

REINVESTMENT ZONE NUMBER ONE

AUGUST 19, 2013

The Reinvestment Zone Number One of the City of McKinney, Texas met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas on August 19, 2013 at 5:00 p.m.

Board Members Present: Chairman Don Day, Board Members: Travis Ussery, Geralyn Keever, Don Day, Ray Ricchi, Roger Harris, Randy P. Pogue, and Robert Clark. Board member Brian Loughmiller arrived at 5:04 p.m. Absent: Board member Chris Hill

Staff Present: City Manager Jason Gray; Deputy City Manager Jose Madrigal; City Secretary Sandy Hart; Assistant City Attorney Alan Lathrom; Chief Financial Officer Rodney Rhoades; Assistant Director of Planning Kevin Spath; Executive Director of Development Services Barry Shelton; Assistant Director of Development Services Rick Leisner; McKinney Economic Development Corporation President Jim Wehemeir; Director of Planning Michael Quint; Parks, Recreation, and Open Space Director Lemuel Randolph; Engineering - Gary Graham, Danny Still, Matt Richardson, Patricia Jackson, Paul Tucker, and Kyle Odom; Parks, Recreation, and Open Space Manager Lemuel Randolph; and Assistant to the City Manager Darrek Ferrell.

There were 3 guests present.

Board members unanimously approved the motion by Board member Randy P. Pogue, seconded by Board member Robert Clark, to approve the following consent item:

- 13-798** Minutes of the Reinvestment Zone Number One Meeting of June 18, 2013
- 13-799** Chairman Day called for Consideration/Discussion/Action on the Fiscal Year 2013-2014 Annual Budget for Tax Increment Reinvestment Zone Number One (TIRZ No. 1 / Town Center TIRZ). Board members unanimously approved the motion by Board member Travis Ussery, seconded by Board member Geralyn Keever, to table this item to the September 17, 2013 meeting. Chief Financial Officer Rodney Rhoades presented the proposed budget for fiscal year 2013-2014. Mr. Rhoades

stated that the total expenditures for FY2013 \$520,000 leaving a fund balance of \$33,986. Chairman Day asked where the additional \$287,000 was allocated since the Board approved \$200,000 to the Flour Mill and \$13,000 to Sidestreet restaurant. Mr. Rhoades stated that staff anticipated that there may be a project coming before the Board during the next fiscal year for Cotton Mill infrastructure and the additional monies is being appropriated for other projects that may be brought to the Board for consideration. Mr. Rhoades stated that he was aware that only \$213,000 had been approved by the Board and the additional expenditures listed in the budget were to alleviate the need to call a special meeting to approve a budget amendment. Chairman Day stated that he had a problem with approving a budget that included items that the Board had not previously approved. The Cotton Mill project could be ready in a month for Board consideration. Board unanimously approved the motion by Board member Ussery, seconded by Board member Kever to table this item until the September 17th meeting.

13-800 Chairman Day called for Consideration/Discussion/Action on a Change to the Annual Reporting Period from a Calendar Year to Coincide with the City of McKinney's Fiscal Year for the Tax Increment Reinvestment Zone Number One (TIRZ No. 1 / Town Center TIRZ). Board members unanimously approved the motion by Board member Kever, seconded by Board member Ussery, to change to the annual reporting period from a calendar year to coincide with the City of McKinney's fiscal year for the Tax Increment Reinvestment Zone Number One (TIRZ No. 1 / Town Center TIRZ). Chief Financial Officer Rodney Rhoades stated that as they got more experience with the TIRZ zone, they realized that they are currently on a program plan that is reporting on a calendar year basis and as such they have to go back and do journal entries to reflect the sales tax collections that are the fourth quarter of each year. Staff is proposing to change the reporting period to a fiscal year that would be consistent to

both the CAFER from a reporting perspective. Board unanimously approved the motion by Board member Kever, seconded by Board member Ussery to change to the annual reporting period from a calendar year to coincide with the City of McKinney's fiscal year for the Tax Increment Reinvestment Zone Number One (TIRZ No. 1 / Town Center TIRZ).

13-801 Chairman Day called for discussion on the Historic Cotton Mill. Assistant Director of Planning Kevin Spath presented an over view and brief background of the Cotton Mill. Mr. Spath stated that currently it has fewer than 25 percent of the main building complex having been rehabilitated for occupancy with a variety of office space and an event hall. There is approximate 75 percent of the main building complex still needing rehabilitation for occupation. Mr. Spath stated that tonight he wanted to get conversation started regarding the rehabilitation and areas that still needed improvement as well as those already completed areas. Mr. Spath stated that they are not making a formal recommendation, but would like to see if there is an interest from the board to pursue an agreement to provide incentives with the top priority being the parking. Mr. Ussery stated that it would be helpful to know what the property needs are but also to see those quantified and how they would get a return on that investment. Mayor stated asked the Highway 5 corridor plays into all of this and stated that he is curious to see if there will be additional funding available for the Highway 5 corridor improvements. Mr. Spath clarified that RTC is paying \$125,000 of the planning study and that \$1.76 million will be paid by RTC for infrastructure for the Flour Mill project. Brian Loughmiller asked if staff could look into potential grant funds available for similar type of improvements around the Cotton Mill. McKinney Economic Development Corporation President Jim Wehmeier stated that previously there was a Chapter 380 agreement with Zinga to assist with finishing out the parking lot. Chairman Day stated that he

would to see the impact on tax revenues, how many jobs will be created, how much the owner is willing to invest. Mr. Day asked Staff to provide that information by the next meeting. Executive Director of Development Services Barry Shelton stated that he is hearing is you would like to see staff bring a matrix that will measure the anticipated revenue of the TIRZ without losing focus of those major catalyst projects in the district and make a proposal that fits within that parameter and bring an agreement that would also measure the private side investment.

Board members unanimously approved the motion by Board member Ussery, seconded by Board member Pogue, to Adjourn. Chairman Day adjourned the meeting at 5:35 p.m.

DON DAY
Chairman

ATTEST:

Sandy Hart, TRMC, MMC
City Secretary