

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

APRIL 23, 2020

The McKinney Community Development Corporation met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on April 23, 2020 at 8:00 a.m.

Board members present: Chairman Jackie Brewer, Vice Chairman Rick Glew (via conference call), Secretary Mary Barnes-Tilley, Treasurer Angela Richardson-Woods and Board members Kathryn McGill, David Kelly and John Mott.

Alternate Board member present: Deborah Bradford.

City Council members present: Mayor George Fuller, Councilman Scott Elliott and Councilman Frederick Frazier.

Staff present: President Cindy Schneible; City Manager Paul Grimes; Assistant City Manager Kim Flom; Financial Compliance Manager Chance Miller; Main Street and MPAC Director Amy Rosenthal; Main Street Program Coordinator Aaron Werner; and MCDC Administrative and Marketing Coordinator Linda Jones.

There were several guests present.

Chairman Brewer called the meeting to order at 8:01 a.m. after determining that a quorum was present. She announced that it was National Take Your Child to Work Day, which many have been celebrating for a month already due to COVID-19. She also announced that today is National Picnic Day. She asked for a few moments of silence to honor our first responders and city workers and for those who are suffering.

Chairman Brewer called for comments on agenda items, and there were none. She stated that all Public Hearings discussed today will remain open until the May Board meeting.

20-0305 Chairman Brewer called for a motion on the minutes of the McKinney Community Development Corporation Meeting of February 27, 2020. Board members unanimously approved a motion by Treasurer Richardson-Woods, seconded by Board member Mott, to approve the minutes.

- 20-0306** Chairman Brewer called for a motion on the minutes of the McKinney Community Development Corporation Retail Development Infrastructure Grant Subcommittee meeting of March 18, 2020. Board members unanimously approved a motion by Secretary Barnes-Tilley, seconded by Treasurer Richardson-Woods, to approve the minutes.
- 19-0482** Chairman Brewer called for a motion on the minutes of the Parks, Recreation, and Open Space Advisory Board meeting of May 9, 2019. Board members unanimously approved a motion by Secretary Barnes-Tilley, seconded by Board member Kelly, to approve the minutes.
- 20-0307** Chairman Brewer called for the Financial Report. Finance Compliance Manager Chance Miller stated that February and March had net incomes of \$1.4 million and \$500,000, respectively. These reflect Park Improvement Fund expenditures of \$132,000 in February and \$512,000 in March, the majority of which was for the Old Settlers renovations. Sales tax report for February, which reflects December 2019 sales, saw a 17.5% increase. Sales tax for March, which reflects January sales, saw a 12% increase over the same timeframe of 2019. Mr. Miller added that finance is working on adjusted projections for upcoming months to reflect the impact of COVID-19. He added that City of McKinney sales tax reports separately on twenty different industries, and Finance is evaluating the international impact on those industries due to COVID-19. Mr. Miller called for questions, and there were none.
- 20-0308** Chairman Brewer called for Board and Liaison Updates.
City of McKinney. City Manager Paul Grimes stated that the City is in the process of preparing the 2021 fiscal year budget, and those numbers will reflect data available on the impact of COVID-19. He added that the City has furloughed all part time employees. Parks and Recreation and Library facilities are closed. As a result, many of those employees are furloughed.

With respect to the community, the City is excited about any and all opportunities to provide some assistance. Mr. Grimes announced the One Heart McKinney initiative, which is a grass roots, community-wide initiative. He stated that while the City isn't driving this initiative, it did serve as a convening authority. Mayor Fuller is the spokesperson for One Heart McKinney. The oneheartmckinney.com website offers a one-stop information center for anyone who needs help or wants to help in five categories – housing and shelter, food, health and medicine, jobs and employment, and childcare. Rick Wells secured the website name and offered it for this initiative. Mr. Grimes reported that the City is working through provisions of The CARES Act to identify funding resources designed to help businesses, including the Payroll Protection Program. The City is aggressively working to get information to the community on funding opportunities. In addition, Mr. Grimes stated that the City received \$500,000 in funding for CBDG, and recommendations for administering these funds will be brought to City Council soon. The City will be receiving some additional funding based on our designation as an Urban Transit District. He added that City Hall is open, and while most other office buildings are closed, all departments are open for business as employees work from home. Public Works and Parks Maintenance are working as usual. Mr. Grimes asked for questions. Treasurer Richardson-Woods asked if Mr. Grimes was aware of businesses in McKinney that benefitted from the first round of Federal funding, and he replied that he did not have a list. Chairman Brewer encouraged everyone to thank the City workers when they see them out working.

[Visit McKinney](#). President Schneible directed the Board to Director Guerra's report attached to the agenda. Ms. Schneible highlighted some items in the report. Visit McKinney has launched a newsletter and Board members are encouraged to sign up to receive it via email. Visit McKinney wanted to thank MCDC Board members for their support of the

#SupportLocal campaign, including the purchase of the first round of t-shirts, and for joining with Visit McKinney to sponsor the first responders lunch on May 5.

McKinney Economic Development Corporation. President Schneible directed the Board to the report attached to the agenda.

McKinney Main Street/MPAC. Director Amy Rosenthal stated that she always looks forward to coming the MCDC Board meetings to share all the amazing things going on in the Downtown area, but this month is different. COVID-19 has taken a devastating toll on Downtown McKinney. The Main Street and MPAC team is working hard to respond by finding ways to support local businesses, particularly the 120 businesses in the Downtown Historical District. Staff conducted a survey which resulted in 100 responses. Most businesses noted that sales were down 50% to 75%, while a few stated sales were down 90% to 95%. Of those who responded, 87% had suspended store operations, while 32% stated they were in jeopardy of closing permanently. MPAC has canceled 32 events in the last two months with an estimated total attendance of 7,000. Arts in Bloom was canceled, which typically brings about 35,000 visitors to Downtown. In addition, May cancelations included graduation parties, dance recitals, other performances and the Derby Day Wine Walk. The National Main Street Conference in Dallas was canceled, and McKinney had a sold-out spotlight tour scheduled during that conference. Ms. Rosenthal gave an historical retrospective of the hardships and triumphs of Downtown area including the Civil War, WWI, WWII, the depression, devastating fires and the destruction from the 1948 tornado. She added that this Downtown area that was practically abandoned for 30 years is more than brick and stone, it is the heart of McKinney and it represents McKinney's community. She passionately stated that "We are McKinney, Texas. We will make it through to brighter days." Speaking on behalf of the Downtown community, Ms. Rosenthal thanked the Board for their

consideration of the grant program that will be presented in today's Board meeting.

McKinney Parks and Recreation. President Schneible shared some highlights prepared by Director of Parks and Recreation Michael Kowski. Park projects are underway, including renovations at the Senior Center, Old Settlers and Cottonwood Park. Playground replacement at Bonnie Wenk is also underway. Improvements to the Maxfield pool will be completed this month. Parks is in the final stage of the updated master plan for the Craig Ranch soccer complex. Master planning continues on neighborhood park improvements and updates. In light of facilities closings due to COVID-19, the Parks Department has launched virtual programming along with its Keep McKinney Active campaign. Website additions include nutritional advice from a dietician and videos featuring Apex instructors. Parks is looking forward to the joint meeting with MCDC Board in May.

20-0309 Chairman Brewer called for the President's Report. President Schneible directed Board members to the report attached to the agenda. She stated that there are several final reports attached, and that COVID-19 has impacted most community events. The McKinney Philharmonic Chamber was only able to hold one performance, which drew visitors from across North Texas. SBG's St. Patrick's Day festival had been postponed but is now canceled. Final reports for two Project Grants are also attached – Collin County History Museum's project boards and ManeGait's wayfinding signage project. Additionally, there is a report attached reflecting data on patients seen at the federally qualified health center. Ms. Schneible added that even during this pandemic, we are seeing positive things going on in McKinney. Habitat for Humanity is continuing to get work done in neighborhoods and with the Cotton Groves project, and the Board is invited to participate in a drive-by car parade to

celebrate a home dedication on May 2. The Chamber of Commerce is celebrating Small Business Week (May 4-8), and Board members are encouraged to participate in the #SupportLocal car parade through town on May 6. Ms. Schneible announced that the Byron Nelson golf tournament will be in McKinney starting in 2021 and will have a positive impact on the community. Ms. Schneible reminded the Board that the next cycle for Promotional and Community Event grants opens May 1.

REGULAR AGENDA

20-0310 Chairman Brewer called for additional comments and discussion on the Public Hearing regarding an amendment to Project #19-11, funded in the amount of \$135,000 for replacement of gym floor, replacement of gym padding panels and purchase and installation of retractable bleachers at the McKinney Boys and Girls Club, to allow unused funds in the amount of \$40,785 for gym upgrades: gym doors in the amount of \$7,035; gym light fixtures in the amount of \$11,727; basketball goals in the amount of \$7,783; basketball machine in the amount of \$6,664; painting of divider in the amount of \$7,576. Chairman Brewer reminded the Board that this amendment was approved at the February MCDC Board meeting, but the Public Hearing wasn't closed at that time. There were no additional comments. Board members unanimously approved a motion by Treasurer Richardson-Woods, seconded by Board member Mott, to close the Public Hearing.

20-0311 Chairman Brewer called for additional comments and discussion on a Public Hearing regarding a Retail Development Infrastructure Grant Application submitted by East End Salvage Ltd. Co. (RDIG 20-01) in an amount of up to \$25,000 for reimbursement of expenses related to site and exterior infrastructure improvements at East End Salvage Ltd. Co., located at 705 Greenville Road, McKinney, Texas. Treasurer Richardson-Woods stated that the Project Grant subcommittee met on March 18 to

review this grant application. Attending the meeting were Vice Chairman Glew, Treasurer Richardson-Woods, Board member Mott, President Cindy Schneible and MCDC Administrative and Marketing Coordinator Linda Jones. Board Alternate Deborah Bradford also participated. On behalf of the subcommittee, Treasurer Richardson-Woods recommended the Board approve this grant in an amount up to \$25,000. Chairman Brewer reminded the Board of an email received from Kaci Lyford, co-owner of East End Salvage, stating that even amidst this pandemic, the business is thriving as they are able to still have private showings and shopping by appointment. Board members unanimously approved a motion by Board member Mott, seconded by Board member Kelly, to close the Public Hearing. Board members unanimously approved a motion by Board member Mott, seconded by Board member McGill, to approve funding for the Retail Development Infrastructure Grant application submitted by East End Salvage Ltd. Co. (RDIG 20-01) in an amount of up to \$25,000.

20-0312 Chairman Brewer called for a Public Hearing and consideration/discussion/action on a Project Grant application submitted by McKinney Parks Foundation (#20-05) in the amount of five thousand nine hundred twenty-four and 89/100 dollars (\$5,924.89) for interior and exterior restoration of a shipping container to be used for storage and procurement of tools and supplies to be used in the management, enhancement, restoration and maintenance of McKinney Park's properties. Amount requested represents 100% of the project cost. Rick Moreno, President of McKinney Parks Foundation, stated that the Foundation is a nonprofit formed in 2017 with a Board of four that manage volunteer projects in the parks, mostly trail maintenance. Every project is approved by Parks Director Michael Kowski and the Parks Maintenance Supervisor. They hold monthly workdays for projects. The

Foundation coordinates with volunteer groups that have approached the Parks Department looking for opportunities to serve, and they have logged 644 volunteer hours so far. He reminded the Board and thanked them for the grant awarded last year that allowed them to build benches along the trails. Mr. Moreno is asking the Board to consider a grant for a tool storage facility. Parks Director Michael Kowski has found a shipping container that will be converted to a tool storage unit to be located behind the Senior Center. The interior of the storage unit will be finished out with framing, hooks, shelving and LED powered lights. The exterior will be finished out with wood panels and artwork. The proposed project budget includes funds for security locks, cables and chains. In addition to the storage container, they are asking for funds to purchase some higher quality hand tools (100% replacement for life) to be used exclusively by the Parks Foundation volunteers. Tools would include loppers, shears, rakes and shovels. Mr. Moreno asked for questions. Board member Kelly asked how they would handle tool maintenance. Mr. Moreno reminded the Board that these are all hand tools and proposed that the knife sharpener at Chestnut Square may be able to help with maintenance. R. Moreno assured MCDC board members that Parks Foundation board members would be with volunteers for any projects when the tools are being used. Dr. Moreno does hope that the tools would eventually be made available for various groups such as churches, Scout projects or classes. He added that they receive about ten requests a year for these types of projects, and are they currently working with a Scout on a bench project. Dr. Moreno stated that the Foundation has a park bench sponsorship/dedication program as well. He added that parks volunteers always feel good about their contribution and feel some ownership in their community. He asked for questions. Chairman Brewer reminded the Board that the Public Hearing will remain open until the May Board meeting. Board member Kelly noted that the \$500 price for the benches

is good. Chairman Brewer thanked Dr. Moreno for the presentation.

20-0313 Chairman Brewer called for a Public Hearing and consideration/discussion/action on a Project Grant application submitted by Hugs Café, Inc. (#20-06) in the amount of thirteen thousand three hundred twenty-four and 90/100 dollars (\$13,324.90) for the purchase and installation of greenhouse heaters, electrical infrastructure and misters. Amount requested represents 33.88% of total project cost. Lauren Smith, Director of Development for Hugs, stated that Hugs Café started in McKinney with the mission to enhance the lives of adults with special needs through training and employment. Hugs Café, located just off the Downtown square, opened in October of 2018, providing employment for adults with special needs. The Hugs Prep program is a training program offered on Mondays. In 2018, they opened the Hugs Greenhouse to further expand employment opportunities. The greenhouse provides a more tranquil work environment where flowers and bedding plants are grown and sold to landscapers and the general public. Ms. Smith shared that Hugs is blessed with many supporters including Mayor and Maylee Fuller who fund café utilities, Rick Wells and the Seed Foundation who are investing \$6,500 into the online store, the NFL Foundation which provides catering and staff development and the Moody Foundation which awarded them \$35,000 for general program support. The first Hugs Greenhouse stand opened in 2018 with a \$26,000 investment from individual donations. The first growing season was completed in Fall of 2018, and they began growing perennials through seedling purchase in 2019. Also, the first roadside stand was opened in 2019. At the start of this year, Hugs started growing annuals and have partnered with Main Street on butterfly topiaries. Moving forward, the greenhouse will begin propagation, which is taking cuttings from plants and using those cuttings to make new plants, eliminating the need to purchase seedlings. This will reduce plant

costs by 90%. Also, growing from cuttings is 20% faster because it bypasses the juvenile stages of growth. Propagation also allows for controlling the plants without worrying about the weather. Essentially, propagation provides for a 100% self-sustaining environment. Ms. Smith stated that this project grant will provide additional infrastructure specific to finalizing the propagation goals. She added that they have selected preferred vendors that are local and will work within the Hugs timeline and mission. The proposed project budget includes greenhouse power installation, misting system installation, plumbing supplies and propane and heating installation. If this grant is awarded in May, they hope to begin the first propagation cycle in September. With this plan, Hugs Greenhouse would be able to utilize a 365-day work window and create additional jobs in 2021. Additionally, propagation is a marketable workforce skill that could allow some employees to work at other nurseries. Ms. Smith asked for questions, and there were none. Chairman Brewer reminded the Board that the Public Hearing will remain open until the May Board meeting. Vice Chairman Glew asked for the address of the roadside stand, and Ms. Smith stated that it's located at 3054 County Road 205, McKinney.

20-0314 Chairman Brewer called for a Public Hearing and consideration/discussion/action a Project Grant application submitted by McKinney Main Street and the Historic Downtown McKinney Cultural District (#20-07) in the amount of sixty-six thousand and no/100 dollars (\$66,000.00) for the purchase of "Better Block in a Box", a project that includes all elements for placemaking and pop-up events and activities. Amount requested represents 93% of total project cost. Aaron Werner, Main Street Program Coordinator, described McKinney Main Street as a 501c(3) nonprofit that exists to support and promote the McKinney Cultural District. He stated that with COVID-19, about 25% of the district's

businesses are at risk of closing permanently. When guidelines are lifted, Main Street wants to work together with the shops to bring people back together. Trends show that retail is evolving and becoming more experiential. Currently, McKinney does not have a gathering space like other thriving developments including Watters Creek in Allen, Legacy West in Plano and Pearl Street Mall in Boulder, Colorado. To remain competitive, Main Street is proposing a pop-up style gathering space. Essentially, the Better Block in a Box transforms an empty space into a plaza complete with seating, shading, entertainment and vendor space. Mr. Werner added that we already know that festivals and other Downtown events increase traffic and sales. The intent is to utilize Better Block in a Box to increase activities and develop smaller events like wine walks and live music. The Box allows an opportunity to reimagine the current public spaces throughout Downtown and across Highway 5. Mr. Werner stated that they hope to reveal the Box at a free event in Downtown McKinney on October 24, 2020. He added that the MCDC quality of life survey indicated that 77% of respondents were interested in a gathering space in Downtown. Goals for the project include encouraging community involvement, strengthening the local economy, testing new ideas and demonstrating the value of pedestrian spaces. Success will be measured by foot traffic, sales and social media response. Mr. Werner asked for questions. Treasurer Richardson-Woods asked where the Box would be parked, and Mr. Werner explained that the Box is completely mobile and can pack up and be placed in different areas for different events, providing the opportunity for a variety of small pop-up events and would also be used during the larger festivals. He added that the Box is completely customizable and would be wrapped and incorporate MCDC branding. Board member Kelly asked for clarification on the container itself, and Mr. Werner stated that it is a shipping container that has been modified. He added that Better Block is

an organization in Dallas that focuses on open spaces, and the Box itself would be completely customized for McKinney. Better Block also would offer support at an inaugural event. Secretary Barnes-Tilley sought clarification on the Box contents and transport, and Mr. Werner clarified that the Box contents don't change but can be set up differently for each event. As for transport, Mr. Werner said that Public Works would move the Box as needed. Treasurer Richardson-Woods asked about the durability and lifespan of the Box, and Mr. Werner stated that the container may need to be rewrapped after approximately five years, but the contents should last much longer. Vice Chairman Glew asked if the Box would be available for other groups in the City, and Mr. Werner stated that they would be open to discussion on that idea. Chairman Brewer reminded the Board that the Public Hearing will remain open until the May Board meeting.

20-0315 Chairman Brewer called for a Public Hearing and consideration/discussion/action on a Project Grant application submitted by District 121, LLC (#20-08) in the amount of two million forty thousand two hundred fifty and no/100 dollars (\$2,040,250.00) for the development and construction of The Commons at District 121, a .7 Acre privately owned and maintained, publicly accessible open space and landscaped area featuring a stage with LED screen, outdoor rooms defined with floor pavers/stamped concrete, cushioned seating, tables and umbrellas, outdoor fire pits, children's play area, lighting, sound systems and seating for the District 121 office, entertainment, retail and restaurant mixed-use development in Craig Ranch. Amount requested represents 100% of the cost for the project. Miles Prestermon, District 121 Chief Operating Officer, stated that District 121 is a partnership between Mr. Prestermon, David Craig and their equity partner. Mr. Prestermon worked in partnership with David Craig for ten years developing Stonebridge Ranch

and eleven years so far developing Craig Ranch. The District 121 mixed-use development will feature an urban mixed-use design not yet seen in McKinney. Mr. Prestermon thanked the City for stepping up and helping them work through the ordinances and regulations that are unique to an urban development. District 121 is 17.85 acres located at the northeast corner of Alma and 121, across from HUB 121. He stated that Independent Financial plans to add 300,000 square feet to its current facility. The corporate center will house 1.8 million square feet of office space. A future hotel may be located at the site. A unique factor with this corner is that there are already 6,500 – 7,000 residents living within two blocks of HUB 121 and District 121. In addition, at the corner of Alma and Henneman, will be High Five, a two-story, 40,000 square foot entertainment facility with bowling, zip line, arcades and other activities. At the core of this development will be a common area or park, which is what MCDC is being asked to consider funding with this project grant application. There is currently a corporate user working with MEDC on a 200,000 square foot, eight story office building on the corner of Alma and SRT. The core of District 121 is 59,000 square feet of retail surrounding a central park area. There is a great amount of flexibility in the overall plan to accommodate office use and perhaps a boutique hotel. The commons area or park is planned to be a sunken .7-acre area surrounded by restaurant and retail. The commons area will be designed with articulated outdoor rooms including shade structures, kids play areas, gaming areas, kiosks and a stage for live entertainment and a 9' x 16' LED screen. The design allows for a great variety of programming, cultural and entertainment events. The parking garage is strategically located to block sound from SRT/121 and will showcase digital messages for drivers along the Tollway. Mr. Prestemon also presented a concept for "McKinney Station" a pedestrian friendly district with themed design elements including public art, landscaping and other special components.

Walking trails would make the area accessible from nearby housing and from the soccer complex. Mr. Prestermon stated that the project is in the site plan and concept planning phase, and they have participated in predevelopment meetings with all City. Mr. Prestermon asked for questions. Vice Chairman Glew asked Mr. Prestermon to elaborate on the number of people already living in the residential areas adjacent to District 121. Mr. Prestermon stated that there are eleven phases of urban residential planned within a two-block radius of District 121– five are complete, two are under construction and the balance are in design. The walkability for these residents to the proposed sites creates sustainability for a vibrant HUB 121 and District 121 in the future. Chairman Brewer asked for clarification on parking, and Mr. Prestermon stated that about 55% of the retail visitors will utilize surface parking. The parking garages will accommodate corporate, resident and retail/event parking during non-work hours. Board member Kelly asked for clarification on the MCDC funding aspect. Mr. Prestermon clarified that MCDC funds would cover hardscape, retaining walls, concrete paving, the open grass area, the stage, public art, lighting, sound, irrigation, other infrastructure elements, electric security cameras, wireless connectivity, furniture, outdoor fire pits, playground, landscaping, turf area, utilities, drainage infrastructure, water and sewer including sanitary sewer for kiosks, electric for tents, architectural fees, and LED screen for stage within the park. Board member Kelly asked about the timing of the project. Mr. Prestermon stated that they are moving forward, knowing that timing and financing changes due to COVID-19 may impact the project. He also discussed the historical pattern of a “flight to quality” during a downturn. The pattern has been for “C” areas to suffer most, then “B” areas, but “A” areas have proven to be successful and sustainable – District 121 is an “A” area. Vice Chairman Glew asked for elaboration on the expansion of Independent Bank. Mr. Prestermon stated that it was his understanding

that the expansion of Independent Financial's home office will be significant. The SRS Headquarters under construction is nearing completion and the company will move into its 100,000 square foot space on the corner of Alma and SRT as well. Mr. Glew asked for an explanation of the differences between the common areas of HUB 121 and District 121 from a consumer perspective. Mr. Prestermon stated that the HUB 121 park is a more intimate setting and is only about 25% of the size of the District 121 park. The two venues will work together well, one offering larger events and one specializing in smaller events. Vice Chairman Glew asked if they were open to considering a loan agreement versus a grant. Mr. Prestermon answered that a grant for the commons area was important in order to be able facilitate construction of the vertical developments in conjunction with the construction of the commons area. Mr. Glew added that his confidence in this project stemmed from the reality that people are already there, and Mr. Prestermon agreed. Mr. Prestermon added that the commons area is an important dynamic that attracted the office user. Mayor George Fuller thanked Mr. Prestermon and David Craig for the presentation. Mayor Fuller explained that there is no financial return to the developer for the park/commons area. He added that in every instance where these types of projects are undertaken, there is a municipal contribution to help make the project a reality. Mayor Fuller added that the return to the City and to the community will be huge. He added that coming out of COVID-19, retailers will require something special in a location like this "A" development. Mayor Fuller applauded Mr. Prestermon for holding to the highest standards in the concept and plan and reminded the Board that the project will not go forward without an investment from the city. Board member Kelly agreed with Mayor Fuller that this project should be a priority for MCDC, but he stated that the Board should consider this holistically given the uncertain revenue and other large projects and that

we need the guidance of City Council. Chairman Brewer agreed and suggested that we try to get feedback from Council on this and other priorities. Vice Chairman Glew agreed that this project should be an extremely high priority. Board member Kelly reiterated that he is hesitant without knowing the financial projections. This Public Hearing will remain open until the May Board meeting.

20-0316 Chairman Brewer called for consideration/discussion/action on a Resolution authorizing the purchase and installation of eight (8) benches to be located around the McKinney Performing Arts Center in an amount not to exceed thirty-six thousand and eight hundred and no/100 dollars (\$36,800.00), authorized by Section 505.152 of the Texas Local Government Code; and providing for an immediate effective date. Board members unanimously approved a motion by Treasurer Richardson-Woods, seconded by Board member McGill, to approve the Resolution.

20-0317 Chairman Brewer called for consideration/discussion/action on a request from Habitat 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 September 30, 2020. President Schneible reported that the project is about 92% complete and that Habitat has been working with the City on the timing of some of the infrastructure. Board members unanimously approved a motion by Board member McGill, seconded by Secretary Barnes-Tilley, to approve the term extension.

20-0318 Chairman Brewer called for consideration on the McKinney Strong COVID-19 Business Grant Program. Assistant City Manager Kim Flom stated that this program was discussed with City Council at their most recent meeting and is one of several efforts from several organizations to support the local businesses during this difficult time. The City has

formed a business support and stimulus team consisting of representatives from MCDC, MEDC, Visit McKinney, Main Street, the Chamber and City representatives. The team is working to support the jobs and employment category of the One Heart McKinney initiative, and has also supported the #SupportLocal t-shirts initiative that was funded in part by MCDC. Ms. Flom stated that this proposed grant program is one of several business support efforts across a myriad of categories that will occur over the next year, but it is an avenue to get funds to small businesses and nonprofits quickly. The goal is to supplement recovery efforts to make a difference in McKinney. She added that the team recognizes that some businesses are impacted more than others, and the team's intent is to be meaningful and impactful. The team's approach is to be flexible for different stages of recovery. She added that one of the greatest needs right now is support for small businesses and nonprofits. This micro grant program would use unallocated MCDC funds, while future programs will likely consider other resources. This program is proposed to provide funds for rent, utility costs and expenses related to communications, internet and wireless for small businesses and nonprofits with 50 or fewer employees who are experiencing hardship due to COVID-19. Maximum funding is proposed to be \$1,500 maximum per grant per entity. The team is asking for \$500,000 for this first round and may seek a second round at a later date. Eligibility requires that the entity be a commercial location within city limits, which will disqualify home-based businesses and those located in the ETJ. The team is considering using the ZoomGrants application software. She added that this is not a competitive grant process; if an entity meets the eligibility requirements, they will receive funding. The goal is to move from application to funding in less than 15 days. Ms. Flom shared some of the feedback they received from City Council. One aspect the Council discussed was the reimbursement aspect and considered that if an entity

is experiencing hardship, should they be allowed to present unpaid bills as well. Ms. Flom added that the goal is to make the application broad reaching in order to help as many small businesses and nonprofits as possible, with an easy application process, an efficient review process and a strong measure of accountability. Ms. Flom shared that City Council passed a resolution in support of the proposed program. Ms. Flom asked for questions. Chairman Brewer asked if criteria had been established regarding whether an entity was essential or nonessential. Ms. Flom stated that the only qualifier is hardship with key eligibility questions including:

- Do you have a business located within the City of McKinney?
- Do you have 50 or fewer employees?
- Have you experienced a hardship? (The onus is on proof of hardship.)

Chairman Brewer asked if information on grant details would be published early, so small entities have an opportunity to gather information, so they can apply before funds are committed. Ms. Flom stated that the team is rethinking the idea of a first-come first-serve application and is considering an application window where applications aren't approved until the deadline. She added that the hope is to have the application available by May 1, and there are plans to announce the program via press release as soon as details are finalized. Chairman Brewer commented that the issue with reimbursement is that it's not helpful to the company that can't pay the bill. Treasurer Richardson-Woods asked for clarification regarding a business that knows they are going to close their doors permanently, adding that the intent should be to get funds to those who need help to sustain. Ms. Flom stated that there is a question on the application regarding the current status of the business. She added that the team would be open to discussing more

options on this issue. Secretary Barnes-Tilley asked if there was an opportunity through the process to identify needs that may be better served by another organization, then direct the applicant to that resource. Ms. Flom agreed that this is an interesting point to consider. She added that the application is being drafted to be easy and quick, but she agreed that there may be a way get a better understanding of the hardship. Board member McGill asked for clarification on nonprofits being qualified for this grant, adding that we should consider asking the applicant if they have received money from the North Texas Cares grant program which is specifically setup for nonprofits. Ms. Flom agreed that it would be a good question to ask. Treasurer Richardson-Woods asked if there would be a question regarding whether they have received funding from the CARES Act, and Ms. Flow said there is. She added that if we move from that format, there needs to be discussion regarding what happens if the demand exceeds the supply. Board member Kelly asked about the grant program being proposed as \$500,000 from MCDC alone and inquired about initial discussions were for \$1,000,000 and included the participation of the MEDC. Mayor Fuller stated that MCDC is being asked to provide \$1,000,000. He added that the City and Council are looking at all possibilities for funding recovery programs, stating that the need will be far greater than what we will be able to meet. He stated that the recovery effort is the most important thing for Council right now and added that Council wants to be very aggressive. He asked the Board to set aside their concern for what other groups may be doing and focus on what the MCDC Board can do. Mayor Fuller added that when the pandemic is over, the more businesses that are still standing, the better for the whole community. If the square is empty or partially empty at the end of this, that would be a tragedy. Mayor Fuller reiterated that Council is asking for \$1,000,000 for funding or the program. He added that if we wait until another meeting to approve an additional \$500,000, that may

be too late for some businesses. Vice Chairman Glew stated that he believed the Board anticipated the request would be for \$1,000,000, and Board member Kelly agreed and appreciates that Council want to be aggressive. President Schneible reminded everyone that we need to keep in mind that we cannot exceed 10% of sales tax revenue for promotional activity in a fiscal year. City Attorney Mark Houser explained that the Board could make the allocation up to \$1,000,000 subject to the promotional budget and funds that are unallocated. There was lengthy discussion regarding what the grant allocation should be. Board member Mott asked if MCDC has authority to call an emergency meeting to reallocate funds from other budget line items. City Attorney Mark Houser answered that the Board does have that option. City Manager Paul Grimes thanked Ms. Flom for her presentation and stated that he wants to address the concern of Chairman Brewer regarding how to manage the program if we receive higher demand over a period of time. There is concern that those most in need won't be at the front of the line. He added that this is not an entitlement program, businesses will have to demonstrate hardship. Vice Chairman Glew sought clarification that this grant is not just for Downtown businesses but for businesses and nonprofits throughout McKinney, and Mr. Grimes confirmed that this grant is intended for any small business or nonprofit in McKinney. Mr. Glew asked about how the City would be getting the message out about this grant. Ms. Flom replied that the Marketing Department is already working on a strategy to get the word out and that it would be broad reaching to make sure all businesses know about the opportunity. Board member Kelly stated that he didn't want to set aside the discussion regarding other entities that could be involved in the effort. He added that it should not influence what the MCDC Board does, but that MEDC should be encouraged to participate and it was his expectation they will participate in the recovery efforts. Board member McGill asked if there

are matching funds available to increase the impact of the program, and if there was agreement that those could possibly be secured from One Heart McKinney or potentially from federal funding through The Cares Act. Board member Mott asked how the team arrived at the \$1,500 maximum grant per entity. Ms. Flom answered that they wanted to offer enough to make a difference, to help keep the lights on, recognizing that this is a grant and not a loan. She added that other decision factors included quick turnaround and the ability to be broad reaching. Board member Kelly asked if the team would consider more than \$1,500. Ms. Flom stated that the team could look at that, but that it might be more prudent to see the need and see if there are other programs that can help supplement the need and use that information to help formulate future tranches for funding. City Manager Grimes reiterated that the federal government is doing the heavy lifting, and we have a finite amount of money to come alongside and supplement that for our McKinney businesses. Secretary Barnes-Tilley agreed that this amount allows for quick consideration and payment. Following discussion, Chairman Brewer, in recognition that the adoption of state and local regulations and orders issued incident to the COVID-19 pandemic (Local State of Disaster Due to Public Health Emergency) has resulted in numerous McKinney businesses enduring financial hardship, moved to approve the creation of the "McKinney Strong" COVID-19 Small Business Grant program, including the Board's request to the City Council for an MCDC budget amendment that would allow for the MCDC's management and funding of McKinney Strong for grants in an aggregate amount not to exceed \$1,000,000, subject to the amount available of unallocated funds according to the parameters outlined and discussed as well as pursuant to the authority granted to the MCDC as a Type B corporation under the Texas Local Government Code, to support economic development, specifically, business retention, and to promote business recovery and

ensure the economic health of the businesses in the City of McKinney.

The motion was seconded by Vice Chairman Glew and passed unanimously.

Chairman Brewer thanked the Board for getting these recovery efforts underway. Ms. Brewer then reminded board members and the public to donate to nonprofits including Meals on Wheels, Community Lifeline Center, Baby Booties Diaper Bank and others working to assist the community during this time of crisis.

Chairman Brewer recessed the meeting into Executive Session at 10:31 a.m. in accordance with the Texas Government. Items to be discussed under Section 551.072 regarding Real Property and Section 551.087 Regarding Economic Development Matters were Project Moe, Project FPS, HUB 121, Project 20-05 McKinney Parks Foundation, Project 20-06 Hugs Café, Project 20-07 McKinney Main Street, Project 20-08 District 121 and RDIG 20-01 East End Salvage.

Chairman Brewer reconvened the meeting of the McKinney Development Corporation back into regular session at 11:27 a.m.

Chairman Brewer called for a motion to adjourn. Board members unanimously approved a motion by Treasurer Richardson-Woods, seconded by Secretary Barnes-Tilley, to adjourn. Chairman Brewer adjourned the meeting at 11:28 a.m.

MARY BARNES-TILLEY
Secretary