

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

AUGUST 26, 2021

The McKinney Community Development Corporation met in regular session in the City Hall Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on Thursday, August 26, 2021 at 8:00 a.m.

Board members Present: Chairman Jackie Brewer, Vice Chairman Rick Glew, Secretary Mary Barnes-Tilley, Treasurer Angela Richardson-Woods, and Board members Kathryn McGill and Deborah Bradford.

Absent: Board members David Kelly and John Mott.

Council Members Present: Councilman Frederick Frazier.

Staff Present: President Cindy Schneible, City Manager Paul Grimes, Director of Parks and Recreation Michael Kowski, Visit McKinney Communications Manager Beth Shumate and MEDC Executive Administrative Assistant Joanne Isom.

Chairman Brewer called the meeting to order at 8:02 a.m. after determining a quorum of the Board was present. She announced that today is National Women's Equality Day and National Dog Day. Ms. Brewer shared the word for today is collaboration, highlighting the One Heart McKinney project as a great example of collaboration and inviting everyone to consider the importance and impact of collaboration. Board member Bradford led the invocation, which was followed by the Pledge of Allegiance.

Chairman Brewer called for public comments on items not related to public hearings, and there were none.

Chairman Brewer called for a motion on the consent items. Board members unanimously approved a motion by Treasurer Richardson-Woods, seconded by Vice Chairman Glew, to approve the following consent items.

- 21-0739** Minutes of the McKinney Community Development Corporation Meeting of July 22, 2021.

- 21-0584** Minutes of the Joint Meeting of Parks, Recreation, and Open Space Advisory Board and McKinney Community Development Corporation of

June 10, 2021.

REPORTS

21-0740 Chairman Brewer stated that the July Financial Report will be deferred until the September Board meeting.

21-0741 Chairman Brewer called for Board and Liaison Reports.

Board Chair. Chairman Brewer thanked everyone for participating in the Love Life Foundation backpack drive and announced that we had 100% participation from Board and staff.

City of McKinney. City Manager Paul Grimes shared that the FY 2021-22 proposed budget totals \$618 million for all funds, with \$171 million for the general fund. He explained that the general fund covers most of the day-to-day operations. The new proposed tax rate is 49.77 cents, which is under 50 cents for the first time ever. The City will have an effective rate plus 2%. Mr. Grimes stated that inflation in North Texas is above 5% and even a little higher for construction materials. He announced that the City Hall designs should be finalized in late 2021 or early 2022, and construction should begin late 2022 or early 2023. Mr. Grimes asked for questions, and there were none.

Visit McKinney. Communications Manager Beth Shumate shared that hotel tax for June surpassed that of 2020. June and July occupancy was 66.8% and 70%, respectively. She stated that corporate travel is up, and McKinney is hosting a female pilots association in October as well as a library group. Sales staff continues to see both corporate and SMERF RFPs coming in, and they have been busy working with meeting planners and building relationships. Visit McKinney has placed ads in several markets including Austin and Houston, and in sports destination magazines, *The Polka News* and *The Daytripper* newsletter. Ms. Shumate stated that they are looking forward to working with Main Street on Oktoberfest again this year. She added that the new website

continues to be well received, and an extranet will be set up for businesses and restaurants to promote their businesses. The free historic walking tours are back and participation has been strong. Ms. Shumate shared that Paula Nasta, Preservation Officer, is hosting kid-friendly walks as well. Other tour guides are Tonya Fallis and Guy Giersch. She recognized Costco for providing snacks to walking tour attendees. Ms. Shumate asked for questions, and there were none.

McKinney Economic Development Corporation. Chairman Brewer directed Board members to the report attached to the agenda. MCDC Liaison Kurt Kuehn shared that in the spirit of collaboration, MEDC and MCDC have met jointly to consider opportunities related to Project Handle. Mr. Kuehn informed board members that MEDC has approved several Innovation Fund grant recipients that will be announced soon.

McKinney Main Street/MPAC. President Schneible shared that Director Amy Rosenthal had a conflict and was unable to attend the meeting this morning. She shared information forwarded by Ms. Rosenthal and highlighted the Light Up Louisiana Block Party on September 10 and Oktoberfest on September 24-26.

McKinney Parks and Recreation. Director Michael Kowski shared that the mobile stage is being used throughout the city for various events and serves as a rolling billboard for Parks and MCDC. Erwin Park has been seeing a lot of visitors recently and activity at the park has included several running events. Mr. Kowski announced the Trick or Treat Trail at Towne Lake on October 23 which will feature music from the McKinney Philharmonic Orchestra. He added that the Parks and Recreation Guides are now available and encouraged Board members to refer to them for event dates and details. He asked for questions, and there were none.

TUPPS Brewery Destination Subcommittee. Board member Bradford shared that work continues on establishing a GMP. Subcontractor bids were higher than the targeted budget, so refinements are being made

and TUPPS is considering options for additional funding. TUPPS has made some significant reductions to elements of the brewery to bring the budget down. They are looking at options on other buildings on the site where costs can potentially be reduced. TUPPS continues to keep the community aspects of the project in the forefront, and no additional cuts to the public gathering spaces have been made. The subcommittee is scheduled to meet again on August 31 and hopes to have a GMP ready for Board approval by September 30.

One Heart McKinney Task Force. Board member McGill shared that there were about 55 in attendance at the August 19 nonprofit input meeting. The purpose of the meeting was to discern interest and receive feedback. At the event, a representative from Serve Denton shared how their program works. Most of the feedback indicated enthusiasm about some sort of collaboration among nonprofits including a shared website and resources for training. The task force will meet again in September to determine next steps and discussion regarding the potential formation of a new 501(c)3.

21-0742 Chairman Brewer called for the President's Report. President Schneible directed the Board to the reports attached, highlighting final reports from Heritage Guild spring and summer events and Arts in Bloom. She referred to an attached feature story about Jason Lim, Director for the McKinney Philharmonic Orchestra, recognizing him for receiving the American Prize in Orchestral Programming award. Ms. Schneible announced that the TEDC sales tax workshop for September is now a virtual event and encouraged Board members to contact Linda Jones if they would like to participate. She thanked those who attended the Party on the Slab at Cotton Groves. Chairman Brewer commented that the Party on the Slab was a great opportunity to hear from families who will live at Cotton Groves and their journey to home ownership.

Chairman Brewer recessed the meeting into Executive Session at 8:27 a.m. in accordance with the Texas Government Code. Items to be discussed regarding economic development matters include Project 21-14 (Habitat Cotton Groves Amenity Center), Project 21-15 (Heard-Craig Museum), Project 21-16 (Collin County Children's Advocacy Center), Project RI 21-03 (Gather), Project RI 21-04 (Neathery Estate), Project 20-09 (TUPPS Brewery and Entertainment Destination), Project Bluesky and Project Handle.

Chairman Brewer reconvened the meeting of the McKinney Community Development Corporation back into regular session at 9:04 a.m.

21-0743 Chairman Brewer called for consideration/discussion/action on Project Grant application submitted by Habitat for Humanity of Collin County (#21-14) in the amount of one hundred seventy-six thousand one hundred seventy-four and no/100 dollars (\$176,174.00) to fund construction of the Cotton Groves Amenity Center. Board members unanimously approved a motion by Chairman Brewer, seconded by Board member McGill, to approve funding for this project in an amount up to one-hundred twenty-five thousand dollars and no/100 dollars (\$125,000.00).

21-0744 Chairman Brewer called for consideration/discussion/action on Project Grant application submitted by Heard-Craig Center for the Arts (#21-15) in the amount of two hundred thirty-nine thousand four hundred ninety-four and no/100 dollars (\$239,494.00) for improvements to Heard-Craig Historic Museum including repairs, paint, lighting, landscaping, security system, installation of walkways and signage. Amount requested represents 97% of total project cost. Board members unanimously approved a motion by Secretary Barnes-Tilley, seconded by Board member McGill, to approve the project as proposed.

21-0745 Chairman Brewer called for consideration/discussion/action on Project Grant application submitted by Collin County Children's Advocacy Center

(#21-16) in the amount of two hundred fifty thousand and no/100 dollars (\$250,000.00) for site improvements including water, drainage and sanitary sewer for a new facility located at the intersection of Harroun Avenue and Heritage Drive near Redbud Boulevard in McKinney, Texas. Amount requested represents 3% of total project construction cost. Board members unanimously approved a motion by Treasurer Richardson-Woods, seconded by Board member Bradford, to approve the project as proposed.

21-0746

Chairman Brewer called for a Public Hearing and consideration/discussion/action on Retail Development Infrastructure Grant application (RI 21-03) submitted by CPJK, LLC (dba Gather) in the amount of nine thousand and no/100 dollars (\$9,000.00) for infrastructure work needed for the replacement of a grease trap including excavation, installation of new piping, rerouting of a vent, installation of a new outlet with two-way clean-outs, and water testing on piping and interceptor at the property located at 207 East Virginia Street, McKinney. Jennifer Klassen, building owner, shared that they have had maintenance on their grease trap for the past ten years. The maintenance agreement was to pump, inspect and clean the grease trap twice a year by Liquid Environmental Waste (LEW) and Dalworth Industries. In May of 2021, the grease trap overflowed. An emergency call to LEW revealed that the existing inground metal grease trap had extensive corrosion and deterioration into to the dirt, which was never brought to their attention. An attempt to replace the grease trap at the end of May failed with mishaps including snagging power lines, snapping three power poles and leaving a huge hole exposed to the public that Ms. Klassen covered and marked with a barricade. A second attempt was made in July to replace the grease trap, using the same contractor, and it was another failure. A water main was damaged and water lines were broken. At that time the contractor

abandoned the project altogether. Ms. Klassen picked up the cost to repair the water lines for the city. Later, she discovered that the permits for that contractor to perform the work had been rejected, and they should never have attempted the work. In late July, Ms. Klassen contracted with Mechanical Partners, Inc. for a new grease trap. They scoped the project for a Polycron grease trap, installed the trap and inspected it. The city has inspected and permitted this newly installed grease trap. She shared photos of the final installed product and cleaned up alleyway. Ms. Klassen clarified that she is not asking for any reimbursement for the damage incurred during the failed replacement attempts, only for the properly installed grease trap. The final invoice was lower than estimated, so the revised grant request is for \$8,292 rather than the originally requested \$9,000. Vice Chairman Glew asked about payment responsibility for the power poles and lines. Ms. Klassen shared that the driver's insurance should cover the damage, but City officials including Fire and Police did not collect that insurance information. She is contacting Oncor and hoping they have the insurance information. That insurance should cover the poles and lines and the water line. Another Downtown property owner is claiming about \$100,000 in damages because the poles damaged his building. Board member McGill commented that she is pleased they are back in business and complimented Ms. Klassen on her presentation. Chairman Brewer called for public comments regarding this item, and there were none. Board members unanimously approved a motion by Board member Bradford, seconded by Vice Chairman Glew, to close the public hearing.

21-0747

Chairman Brewer called for a Public Hearing and consideration/discussion/action on Retail Development Infrastructure Grant application (RI 21-04) submitted by The Neathery Estate Bed and Breakfast in the amount of eighteen thousand eighty-six and 50/100 dollars (\$18,086.50)

for infrastructure work needed to improve parking, lighting, walkways, security and signage including fencing, gates and electrical at the property located at 215 North Waddill Street, McKinney. Due to a technical error, this public agenda item shows the amount requested as \$18,086.50; however, the actual requested amount is up to \$25,000 of qualified expenses. Therefore, the public hearing will remain open until the September meeting. The public hearing will be re-noticed with the amended funding request. Tiffany Bellino, owner and innkeeper at The Neathery Estate Bed & Breakfast, noted that this is the only bed and breakfast in the historic district. She thanked Linda Jones and Cindy Schneible for their assistance with the grant application and presentation process. Since opening in 2018, The Neathery Estate has been voted the #1 hotel in McKinney. Ms. Bellino shared that it has been an amazing journey to purchase the home, fully restore it, remodel it and convert it into a bed and breakfast for out-of-town guests to stay in the heart of the historic district. She added that they partner with the City and nonprofits like Chestnut Square for events. Local artists are supported through exhibit and sale of their art at the B&B. Ms. Bellino explained that she has been contacted by Raytheon to be a primary housing option for executives staying in McKinney. The improvements presented in this grant will enhance the property and increase safety. The items included in this application include fencing around the property with higher fencing around the pool, restoring and improving the current brick walkway, adding more brick walkways and seating to the outdoor area, thus enhancing the experience, safety and security of guests who stay at the B&B. The improvements will contribute to increased safety and security for not only guests but the neighborhood. Ms. Bellino stated that the project is already over \$50,000, but it is her intent to keep the price as low as possible. She will be using a local landscaper, Great Gardens, who is familiar with the historic district regulations. Landscaping will be

designed to move guests about the property. Paula Nasta with the City's historic preservation department has reviewed the plans and confirmed they are historically appropriate for the district. Vice Chairman Glew asked about the number of guest rooms, and Ms. Bellino shared that they have four suites with private bathrooms. She added that the estate pays hotel occupancy taxes to the City and State. Ms. Bellino verified that she lives on the property, as required for a permitted bed and breakfast. President Schneible asked about how many room nights are booked in a year, and Ms. Bellino stated they book about 500-600 room nights per year. She shared that they support the local wedding venues and City events, adding that they are a top tier hotel in McKinney. Ms. Schneible responded to a question raised by Vice Chairman Glew and verified the Board has approved both landscaping and fencing for other projects. Ms. Schneible reminded Board members of the previously approved Retail Development Infrastructure Grants. Ms. Brewer asked about the impact of Raytheon, and Ms. Bellino stated that Raytheon plans to add the estate into their preferred booking systems for mostly weekday stays, likely 52 weeks a year. Weekends are typically their busy times, so the Raytheon agreement will complement their schedule. Ms. Brewer asked if they have had conversations with NCAA organizers, and Ms. Bellino said she has. She emphasized that when looking at the bigger business opportunities, safety and security are important. She described that they are moving from a smaller mom and pop business into a phase of historical appropriateness and professionalism, so this project helps bridge that gap. Chairman Brewer called for public comments regarding this item, and there were none.

21-0748

Chairman Brewer called for consideration/discussion/action on Revised FY22 McKinney Community Development Corporation Budget.

Ms. Schneible reminded the Board that they approved a draft budget a couple of months ago that was submitted to the City Manager. On August 13, City Council reviewed the proposed budgets. The final proposed budget will go before City Council on September 7. Regarding the MCDC budget, the only changes made were related to TMRS and FICA and a slight salary adjustment. The total budget adjustment from the budget originally approved by the Board is \$3,085. Ms. Schneible asked for questions and asked the Board to approve the budget as proposed in this agenda item. Board members unanimously approved the motion by Board member Bradford, seconded by Board member McGill, to approve the budget as proposed.

Chairman Brewer called for public comments regarding items not on the agenda, and there were none.

Chairman Brewer called for Board or Commissioner comments. Secretary Barnes-Tilley shared that today is National Equality Day, because it is the 101st anniversary of the Constitutional amendment giving women the right to vote. She added that research has shown that women in business bring attention to things that men may not have originally considered, and collaboration is one of those. Research has shown that a more collaborative approach is taken in the conduct of business when women serve.

Chairman Brewer called for a motion to adjourn. Board members unanimously approved a motion by Treasurer Richardson-Woods, seconded by Chairman Brewer, to adjourn. Chairman Brewer adjourned the meeting at 9:36 a.m.

A video recording of this meeting is available through the City of McKinney meeting archive.

These minutes approved by the MCDC members on: _____

JACKIE BREWER
Chairman

MARY BARNES-TILLEY
Secretary