

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

AUGUST 27, 2015

The McKinney Community Development Corporation met in regular session in the Dowdy Board Room, 5900 S. Lake Forest Drive, McKinney, Texas, on August 27, 2015 at 8:00 a.m.

Board members Present: Chairman Scott Elliott, Vice Chairman Kurt Kuehn, Board members: Hamilton Doak, David Clarke, Michelle Gamble, and Alternate Rick Glew. Absent: Board member David Myers.

Staff Present: President Cindy Schneible; Marketing Director Cayti Stein; Chief Financial Officer Rodney Rhoades; Senior Financial Analyst Trevor Minyard, Parks and Recreation Director Rhoda Savage; Parks and Recreation – Jenny Baker and Jill Yount; City Secretary Sandy Hart; Interim City Manager Tom Muehlenbeck; MPAC Marketing & Development Specialist Aaron Werner; McKinney Convention and Visitors Bureau Administrative Assistant Vanesa Rhodes; Airport – Ken Wiegand and Mark Jaraczewski Interim Assistant to the City Manager Chandler Merritt; Councilwoman Tracy Rath; and Council member Randy Pogue.

There were 12 guests present.

Chairman Elliott called the meeting to order at 8:01 a.m. after determining a quorum present.

REPORTS

15-802 July Financial Report. Chief Financial Officer Rodney Rhoades stated that Finance had rolled out the OpenGov platform last month and staff is continuing to enhance that platform with additional reports. Senior Financial Analyst Trevor Minyard reviewed the financial report. He stated that the MCDC sales tax revenue is 7% ahead of budget for the current fiscal year and 7% ahead of this time last year. Mr. Minyard stated that all of the revenue for the Aquatics Center has been received and created the large variance. Operational expenses are about 11.9% under budget.

15-803 Board and Liaison Updates:

Board Chair: Chairman Elliott thanked the Promotional and Community Event Grant subcommittee for their work and time; Rick Glew for working to develop a nonprofit marketing workshop that will be held in November; Colleen Smith for her service to the Board, and City Staff for their support.

Chamber of Commerce: President Hermes stated that the Board is going through a Strategic Planning process gathering data throughout the community and will be identifying areas in the community where we can have an impact. Board of Directors met yesterday and voted to support the bond referendum coming forth in November. We will continue to spread the word to get people out to vote. The Leadership Program will be hosting a 9-11 remembrance ceremony at the Public Safety Building at 9:00 a.m. to remember and give thanks to our public servants. This is open to the community and we invite everyone.

City of McKinney: Councilwoman Rath stated that the Boards and Commissions appointments were completed on August 24th. Interim City Manager Muehlenbeck stated that the Council is working on the 2015-16 budget. Staff is completing the scheduling of bond presentations to organizations throughout McKinney. We have about 38 presentations scheduled to date. Council member Pogue thanked the MCDC board and their work.

Main Street & MPAC: Aaron Werner stated that there will be a McKinney classic film festival September 11-13. September 18th is the last performance of the music festival featuring The Hunts. Oktoberfest is September 25-27 this year and we will start selling tickets on September 21st for food, beverages, and events. Shuttle service will be improved with two shuttle locations: one from First Baptist and one from the Sheraton Hotel.

MCVB: Vanessa Rhodes provided the July accomplishments that included about 270 visitors of which 120 were from out of the state. The

MCVB assisted with over 270 rooms last month for the Willets Sewing Trade Show. Director DeeDee Guerra made several sales calls in Louisiana and visited with 59 associations and 4 corporate contacts. Both DeeDee and Vanessa attended the Texas Convention and Visitors Bureau Convention and received good information for using social media as a means of connecting with the millennial generation.

MEDC: Cayti Stein stated that MEDC has been hosting an international prospect all week showcasing our community. MEDC is working on several large projects and meeting with large brokers and developers to promote McKinney.

Parks and Recreation: Rhoda Savage stated that the Aquatics Center is now under construction. Ms. Savage requested two members from the MCDC to serve on a steering committee for the development of the Parks and Open Space Master Plan Update. It is anticipated that the time commitment will include three meetings between the committee and the consultants, as well as an invitation to attend and participate in a series of public input and information meetings. The first four months will involve at least two meetings a month. Ms. Savage would like the names the week before the City Council's September 15th meeting.

15-808 Chairman Elliott called for Consideration/Discussion/Action on Request from City of McKinney/McKinney National Airport to Extend the Term of the Loan Agreement Executed for Project #14-08 (Transient Hangar Project) to June 1, 2016. Airport Director Ken Wiegand stated that on November 1, 2013, the City purchased the FBO, the retail operation at the airport, and it is doing very well for us. FBO General Manager Mark Jaraczewski stated that due to problems with soil conditions, the design phase of Project #14-08, Transient Hangar Project, took longer than anticipated. Additional problems were encountered with the Fire Marshal regarding fire suppression and in order to build the hangar cost-effectively, we had to redesign the fire suppression element. We are

looking at moving into the building on February 29, 2016. When the building opens, it will be fully occupied. Staff wanted to make sure that any weather delays encountered or delays under construction phase would be covered. Board members unanimously approved the motion by Vice Chairman Kuehn, seconded by Board member Gamble, to approve the request from City of McKinney/McKinney National Airport to extend the term of the loan agreement executed for Project #14-08 (Transient Hangar Project) to June 1, 2016.

15-804 Marketing Report. Cayti Stein stated that Rick Glew talked about the non-profit marketing day and the volunteer McKinney group. A meeting will be held tentatively on November 18th at MPAC and will be inviting McKinney non-profits and their boards to come learn about and discuss marketing communications and the various mediums available to deliver messaging; what works and does not work, and potential donors. MCDC will sponsor lunch and have the opportunity to visit with leaders to find out how they can utilize the MCDC and other city resources.

15-805 President's Report. President Schneible stated that the President's Report is in the Board's packet as well as information on the Bond Election. MCDC is working with McKinney StarCenter as they plan a public free skate in September as well as some themed events coming up in the fall. Ms. Schneible and Assistant City Manager Barry Shelton attended a trade show in Austin recently where restaurants, retailers, and developers were represented. She reported on a new restaurant opening at Eldorado Plaza later this fall. Ms. Schneible invited board members to an open house for Piazza on the Green this Sunday. If interested in attending, please RSVP.

DISCUSSION ITEMS

15-806 Presentation and Discussion on Preliminary Concepts for Potential Inclusion in the Gabe Nesbitt Community Park Master Plan Update.

Rhoda Savage presented preliminary concepts for potential inclusion in the Gabe Nesbitt Community Park Master Plan Update. Staff is working on the final design for the park that is responsive to the needs of the community. There are three concepts for Gabe Nesbitt that are being considered. The MCDC is heavily funding the parking lot and tennis court expansions that are taking place next year. There could be other potential funding available including some grants. Park Planners Jenny Baker and Jill Yount presented the information for the Plan Update and the concept plans: the activity plan, the unique by nature plan, the quality of life plan, and highlighted the pros and cons of each plan. The consultant suggested a combination of all plans. Mr. Muehlenbeck stated his concern is the maintenance cost after the park is completed and operational. Ms. Savage noted that once the park is completed they would like to house a crew at Gabe Nesbitt due to the anticipated heavy use of the facilities. Ms. Savage requested that additional comments from the MCDC board members regarding the park plans be sent to Jenny Baker or Jill Yount by the end of the week.

15-807 Chairman Elliott called for Consideration/Discussion/Action on Promotional and Community Events Grant Requests Submitted by: Heritage Guild of Collin County for Promotion of 2015 Holiday Home Tour and 2016 Tour de Coop Chicken Coup Tour in the Amount of \$11,000; St. Peter's Episcopal Church for Promotion of the 2016 Empty Bowls Event in the Amount \$6,136; North Collin County Habitat for Humanity for Promotion of the 2015 Monster Mash Birth Bash in the Amount of \$5,800; McKinney Main Street for Promotion of the 2015 Home for the Holidays Events in the Amount of \$10,000; McKinney Rotary Club for Promotion of the 2015 Rotary Parade of Lights in the Amount of \$6,000; Holy Family School for Promotion of the 2015 Believe! Run in the Amount of \$15,000. Chairman Elliott stated that the committee would pass on to the board members any notes on how the recommendations were reached. The

Chestnut Square request would be considered separately so that board member Hamilton Doak could step down. Rick Glew stated that there were six applications requesting \$54,000. The budget available for funding is \$50,000. The Empty Bowls Event requested \$6,136 and the committee increased the requested amount to \$7,000. The North Collin County Habitat for Humanity requested \$5,800. Due to the opportunities for additional funding for this organization, the committee reduced the requested amount to \$4,000. The McKinney Main Street requested \$10,000 for their annual festivals and events and the committee increased this requested amount to \$15,000. The Rotary Club's Parade of Lights requested \$6,000 and the committee recommends \$5,500. The Rotary Club also receives funding and grants from other areas. The Holy Family School requested \$15,000 for the Believe! Run which was significantly higher than past requests. The committee reduced that request to \$4,500 to keep the amount in line with other requests.

Board member Doak left the meeting for the discussion on the Heritage Guild of Collin County request.

The Heritage Guild of Collin County requested \$11,000 to promote the Holiday Home Tour and Tour de Coop Chicken Coup Tour. After looking at historical grant funding, the committee recommended \$11,000 for marketing and outreach. Our total recommendations totaled \$47,000, well within our \$50,000 budget.

Board members approved the motion by Board member Glew, seconded by Board member Clarke, to approve \$11,000 for funding the Heritage Guild of Collin County for Promotion of 2015 Holiday Home Tour and 2016 Tour de Coop Chicken Coup Tour, with a vote of 5-0-1, Board member Doak abstaining.

Board member Doak returned to the meeting.

Board members unanimously approved the motion by Vice President Kuehn, seconded by Board member Gamble, to approve funding for the

following: St. Peter's Episcopal Church for Promotion of the 2016 Empty Bowls Event in the amount \$7,000; North Collin County Habitat for Humanity for Promotion of the 2015 Monster Mash Birth Bash in the amount of \$4,000; McKinney Main Street for Promotion of the 2015 Home for the Holidays Events in the amount of \$15,000; McKinney Rotary Club for Promotion of the 2015 Rotary Parade of Lights in the amount of \$5,500; and Holy Family School for Promotion of the 2015 Believe! Run in the amount of \$4,500.

15-809 Chairman Elliott called for Consideration/Discussion/Action on Request from Texoma Area Paratransit System (TAPS) to Extend the Term of the Loan Agreement Executed for Project #14-12 (Public Transportation Improvements in the City of McKinney) to December 31, 2015. Josh Walker, Director of Safety and Risk Management, Kristen Hill, Contracts and Grants Administrator, Taryn Rath, Transportation Solutions coordinator, and Todd Rumsey, Facilities and Maintenance Director of TAPS Public Transportation were present to request an extension to the term of the Loan Agreement for Project #14-12, Public Transportation Improvements in the City of McKinney until December 31, 2015. Mr. Walker addressed the issues that have delayed the project. He stated they are confident that the project will be completed by December 31, 2015. Mr. Muehlenbeck stated the City does support the extension.

Board members unanimously approved the motion by Board member Doak, seconded by Board member Clarke, to approve the request from Texoma Area Paratransit System (TAPS) to extend the term of the loan agreement executed for Project #14-12 (Public Transportation Improvements in the City of McKinney) to December 31, 2015.

15-810 Chairman Elliott called for Consideration/Discussion/Action on Request from North Collin County Habitat for Humanity to Reallocate \$35,892.40 From the Remaining Balances in Land Survey and Lot Preparation

Approved for Project #14-13 to Land Acquisition. Celeste Cox stated that they have completed 21 projects from their list of neighborhood revitalization projects. Habitat has one lot left in McKinney and has 10 families approved, eight of which are McKinney families. Habitat located properties on Hamilton that will give them six lots. The cost is \$92,000 including closing costs. We need to reallocate from the remaining balance from lot surveys and lot prep into land acquisition so that we can purchase this lot. Approval will give us \$96,000. We have one more lot from the City of McKinney that was a delinquent tax property. The cost of the lot is \$14,000 and we have \$10,000 in CDBG funds. The reallocation will allow us to get seven lots. The remaining balance of about \$3,000 in exterior home repair will be utilized in a matter of weeks. Board members unanimously approved the motion by Board member Clarke, seconded by Board member Gamble, to approve the request from North Collin County Habitat for Humanity to reallocate \$35,892.40 from the remaining balances in land survey and lot preparation approved for Project #14-13 to Land Acquisition.

15-811 Chairman Elliott called for a Public Hearing and Consider/Discuss/Act on Project #15-05, a Request Submitted by Heritage Guild of Collin County, in the Amount of Seventy Thousand Dollars (\$70,000) for Improvements and Upgrades to Properties at Chestnut Square: Bevel House - \$19,000; Chapel - \$16,500; Dulaney Cottage - \$25,000; Perimeter Fencing - \$10,000. Amount Requested Represents 82% of Estimated Total Project Cost. This item was withdrawn with no action taken.

15-812 Chairman Elliott called for a Public Hearing and Consider/Discuss/Act on Project #15-06, a Request Submitted by North Collin County Habitat for Humanity, in the Amount of Two Hundred Twenty Thousand Dollars (\$220,000) for Purchase, Survey and Preparation of Five Lots for the Construction of Affordable Housing; and Completion of Twenty-Five

Home Repair Projects. Amount Requested Represents 29% of Estimated Total Project Cost. Elizabeth Johnson, Marketing Coordinator from Habitat for Humanity stated that this item will assist eight McKinney families acquire a home in McKinney. They will also be helping older, disabled homeowners who have homes that are grossly deteriorated. The \$220,000 requested will go to five lots, plus the surveys and lot preps for the lots, which makes up \$95,000. We plan to undertake 25 exterior home repairs averaging about \$5,000 per home. Chairman Elliott requested public comments and there were none. The MCDC money requested is just to acquire new lots and repair existing homes. Habitat is matching the funds requested from MCDC plus receiving \$10,000 from CDBG. Board unanimously approved the motion by Vice Chairman Kuehn, seconded by Board member Glew to close the public hearing.

15-813 Chairman Elliott called for a Public Hearing and Consider/Discuss/Act on Project #15-07, a Request Submitted by Gather, LLC, in the Amount of Eighty Thousand Dollars (\$80,000) for: Installation of Sprinkler System - \$69,000; Reconfiguration of Event Venue - \$23,760; Purchase of Furniture and Fixtures for Event Venue - \$20,000. Amount Requested Represents 73% of Estimated Total Project Cost. Crystal Bryant, owner of Gather, LLC, presented the request for the grant. A main cost for Gather's expansion is the installation of a sprinkler system, which will also entail tapping into the water source under Virginia Parkway. The project total is \$110,000 and we are requesting \$80,000. Without a sprinkler system in the building, the City has set the occupancy at 100 people. Once the sprinkler system is added, it becomes a 300 person occupancy building. Historically, the MCDC has not funded a for-profit event venue in the past. The state law that governs the MCDC monetary support does not specify non-profit or for-profit venues. Mr. Muehlenbeck stated that this type of venue should qualify for hotel/motel tax. The

Sheraton is not going to make its debt payment this year so the City is going to transfer a large sum of money to the hotel/motel tax toward that debt coverage. In the future, this will be available to the "for-profit" venues. Chairman Elliott requested public comments and there were none. Board members unanimously approved the motion by Board member Gamble, seconded by Board member Doak, to close the public hearing.

15-814 Chairman Elliott called for Consideration/Discussion/Action on MCDC Fiscal Year 2016 Budget. President Schneible stated that the budget submitted to the City Manager was modified slightly. The projected revenue was increased to a total of \$10,235,000, a little over \$500,000 increase. Originally, professional fees included \$50,000 for renewal of the Retail Coach's contract. That has been reduced to \$40,000. The contract renewal is \$25,000 and we included money to participate in conferences as appropriate. We increased project legal fees by \$15,000 primarily for the Gateway Project. Cost for insurance has been eliminated from the budget as that is provided by the City. We increased special events line item by \$7,000 to cover hosting milestone events with the progress of the Aquatics Center. We also included \$3,000 to provide Ipads and software to Board members. Copier rental was up a bit this year. The City Administrative Fee was increased to \$170,000 this year. The board was provided a breakdown of this administrative fee. Chief Financial Officer Rhoades stated that the sales tax projections are conservative. Board members unanimously approved the motion by Board member Glew, seconded by Board member Clarke, to approve the MCDC Fiscal Year 2016 Budget.

15-815 Chairman Elliott called for Consideration/Discussion/Action on City Council Recommended Amendments to the Bylaws of the McKinney Community Development Corporation. Mr. Muehlenbeck stated this will

not affect the authority relationship of the board as far as projects. The overall goal for Council's request to amend the bylaws was the concern that the staff are City employees and it is unique to have a board have direction over a City employee instead of the City Manager. The boards were not following City personnel policies and these things made the Council feel that unification needed to be made to benefit the entire City. The EDC and CDC Presidents, as director-level positions, will report to the City Manager. The City Manager reports directly to the City Council. The hiring/firing of the City Manager is the only oversight that the Council has. While Council has no oversight over a Director, the City Manager notifies Council before any action is taken. These amendments to the bylaws do not change the operation of the MCDC, it is simply a change to the reporting mechanism. Board members unanimously approved the motion by Board member Doak, seconded by Board member Gamble, to approve the City Council recommended amendments to the Bylaws of the McKinney Community Development Corporation.

Chairman Elliott recessed the meeting into executive session at 10:35 a.m. per Section 551.074 Personnel Matters and Section 551.087 Discuss Economic Development Matter as listed on the posted agenda. Chairman Elliott recessed to the open session at 10:55 a.m.

Board unanimously approved the motion by Board member Doak, seconded by Board member Gamble to adjourn. Chairman Elliott adjourned the meeting at 10:55 a.m.

SCOTT ELLIOTT
Chairman