

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

SEPTEMBER 26, 2013

The McKinney Community Development Corporation met in regular session in the Dowdy Board Room, 5900 S. Lake Forest Drive, Suite 110, McKinney, Texas, on September 26 at 8:00 a.m.

Chairman George Fuller called the meeting to order at 8:04 a.m.

Board members present: George Fuller, Jason Burrell, Kevin Griffin, Michael Puhl, Scott Elliott, and Colleen Smith.

Staff present: Executive Director Cindy Schneible, Administrative Assistant Connie Gibson and Marketing & Research Specialist Cayti Huston.

There were several guests present.

- 13-988** Minutes of the McKinney Community Development Corporation Board Meeting of August 22, 2013. Scott Elliott made a motion to approve the minutes. The motion was seconded by Colleen Smith. The motion was voted on and passed.
- 13-989** Minutes of the McKinney Community Development Corporation and McKinney City Council Joint Meeting of September 4, 2013. Michael Puhl made a motion, seconded by Kevin Griffin, to approve the minutes. The motion was voted on and passed.
- 13-990** August 2013 Financial Report. Trudy Mathis provided the financial report. The sales tax receipts continue to come in higher than projected. The projected revenues for fiscal year 2014 are \$9.37 million.
- 13-991** Checks Issued August 2013. There were no questions on checks issued.
- 13-992** Board and Liaison Updates

Chamber of Commerce

- The October issue of McKinney magazine will be delivered the week of September 30th. The “Best of...” winners will be featured in the magazine.
- The “State of the Community” luncheon will be November 7th. The luncheon will have a focus on economic development.
- The Government & Legislative Issues committee will meet Friday, October 4th. Topics of discussion will be the nine constitutional amendments on the ballot in November.
- A North Texas rally for the Prop 6 water initiative was attended by Jodi Ann LaFreniere Ray and Mayor Loughmiller on September 25th. The rally received good press. Throughout the next month initiatives locally and across the state will be rolled out to inform people of the importance of water conservation.

City of McKinney

- City Councilman Travis Ussery thanked the three outgoing board members for their service, honesty and integrity.
- City Councilman Roger Harris thanked the board and echoed Mr.

Ussery's comments.

- The closing on the financing with the private developer for the Gateway hotel and event center is targeted for September 26th.
- The City will complete purchase of the Collin County Regional Airport on November 1st.
- Development activity throughout the city continues to increase. Residential permits are up 30% over last year.

Main Street & MPAC

- The annual Oktoberfest event is scheduled for September 27-28.

McKinney Convention & Visitor's Bureau

- The MCVB office has been working with the Commemorative Air Force Federation to promote their AirPower Expo October 3-6 at Collin County Regional Airport.
- Walk-in traffic in the MCVB office continues to increase. There were 289 recorded visitors to the MCVB office this past month with 26 coming from other countries, and 98 coming from out of state.
- The MCVB staff assisted with 359 room stays in the month of August
- Advertising space has been secured with D Magazine, USA Today, and TourTexas.com

McKinney Economic Development Corporation

- MEDC is working to develop a master plan for the 50 acres on the Gateway site that is owned by MEDC.
- The Collide Center at The Cotton Mill has done exceptionally well in the short time the program has been implemented. There are currently 18 companies working out of the building.
- Construction on the corporate center at Craig Ranch is progressing. The building is a 120,000 square foot spec office building.

Parks, Recreation & Open Spaces

- The PROS budget for FY 2013-14 was approved. The budget includes three new maintenance personnel, and equipment funded by MCDC.

13-993

Marketing Report

- The E-newsletter was sent to 208 people this past month. The September issue will be sent out within the next week.
- Cayti Huston has been working with the City IT department to create a map that will show MCDC projects and city parks. The program will be used on iPads or Smartphones.

13-994

Executive Director's Report

- September 26th is the scheduled closing date for the private developer with the Gateway hotel/conference center project.
- The Sheraton hotel franchise has been approved for the hotel project.
- The Parks, Recreation and Open Space update that was presented to City Council was given to the MCDC board.
- MCDC sponsorship opportunities: Volunteer McKinney Make a Difference Day.

- MCDC will run ads in McKinney magazine promoting “Home for the Holidays” and Believe! 2013 run.

13-995 Conduct a Public Hearing to Consider/Discuss/Act on Project #13-16 as requested by City of McKinney Parks, Recreation and Open Spaces requesting \$46,780 for expenses related to hike and bike trail signage. Lemuel Randolph reviewed the application with the board. Jason Burress made a motion to close the public hearing and approve the project application. Michael Puhl seconded the motion. The motion was voted on and passed.

13-996 Consider/Discuss/Act on Project #13-09 as submitted by North Collin County Habitat for Humanity requesting \$174,419.75 for ReStore improvements, software, and Neighborhood Revitalization Initiative. Cindy Schneible stated that the project request qualifies for \$144,820 of the \$174,419.75. The purchase of a truck does not qualify. Jason Burress expressed concern using taxpayer funds for home repair. Celeste Cox, Executive Director of NCCHH reported that the ReStore operation is paying for not quite 100% of operation cost for the North Collin County Habitat for Humanity operation. Jason Burress asked the amount that MCDC has funded Habitat. The figure is roughly \$650,000 since 2005. Kevin Griffin stated he would like to see the program weaned off of MCDC support. He made a motion to approve funding the project \$144,820. The motion was seconded by Michael Puhl. The motion was voted on and passed (5-1) with Jason Burress opposing.

13-997 Consider/Discuss/Act on Project #13-10 as submitted by Heard Natural Science Museum requesting \$20,969.41 for the relocation of a Pioneer Village to the Museum. Executive Director Sy Shahid addressed the board. The Pioneer Village has been relocated and has been very well received. There have been many volunteers dedicated to the relocation and set up of the village. Kevin Griffin made a motion to fund the project \$20,969.41. Jason Burress seconded the motion. The motion was voted on and passed unanimously.

13-998 Consider/Discuss/Act on Project #13-11 as submitted by Heritage Guild of Collin County requesting \$250,000 for repairs and renovations to Chestnut Square properties. Cindy Johnson, Executive Director reported that she had sent the requested financial information to the board. George Fuller commented that The Heritage Guild funding is a recurring

request. Kevin Griffin stated that Chestnut Square was consistently operating in the red before Cindy Johnson took over as Executive Director. The proposed conversion of The Dulaney House to a bed and breakfast will provide a revenue stream for Heritage Guild and help wean them off of MCDC funding. Cindy Johnson commented if The Heritage Guild continues to request funds from MCDC it will be in order to take the organization to the next level for other funding opportunities. The bed and breakfast conversion is a unique opportunity. Scott Elliott asked what the net income projections would be after plugging in George Fullers figures. Cindy Johnson stated approximately \$60,000-\$70,000. George Fuller made a motion to approve the funding. Colleen Smith seconded the motion. Michael Puhl stated he applauds the efforts made by Cindy Johnson, her board, and staff. The motion was voted on and passed unanimously.

13-999 Consider/Discuss/Act on Project #13-13 as Submitted by ManeGait Therapeutic Horsemanship requesting \$50,000 for road resurfacing, covered waiting area, signage, and ramp rehab. Kevin Griffin reported that the ManeGait land is now owned by the organization. He made a motion to approve the funding request. Jason Burrell commented that he is very pleased with how the organization has managed their staff salaries and expenses. The motion was seconded by Scott Elliott and voted on. The motion passed.

13-1000 Consider/Discuss/Act on Project #13-08 as submitted by McKinney Sports Connection requesting \$11.9 million for construction of an indoor multi-sport facility for recreational youth sports in McKinney; \$250,000 in operating capital for first year; \$500,000 funds for short-term operating shortfall in years 1-3, and 9 acres of land for initial construction. George Fuller suggested that the request be tabled. Colleen Smith made a motion to table the request. Scott Elliott seconded the motion. The motion was voted on and passed unanimously.

13-1001 Consider/Discuss/Act on Project #13-14 as submitted by Plano Sports Authority (PSA) requesting \$3,200,000 for Construction of an Indoor Sports Facility. Don Blackwood and Bill Wadley with PSA addressed the board and showed a slideshow of the construction of PSA Murphy. The construction on this facility began in January 2013. The facility is expected to open October 15th. George Fuller commented that he felt

McKinney Sports Authority has done a great job with the resources available to them, but he does not believe they have the resources to build the facility needed. PSA has a proven track record. Michael Puhl stated that this type facility is long overdue. PSA has the capabilities to create the facility needed. George commented on the PSA name. Bill Wadley stated PSA has become a brand. There has been talk of changing the name. George Fuller agreed that PSA is a recognized brand. Kevin Griffin asked about the total scope of the project. The answer: \$9 million. He asked if the requested amount of \$3.2 million would be enough. Mr. Wadley stated they always put 33% down on the construction of the buildings. Don Blackwood stated that the \$3.2 request will be repaid. Kevin Griffin made a motion to approve the loan to PSA McKinney. The loan amount would be in the amount of \$3.2 million dollars. The loan amount would be a second lien, subject to the bank coming in as first lien. The term of the loan would be for four years, and for the first three years there is no interest on the funds. By the fourth year MCDC would recoup their \$3.2 million in full. They can pay it back at any time without repayment penalty. This would give them the equity they need to go ahead and start the project. Michael Puhl seconded the motion. The motion was voted on and passed unanimously.

13-1002 Consider/Discuss/Act on proposed amendments to McKinney Community Development Corporation bylaws. City Council has voted to change board and commission policies. Changes include basing board appointments on voter registration, and board member terms. Board members can serve three two year terms. There no longer needs to be a one year break between appointment to certain City boards. George Fuller made a motion to approve the MCDC amended bylaws. Kevin Griffin seconded the motion. The motion was voted on and passed.

13-1003 Consider/Discuss financing for aquatic facility and RFQ / RFP process. Cindy Schneible stated the board has the option to go through the RFQ and RFP process for the selection of the architectural firm for the aquatic facility. George Fuller stated he was in favor of going through the RFQ/RFP process. City Manager Jason Gray agreed. Michael Puhl made a motion to have architectural firms go through the RFQ/RFP process. Scott Elliott seconded the motion. The motion was voted on and passed.

The financing options for the aquatic facility were discussed. The MCDC

finance committee reported they would like the board to provide a more concrete plan to take back to City Council. City Manager Gray stated the finance department has worked up scenarios for 12, 18, and 24 month payments on debt service for the aquatic facility. The finance committee recommendation was to keep a reserve of between 5-10 million dollars for other projects that will be presented. The city will provide \$9-9.5 million on the aquatic facility project, and their funds will be first in on the project. Cindy Schneible stated that a voted is not needed. The board consensus is enough to share with City Council.

Roger Harris suggested MCDC board and staff discuss possible announcements concerning the PSA sports facility. The project will still need to go to City Council for approval.

Kevin Griffin made a motion to adjourn the meeting, and Jason Burrese seconded the motion. The motion was voted on and passed. The meeting was adjourned at 9:30 a.m.

GEORGE FULLER
Chairman