

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

MAY 23, 2019

The McKinney Community Development Corporation met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on May 23, 2019 at 8:00 a.m.

Board Members Present: Chairman Kurt Kuehn; Vice Chairman David Clarke; Secretary Jackie Brewer; Treasurer Rick Glew; Board Members Mary Barnes-Tilley, Kathryn McGill and Angela Richardson-Woods.

Absent: None.

City Council Members Present: Mayor George Fuller and Mayor Pro Tem Tracy Rath.

Staff Present: MCDP President Cindy Schneible; City Manager Paul Grimes; Director of Parks and Recreation Michael Kowski; Chief Financial Officer Mark Holloway; MPAC/Main Street Director Amy Rosenthal; MCVB Sales Manager Vanesa Rhodes; Housing and Community Development Manager Janay Tieken; Affordable Housing Administrator Cristel Todd; and MCDP Administrative and Marketing Coordinator Linda Jones.

There were several guests present.

Chairman Kuehn called the meeting to order at 8:00 a.m. after determining a quorum of the Board was present.

19-0411 Chairman Kuehn called for action on the minutes of the McKinney Community Development Corporation Meeting of April 25, 2019. Board members unanimously approved a motion by Board member Richardson-Woods, seconded by Board member Barnes-Tilley, to approve the minutes of the McKinney Community Development Corporation Meeting of April 25, 2019.

19-0412 Chairman Kuehn called for the Financial Report. Mark Holloway, City of McKinney Chief Financial Officer, called attention to the April financials. April had revenues of \$1.4 million and expenses of a little over \$400,000,

improving MCDC's net position by about \$755,000. For the year, MCDC's net position has increased by about \$7 million. April sales tax collections are from February and were up about 8% over the same month for last year. At the same time, total sales tax collections were up 5% year-to-date over last year's collections, which is slightly better than the 4.4% goal. Mr. Holloway is currently working on the 2019-2020 budget and will likely budget a slight increase for sales tax. Mr. Holloway asked for questions, and there were none.

19-0413 Chairman Kuehn called for Board and Liaison Updates.

Board Chairman. Chairman Kuehn acknowledged and thanked Mayor Pro Tem Tracy Rath for her years of service and contributions to the City of McKinney and the MCDC. He presented her with a gift from the MCDC. Ms. Rath thanked the Board for their service through meetings, funding and participating in events, and stated that she looks forward to continuing to work with the Board on many projects going forward.

City of McKinney. McKinney City Manager Paul Grimes announced that newly elected council members Rick Franklin and Frederick Frazier will be sworn in on June 4. Orientation for these new council members starts today. June 30 is the deadline for Boards and Commissions applications, and Mr. Grimes invited the Board to spread the word to those they know who may want to serve. Applicants will begin the screening and interviewing process immediately after the June 30 deadline, and new members will be seated by October 1, aligning with the city's fiscal year. Mr. Grimes reminded the Board of the Memorial Day ceremony on Saturday, May 25, at 10:00 a.m. at Veteran's Memorial Park in Craig Ranch. He congratulated the MEDC and McKinney National Airport staff for bringing in Cirrus Aircraft who will be building a new service center for personal jets. Mr. Grimes asked for questions, and there were none.

Ms. Rath returned to the podium after opening her gift from MCDC and thanked the Board for the beautiful photographic rendering of Downtown McKinney that highlights MPAC, a project dear to Ms. Rath.

McKinney Convention and Visitors Bureau. MCVB Sales Manager Vanesa Rhodes announced that MCVB Board member Julie Baublis has resigned and a replacement will likely be named at the June 4 City Council meeting. Ms. Rhodes and Steve Yearwood from the Sheraton Hotel attended DFW/AEN and were able to meet with several account executives and meeting planners. Dee-dee Guerra and MISD representatives are working on the NCAA Division II event for this December. They have applied for funds from the State of Texas Events Trust Funds Program within the Office of the Governor and are working on an economic impact study as part of the requirements for receiving those funds. MCVB will share the results of the study with MCDC once complete. MCVB and McKinney's Communication and Marketing department have created an *Ask a Local* campaign which includes interviews from three McKinney families discussing things they like and appreciate about their home town. The campaign will include YouTube, social media and print advertising. Ms. Rhodes provided updates on MCVB's progress on designating McKinney as the Wedding Capital of North Texas. Unfortunately, because Dripping Springs has already been designated as the State Capital for Weddings, the State will not award a regional designation. Ms. Rhodes asked the board to review the MCVB report attached to the agenda. She then asked for questions, and there were none.

McKinney Economic Development Corporation. MCDC President Schneible referred the Board to the MEDC report attached to the agenda.

McKinney Main Street and MPAC. MPAC/Main Street Director Amy Rosenthal announced that county commissioners and the McKinney City Council have approved signing a deed that transfers ownership of the

MPAC building from Collin County to McKinney. With ownership, MPAC can now apply for grants from the Texas Historical Commission. This summer, they will be working on a master plan update to be completed by the end of the year which will allow MPAC to apply for up to \$35 million in funding next year. Ms. Rosenthal reminded the Board of the summer concert series that includes performances by the Hot Club of Cowtown, the Gatlin Brothers, Craig Parker who is an Elvis tribute artist, and blues and funk band, the Peterson Brothers. Valet service sponsored in part by Audi will run all day Fridays and Saturdays from June 1 – August 31. Cost is \$5, but will be complimentary to Audi drivers and MPAC Bravo Club members. In June, they will be presenting for a cultural grant through the Cultural District designation. They are working with the Arts Commission on the grant with a couple of possible projects. Chairman Kuehn asked for questions, and there were none.

McKinney Parks and Recreation. Director of Parks and Recreation Michael Kowski announced that all the city splash pads and aquatic centers are now open. Mr. Kowski thanked Human Resources for their work and support and stated that the Parks Department is now at 493 staff members for the summer months. The Bonnie Wenk Park Phase II grand opening is June 15, and Mr. Kowski asked the Board to join in the day's festivities. Mr. Kowski thanked the Board for their participation in the joint meeting with the Parks Advisory Board that offered some great conversation that will help shape the parks plan going forward. Mr. Kowski asked for questions. Treasurer Glew asked about sharing the presentation tool used during that meeting, and Mr. Kowski said he would. Secretary Brewer asked how the recent storms have impacted the parks, and Mr. Kowski stated that there was no significant damage.

19-0414 Chairman Kuehn called for the President's Report. MCDC President Cindy Schneible called attention to the reports attached to the agenda

including the grant promotions tracking spreadsheet, the strategic priorities report, final reports from grant recipients, and the Collin County Homeless Census Report. Ms. Schneible requested that the Board review the Homeless Report to be familiar with the situation in McKinney and Collin County, and she stated that it was eye-opening to see the number of homeless MISD students. Ms. Schneible reminded the board that SERVE McKinney will be held on June 6 at the Collin College Conference Center. SERVE is a recruiting event for McKinney Boards and Commissions. MCDC sponsors the event and will have a table there to share information about the MCDC. Ms. Schneible reported that she attended the International Council for Shopping Centers RECon event in Las Vegas and that there is a lot of excitement about McKinney. She had some great meetings there, including one with a tenant rep that has tenants interested in McKinney. Ms. Schneible asked for questions, and there were none.

- 19-0415** Chairman Kuehn called for consideration/discussion/action on a request from Habit for Humanity of Collin County to extend the term of the Loan Agreement executed with McKinney Community Development Corporation for Project #18-06, effective May 24, 2018 to January 31, 2020. Ms. Schneible stated there was a letter from Celeste Cox, CEO of Habitat for Humanity of Collin County requesting an extension attached to the agenda. She also stated that the Cotton Groves Project is a type of project new to McKinney, and the process of permitting is taking longer than anticipated. Board members unanimously approved a motion by Secretary Brewer, seconded by Treasurer Glew, to approve the request from Habit for Humanity of Collin County to extend the term of the Loan Agreement executed with McKinney Community Development Corporation for Project #18-06, effective May 24, 2018 to January 31, 2020.

19-0416 Chairman Kuehn called for consideration/discussion/action on a Project Grant Application Submitted by The Salvation Army McKinney Corps Community Center (#19-06) in the Amount of \$33,917.90 for Replacement of the Gymnasium Floor at The Salvation Army Community Center Located at 600 Wilson Creek Parkway, McKinney, Texas. Amount Requested Represents 49% of the Total Project Cost. Board members unanimously approved a motion by Treasurer Glew, seconded by Vice Chairman Clarke, to approve the project grant application submitted by The Salvation Army McKinney Corps Community Center (#19-06) in the amount of \$33,917.90 for replacement of the gymnasium floor at The Salvation Army Community Center located at 600 Wilson Creek Parkway, McKinney, Texas.

19-0418 Chairman Kuehn called for consideration/discussion/action on a Project Grant Application Submitted by 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. Amount Requested Represents 12% of the Total Project Cost. Chairman Kuehn spoke in favor of this item stating that he believes this project will address many needs of the community. Board members unanimously approved a motion by Board member Richardson-Woods, seconded by Board member McGill, to approve the project grant application submitted by 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.

19-0419 Chairman Kuehn called for consideration/discussion/action on a Project Grant Application Submitted by the City of McKinney, Housing and Community Development Department (#19-09) in the Amount of

\$150,000 for Home Repairs and Maintenance for Low Income Residents in McKinney, Texas. Amount Requested Represents 100% of the Total Project Cost. Treasurer Glew asked about follow-up from questions asked at the last meeting regarding controls, criteria and a clearer understanding of how the money would be awarded. Ms. Schneible stated that Housing and Community Development provided information regarding the various thresholds of poverty and that report was sent to the board and is included in the agenda packet. She acknowledged the Board's discussion regarding whether or not there was a way to limit availability or to target it to certain applicants based upon their poverty level. Chairman Kuehn stated that the information received had a ranking system for prioritizing grants. Additionally, he expressed his concern that as a first year project, we really don't know the need. Chairman Kuehn expressed his belief that the city should help facilitate homeowners' pride in their communities and that homeowners should want to put forth individual effort that demonstrates that pride and sentiment and is not confident that this program encourages that behavior and may even work against it. Board member Barnes-Tilley stated that the new information does state that there is participation by the homeowner when the homeowner is able. She continued that the range of income scale was insignificant for those who could receive up to \$10,000 versus those who could potentially receive up to \$12,000. Ms. Barnes-Tilley acknowledged that there is a defined set of criteria. President Schneible added that there had been discussion about the qualification process to verify the need, and added that information regarding this was outlined clearly in the Property Improvement Program overview provided. Chairman Kuehn acknowledged that the additional report addressed the board's original concerns. He stated that overall he believes the program is a great idea that will help with the beautification and property values, but feels it needs to be examined with a bigger lens and added that most who will

benefit are on the east side because the west side is mostly governed by HOAs. Ms. Barnes-Tilley stated that there's an underlying sentiment that when you improve someone's home, then this will increase their pride as a homeowner. Vice Chairman Clarke added that he believes this will be a catalyst for the homeowners to address other home improvement projects. He added that he has seen the impact that Habitat has made on many families. He spoke in favor of this grant as adding quality of life with the opportunity to change the paradigm and bring more equilibrium between East and West McKinney. Board member Richardson-Woods inquired about criteria as a one-time grant. Janay Tieken, Housing and Community Development Manager, stated that there is a \$40,000 lifetime match with other grant programs, and they would be glad to implement that with this grant program as well. Ms. Barnes-Tilley sought clarification regarding whether the ability to help was based on the residence or current occupant. Ms. Tieken answered that it is based on the residence and confirmed this program is for homeowners only. It is not available to renters. Ms. Tieken stated that the idea is that everyone has the ability to do something, so the program is tailored to the need and ability of the homeowner/residents. Treasurer Glew asked about potentially limiting the program to Tier 1 families, and Ms. Tieken replied that 75% are Tier 1, low-income and elderly. Chairman Kuehn added that he believes the program has merits, and the intention is definitely to do the right things to solve problems in the city. Mr. Kuehn's concern is that some homeowners may take advantage of the program. Ms. Tieken stated that while there is an individual benefit to the program, the overall benefit is to the improvement to the community by increasing the benefit of the efforts that others put into their neighborhood. Board member Richardson-Woods asked if there are opportunities to partner with other organizations, and Ms. Tieken explained that they do already partner with Habitat for Humanity and other organizations for resources needed.

Chairman Kuehn sought clarification on the requirement for clear title for the grant. Ms. Tieken stated that this program can be structured how the MCDC wants it structured, but she stated that other grant funding requires clear title to the house. Ms. Tieken explained that one issue their department encounters is that there are some properties that don't fit into the funding currently available, but the appearance of the property is negatively impacting the community. This grant program would address those homes. Chairman Kuehn expressed that going forward there might be a better way to address the problems possibly in similar fashion as HOAs on the west side. Ms. Tieken replied that they do assist people on the West side who have been cited by their HOAs even in gated communities and explained that the programs are income-based even for families experiencing temporary income loss. Board member Richardson-Woods asked if there are parameters regarding the sale of property after improvements. Ms. Tieken explained that these are structured as forgivable loans, forgiving 20% of the loan per year, so the owner does have to pay back a portion if they sell the property within five years of repair. Treasurer Glew asked how the \$10,000 and \$12,000 limits were established. Ms Tieken replied that those numbers are based on average projects in the past. Chairman Kuehn called for a motion. With a vote of 6-1-0, Chairman Kuehn voting no, Board members approved a motion by Board member Richardson-Woods, seconded by Board member Barnes-Tilley, to approve the project grant application submitted by the City of McKinney, Housing and Community Development Department (#19-09) in the amount of \$150,000 for home repairs and maintenance for low income residents in McKinney, Texas.

19-0420 Chairman Kuehn called for consideration/discussion/action on the Proposed FY 20 CDC Budget for Submission to the City Manager for Review. President Schneible stated that the draft proposal has been

approved by the Finance Subcommittee. If approved today, the budget will be forwarded to the City Manager's office for review, then on to City Council in August as part of the full City budget packet. The budget will come before the Board again for final approval in August. Revenue projected is a combination of \$14.6 million from sales tax and interest revenue of \$949,000 for a total revenue of \$15.6 million, which is likely to be adjusted up during the budget review process. Administrative and operations expenses are budgeted at \$641,606 and include personnel, supplies, maintenance, professional services and advertising/marketing. The debt service on bonds for Apex Centre is \$1.7 million. We are continuing support for MPAC of \$375,000. After adding in costs for legal, city administration and risk and insurance, the total budgeted expenses are just over \$2.9 million. This leaves almost \$12.6 million for grants, of which \$5.5 million is designated to support McKinney Parks and Recreation capital projects. Ten percent of total revenue or \$1.5 million, is allocated for discretionary grant funding, which includes \$150,000 for Promotional and Community Event Grants. The Retail Development Infrastructure Grant program was increased slightly to \$120,000. Based on the HUB 121 grant approved last year, \$200,000 will be granted when the certificate of occupancy is issued, and the remaining \$200,000 will be granted as sales tax grants from revenue generated from the project over a period of four years. Fifty thousand is included for FY20. Of the total amount available for grants, \$7.3 million is allocated, leaving \$5.3 million for future, potential projects. Chairman Kuehn called for a motion. Board members unanimously approved the motion by Vice Chairman Clarke, seconded by Secretary Brewer, to approve the Proposed FY 20 MCDC Budget for submission to the City Manager for review.

- 19-041** Chairman Kuehn called for consideration/discussion/action on a Project Grant Application Submitted by Heritage Guild of Collin County (#19-07)

in the Amount of \$59,500 for Various Projects at the Historic Village at Chestnut Square, Located at 315 South Chestnut Street, McKinney, Texas. Amount Requested Represents 65% of the Total Project Cost. Treasurer Glew recused himself from the discussion and vote on Agenda Item #19-041. Vice Chair Clarke and Chairman Kuehn spoke in favor of this item. Board members unanimously approved a motion by Vice Chairman Clarke, seconded by Secretary Brewer, to approve the project grant application submitted by the Heritage Guild of Collin County (#19-07) in the amount of \$59,500 for various projects at the Historic Village at Chestnut Square, located at 315 South Chestnut Street, McKinney, Texas. Treasurer Glew returned to the dais after the discussion and vote on this item.

Chairman Kuehn called for citizen comments, and there were none.

Chairman Kuehn called for Board or Commission comments. Chairman Kuehn congratulated Empty Bowls on an outstanding event and complimented Parks and Recreation for the work they do cleaning up after storms to keep our parks beautiful. Vice Chairman Clarke complimented the Parks Department for its ongoing improvements to the golf course and shared that the new fence along Highway 5 is a great addition. Ms. Barnes-Tilley shared that she was impressed with the Empty Bowls event, and commented that it's exciting to see the UNIQUE sign moving around town and thanked the Marketing Department for their creativity.

Chairman Kuehn recessed the meeting into Executive Session at 8:54 a.m. in accordance with the Texas Government Code. Items to be discussed under Texas Government Code Section 551.071 regarding real property and Section 551.087 regarding economic development matters are:

- Project #17-01 McKinney StarCenter
- Project #17-04 Craig Ranch Resort Hotel and Conference Center
- Sheraton Hotel and Conference Center
- Project Elsa

Chairman Kuehn reconvened the meeting of the McKinney Community Development Corporation back into regular session at 9:13 a.m.

Chairman Kuehn called for a motion to adjourn. Board members unanimously approved a motion by Vice Chairman Clarke, seconded by Board member Richardson-Woods, to adjourn. Chairman Kuehn adjourned the meeting at 9:14 a.m.

KURT KUEHN
Chairman