

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

JULY 24, 2014

The McKinney Community Development Corporation met in regular session in the Dowdy Board Room, 5900 S. Lake Forest Drive, McKinney, Texas, on July 24, 2014 at 8:00 a.m.

Board members Present: Chairman George Fuller, Vice Chairman Scott Elliott, Secretary/Treasurer Colleen Smith, Michael Puhl, David Clarke, and David Myers. Absent: Board member Kurt Kuehn.

Staff Present: President Cindy Schneible; Marketing Director Cayti Stein; Chief Financial Officer Rodney Rhoades; Accounting Manager Trudy Mathis; Interim Parks, Recreation, and Open Space Director Ryan Mullins; City Secretary Sandy Hart; Interim City Manager Tom Muehlenbeck; Fire Chief Danny Kistner; MPAC/Main Street Director Amy Rosenthal; McKinney Convention and Visitors Bureau Executive Director Dee Dee Guerra; McKinney Economic Development Corporation President Jim Wehmeier; Facilities Construction Manager Patricia Jackson; Assistant to the City Manager Darrek Ferrell; Airport - Mark Jaraczewski and Eric Pratt; Council member Roger Harris; and Council member Randy Pogue.

There were 14 guests present.

Chairman Fuller called the meeting to order at 8:00 a.m. after determining a quorum present.

14-701 Minutes of the McKinney Community Development Corporation Board Meeting of June 19, 2014. Board members unanimously approved the motion by Board member Elliott, seconded by Board member Clarke, to approve the Minutes of the McKinney Community Development Corporation Board Meeting of June 19, 2014.

14-702 Financial Report. Accounting Manager Trudy Mathis reported that sales tax revenue is 3% above what was anticipated for this time of year. Sales tax revenues versus 2013 is only up 0.5%. There were major capital purchases in 2013 that caused the numbers to be higher. Compared to 2012, the sales tax revenue is up 18.3%. The city will start

the audit process in August and September with some preliminary testing. The cost allocation plan is almost complete that determines the amount charged to the both the McKinney Economic Development Corporation and the McKinney Community Development Corporation. The 2015 budget is nearing completion and the preliminary budget will be provided to Interim City Manager Muehlenbeck at the end of the week. Ms. Mathis noted that on the sister city sales tax comparison, the amount that the State Comptroller reports for sales tax for the City of Plano is only 1% of what is collected. The other 1% is reported under DART.

14-703 Board and Liaison Updates

Chamber of Commerce - President Cindy Schneible stated that the new Leadership class will begin with a welcome reception on August 7th at The Body Shop. The Chamber is working on fall promotions in connection with Buy Local. The Chamber has partnered with SCORE to produce three competitive edge presentations on issues related to human resources for businesses in McKinney. The Chamber is hosting its Business and Education New Teacher Breakfast on August 13th at McKinney Boyd High School at 7:30 a.m. Board member Puhl stated that the search for a new Executive Director has six candidates that will be interviewed within the next two weeks.

Main Street & MPAC – MPAC Director Amy Rosenthal stated that the Clint Black performance is sold out a month before the event. Ms. Rosenthal announced the upcoming season has Emerson Process Management as the title sponsor. The events include: Dailey and Vincent, a blue grass band, will kick off the season on August 23rd. The U.S. Army Jazz Ambassadors will perform at a free concert in November, the Wellington International Ukele Orchestra will perform in January, the Peking Acrobats will perform in February, and Molly Ringwald will perform in a cabaret/jazz show in March.

McKinney Convention & Visitor's Bureau (MCVB) – Executive Director

Dee Dee Guerra stated that in the 2nd quarter, the stats increased 45% over 2013. Last month, MCVB had 269 walk-ins with the majority coming from Texas, New York, California, Pennsylvania, and Florida. The top cities requesting information about McKinney are Houston, San Antonio, Philadelphia, Austin and Dallas. MCVB assisted with over 419 hotel room nights which represented over \$42,000 in revenue.

McKinney Economic Development Corporation (MEDC) – President Jim Wehmeier stated that there are several projects nearing contractual terms and hoping to finalize in the near future. MEDC is working with other Collin County area cities in preparation for the transition events for the 3,000+ Toyota employees who are relocating to the Collin County area cities. Mr. Wehmeier stated that Lincoln Properties is putting a business plan together for the Gateway site so that development can start moving out there.

McKinney National Airport – Assistant Airport Director Mark Jaraczewski stated that the renovation of the airfield terminal is completed and they have received positive feedback on what has been done at the airport. The airport hosted two open houses in June with over 2,000 people attending. Mr. Jaraczewski stated that the large box hangars continue to be full with long-term leases. There has been a large volume of people looking to relocate to McKinney and a high demand for hangar storage as well.

Parks, Recreation & Open Spaces – Interim Parks, Recreation, and Open Space Director Ryan Mullins stated that reflecting on Ms. Mathis' report earlier, a reason for the large sum of money still in the bank for Parks projects is due to the loss of the Parks Development Superintendent and a couple of the projects were put on hold. The Bonnie Wenk Phase II project will go to the Park Board on August 14th and to City Council on August 19th for consideration of a contract for design with le terra Studios, the same group that did the tennis complex.

The Parks Department is still waiting on the plans for the Frisco ISD neighborhood park at Scott Elementary. Red, White & Boom was very successful with the largest crowd to date. The department has received great feedback on the fireworks show. The car show and the downtown parade were very successful. The new activity guide for fall will be arriving in homes on August 11th.

14-704 Marketing Director's Report – Marketing Director Cayti Stein stated MCDC will play a big role in the Toyota tour on August 13th. The Toyota group will be here for five days and McKinney will interact with them each day at different networking events. For McKinney Day, which will be hosted at TPC Craig Ranch. They have requested that we have 10 non-profit organizations with booths to present information about the quality of life in Collin County as a whole. Ms. Stein passed around the latest Stonebridge Ranch HOA newsletter that contains a MCDC advertisement.

14-705 President's Report – President Schneible thanked City Secretary Sandy Hart for the support she has provided getting the agenda created and for being here today. Ms. Schneible stated that Deb Hass has been hired as the new Administrative Assistant. She will begin her new role on August 4th. PSA continues to move quickly with their new construction and will be hosting a hardhat tour for members of the MCDC Board late July or early August. MCDC has the opportunity to participate with the naming of the meeting rooms and ballrooms at the Sheraton Hotel/Event Center. Any Board member may submit names to Ms. Schneible for consideration and she will forward to the City Council. Ms. Schneible stated that MCDC and MEDC met with Interim City Manager Tom Muehlenbeck regarding a city initiative to develop a retail strategy for McKinney. Ms. Schneible stated that included in the packet is a recap of the grant funds to date that indicates that there is \$50,000 remaining for the year for promotional and community grants, \$30,512 remaining for

discretionary projects, and almost \$2.2 million remaining in economic development and capital projects. The money in parks grants has been transferred to the Parks fund. There is \$417,000 remaining in the contingency fund that is available for use in any of the categories with Council approval.

14-706 Chairman Fuller called for Consideration/Discussion on s Promotional and Community Events Grant Request from Collin County Historical Society in the Amount of \$5,000 to Promote "The Vietnam Syndrome" Exhibit. Vicki Day, R. D. Foster, and Tom Rouse presented the request for \$5,000 from the Collin County Historical Society to assist with marketing the exhibit, The Vietnam Syndrome. The goals of the exhibit are to remember and honor the 58,000 who died; to explore contemporary interpretation of having the will and the means to secure peace; to exhibit content for all age groups; and to provide a safe place of honor for our Vietnam veterans in Collin County and provide a way for them to share their stories.

14-707 Chairman Fuller called for Consideration/Discussion on a Promotional and Community Events Grant Request from Crape Myrtle Trails of McKinney in the Amount of \$8,000 to Promote "Run the Trails and More". Phil Wheat, President of Crape Myrtle Trails of McKinney, presented the request for \$8,000 to promote for the Run the Trail event for Crape Myrtle Trails of McKinney Foundation. The event is being moved to September 27th to attract more participation of serious runners and adding a 10K to the 5K and 1-mile fun run. Crape Myrtle Trails of McKinney is also working with Oktoberfest and the McKinney Parks Department to increase attendance through utilizing the theme "Race, Play and Stay." As a result of event, the Foundation gives sizeable grants to McKinney schools and provides, along with Kiwanis Club and Rotary Club, a crape myrtle to every fifth grader in McKinney the Friday before Mother's Day to take home as a gift to their Mom.

- 14-708** Chairman Fuller called for Consideration/Discussion on a Promotional and Community Events Grant Request from Especially Needed in the Amount of \$10,000 to Promote the First Annual "Celebrating Our Differences" Family Fun Community Event. Heather Astuto, Especially Needed, presented the request of \$10,000 for promotion of the first annual Celebrating our Differences Community Event. Especially Needed is an organization that provides events for special needs children. The upcoming event is a concert event with fireworks that will be open to everyone. There will be vendors on site catering to families with special needs children. Attendees include 40% from McKinney, 30% from Frisco, 25% from Plano, and the remaining 5% from other communities.
- 14-709** Chairman Fuller called for Consideration/Discussion on a Promotional and Community Events Grant Request from McKinney Main Street in the Amount of \$15,000 to Promote Oktoberfest. Amy Rosenthal, MPAC Director presented the request for \$15,000 to assist with advertising and promotion of Oktoberfest. Oktoberfest is the largest and most attended event in McKinney. In 2013, the crowd was estimated at 30,000. Based on success of previous years, the event is expanding to three days - Friday, Saturday and Sunday with the goal of bringing 40,000 people to downtown McKinney.
- 14-710** Consider/Discuss Promotional and Community Events Grant Request from McKinney Youth Theatre in the Amount of \$15,000 to Promote Programs and Productions in 2014 and 2015. This request was withdrawn by the applicant.
- 14-711** Chairman Fuller called for Consideration/Discussion on a Promotional and Community Events Grant Request from McKinney Rotary Club Foundation in the Amount of \$3,500 to Promote the 2014 Rotary Parade of Lights. Doug Kowalski, Tommy Stanley, and Danny Kistner presented the request for \$3,500 to advertise and promote the 15th year for the

Parade of Lights. Any profit made from the event is put back into the community through service projects in association with the schools and community youth programs.

14-712 Chairman Fuller called for Consideration/Discussion on a Promotional and Community Events Grant Request from St. Peter's Episcopal Church in the Amount of \$4,569.50 to Promote "Empty Bowls" an Event Benefiting Community Lifeline. Aaron Werner, representing St. Peter's Episcopal Church's program Empty Bowls, presented their request for \$4,569.50 to promote the April 16, 2015 Empty Bowls Event to be held at MPAC. All proceeds go the Community Lifeline Center's hunger initiative, a food pantry for McKinney's low income families. In 2013, Community Lifeline Center served over 1,000 families in Collin County.

14-713 Chairman Fuller called for Consideration/Discussion on an Update on McKinney Aquatics and Fitness Center Project Presented by Brinkley Sargent Architects. Dwayne Brinkley presented the schematic design of the project that included the interior and exterior of the building. The Aquatics and Fitness Center will be the "flagship" building that will pull all the elements of the Gabe Nesbitt Park together. The project is currently in the design development stage and on schedule and within budget. It is expected to be completed with the design development in mid-September. A report will be made at a Joint Meeting with Council and MCDC on August 18th.

14-714 Chairman Fuller called for a Public Hearing to Consider/Discuss/Act on Project #14-08 as Submitted by City of McKinney and McKinney National Airport for \$1,500,000 for the Construction of a Transient Hangar at McKinney National Airport. Chief Financial Officer Rodney Rhoades stated that last week the City Council authorized the issuance of Certificates of Obligation for \$1.5 million to construct a transient airport hangar. As part of the discussion, the City Council requested that other options be looked at in terms of cash funding. This item is to request

consideration for an economic incentive grant of \$1.5 million to fund the airport transient hangar. Mark Jaraczewski, Assistant Airport Director stated that in November when the airport was taken over by the City, all hangars except the Texas Instruments hangar were vacant. Since that time, all hangars are essentially full, with no room to store any transient aircraft. The airport is looking to build a facility to support the FBO and operate as transient storage. The City is proposing to build a 15,000 square foot facility with the ability to expand in the future. Council member Harris stated that the City has corporations coming into the area that may want to be here permanently and they will be bringing in a significant tax base. In addition, there are transient aircraft coming in on a daily basis purchasing fuel and bringing passengers who have an economic impact on the community. Chairman Fuller called for public comment and there were none.

14-715 Chairman Fuller called Consider/Discuss/Act on MCDC 2014-2015 Proposed Budget. Ms. Schneible stated at the June meeting, the MCDC Board approved a draft budget. Subsequent to that meeting, there have been conversations as it relates to the amount budgeted for debt service for the Aquatics and Fitness Center. In conversations with CFO Rodney Rhoades, MCDC will be paying interest only which will be a decrease in the original amount projected for the debt. Also, MCDC visited with the City Manager and Parks Director about the impact of reducing the Parks percentage allocation on their five-year capital improvements plan. Debt service would be budgeted at \$840,000 instead of \$1.8 million. Parks allocation would be increased back to 30%. The budget allocations will be changed to - 30% for Parks, 50% for economic development and capital expenditures, 15% for discretionary, and 5% for contingency. Board unanimously approved the motion by Board member Smith, seconded by Board member Meyers to approve the MCDC 2014-2015 proposed Budget.

Chairman Fuller recessed the meeting into executive session at 10:00 a.m. per Texas Government Code Section 551.087 Discuss Economic Development Matter as listed on the posted agenda. Chairman Fuller recessed to the open session at 10:28 a.m.

Chairman Fuller called for Board Comments and there were none.

Board members unanimously approved the motion by Board member Elliott, seconded by Board member Puhl, to adjourn. Chairman Fuller adjourned the meeting at 10:29 a.m.

GEORGE FULLER
Chairman