods added that there is value in reviewing how repeat applicants used their funding. Mr. Glew suggested we could add a list of five or six questions that applicants need to include when presenting, such as what percentage of your revenue will go to the charity you are supporting or how many from outside the city will be attending your event. Board member McGill agreed that being able to standardize as much as possible will help evaluate the impact of the work of each organization. Board member Kelly asked if the subcommittee can work with staff to restructure the application before the next round of grants, and President Schneible agreed that we could move forward with

this idea. Ms. Schneible added that this budget reserves about three million (\$3,000,000) for future projects. Board members unanimously approved a motion by Treasurer Glew, seconded by Board member McGill, to approve the budget with subcommittee recommendation to increase the Promotional and Community Events Grant line item to \$200,000. Ms. Schneible reminded the Board that this proposed budget will be reviewed by the City Manager's team and City Council, and MCDC will have an opportunity to make changes based on their recommendations.

Chairman Brewer called for Citizen Comments, and there were none. She shared birthday wishes to Board members McGill and Bradford and expressed condolences to Vice Chairman Glew for the loss of his mother.

Chairman Brewer recessed the meeting into Executive Session at 10:20 a.m. in accordance with the Texas Government Code. Items to be discussed under Section 551.072 regarding Real Property and Section 551.087 regarding Economic Development Matters were Project 18-05 McKinney HUB 121, Project Moe, Project FPS, and Project 20-09 TUPPS. Chairman Brewer stated that there would be no further action taken following the Executive Session.

Chairman Brewer reconvened the meeting of the McKinney Community Development Corporation back into regular session at 11:29 a.m.

Chairman Brewer called for a motion to adjourn. Board members unanimously approved a motion by Treasurer Richardson-Woods, seconded by Board member Kelly, to adjourn. Chairman Brewer adjourned the meeting at 11:31 a.m.

MARY BARNES-TILLEY
Secretary