

REINVESTMENT ZONE NUMBER ONE

MARCH 19, 2013

The Reinvestment Zone Number One of the City of McKinney, Texas met in session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas on March 19, 2013 at 4:30 p.m.

Board Members Present: Chairman Don Day, Brian Loughmiller, Geralyn Keever, Travis Ussery, Ray Ricchi, Roger Harris, Keith Self, and Fritz Mowery. Absent: David Brooks

Staff Present: City Manager Jason Gray; City Attorney Mark Houser; City Secretary Sandy Hart; Executive Director of Development Services Barry Shelton; Assistant Director of Development Services Rick Leisner; Assistant Director of Planning Kevin Spath; Chief Financial Officer Rodney Rhoades; Director of Planning Michael Quint; McKinney Community Development Corporation Executive Director Cindy Schneible; McKinney Economic Development Corporation President Jim Wehmeir; Senior Help Desk Technician Clif Carnley; and Airport Executive Director Ken Wiegand.

There were 3 guests present.

Chairman Day called the meeting to order at 4:35 p.m. after determining a quorum present.

13-254 Oaths of Office. City Secretary Sandy Hart administered the oaths of office to Don Day, Travis Ussery, Chris Hill, Robert Clark, and Brian Loughmiller.

13-255 Election of Vice Chair. Board members unanimously approved the motion by Board member Loughmiller, seconded by Board member Council member Keever, to elect Travis Ussery as Vice Chairman.

13-256 Minutes of the Reinvestment Zone Number One Meeting of March 6, 2012. Board members unanimously approved the motion by Board member Keever, seconded by Board member Ussery, to approve the Minutes of the Reinvestment Zone Number One Meeting of March 6, 2012.

13-257 Chairman Day called for Consideration/Discussion/Action on the Tax

Increment Reinvestment Zone Number One (TIRZ No.1) 2012 Annual Report and Authorization to Invoice the Participating Taxing Jurisdictions. Chief Financial Officer Rodney Rhoades reported the activity of the Reinvestment Zone Number One for the last 12 months. Mr. Rhoades stated that captured value in TIRZ 1 was \$9.7 million which translates to \$67,000 in assessed value in TIRZ 1 for 2012. The sales tax for 2012 captured \$388,743. There is a current balance of \$879,000. Board members unanimously approved the motion by Board member Harris, seconded by Board member Clark, to approve the Tax Increment Reinvestment Zone Number One (TIRZ No.1) 2012 Annual Report and authorize invoicing Collin County for their 50% participation in the ad valorem taxes.

13-258 Discuss the Side Street Grill Redevelopment Project. Executive Director of Development Services Barry Shelton stated that staff is seeking direction on how to proceed with a request for \$12,890 from Ms. Gail Hanes, for Side Street Grill located at the former site of Aparicio's on E. Virginia Street. The site has been vacant and needs to be brought up to code which includes the implementation of a fire system. He stated that she approached the TIRZ board to request that TIRZ funds be allocated to the public portion of her fire sprinkler improvements which include making a 6" tap on the existing water main and extending a fire main into the building. Mr. Shelton that these improvements are currently being made and if approved to be funded through TIRZ 1, a reimbursement would be made to the applicant based on actual cost of construction. He stated that if TIRZ board sees fit to proceed with this request, then staff would work with the city attorney's office to draft the agreements and necessary documents. Mr. Shelton stated that if this request is funded, there will be additional requests submitted for similar improvements. City Manager Jason Gray stated that the reason this project is being brought for consideration is because the building has been vacant for

more than 6 months and does not fall under the grandfathered clause provision. Mr. Gray stated that there has not been a designated dollar amount or percentage allocated towards the smaller independent private projects. Chairman Day stated that updating sprinklers is about \$13,000 to \$23,000 and he suggested that they put a limit to somewhere around that range. Mr. Ricchi stated that he does not have an issue with granting the funds but rather his issue is that there is no repayment contract like other boards require. He stated that this would set precedence for future businesses that would come to this board for those funds. Mr. Jason Gray stated that this could be structured as a loan or Grant through a Chapter 380 agreement. Chairman Day requested that staff come back with a recommendation at a future meeting as to what they would think would be appropriate for these kinds of small projects.

Board members unanimously approved the motion by Board member Loughmiller, seconded by Board member Kever, to adjourn. Chairman Day adjourned the meeting at 5:05 p.m.

DON DAY
Chairman

ATTEST:

Sandy Hart, TRMC, MMC
City Secretary