

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

APRIL 22, 2021

The McKinney Community Development Corporation met in regular session in the City Hall Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on Thursday, April 22, 2021 at 8:00 a.m.

Board Members Present: Chairman Jackie Brewer, Vice Chairman Rick Glew, Secretary Mary Barnes-Tilley, and Board members David Kelly, John Mott and Deborah Bradford.

Board Alternate Present: Angela Richardson-Woods.

Council Members Present: Scott Elliott and Frederick Frazier.

Staff Present: President Cindy Schneible, City Manager Paul Grimes, Financial Compliance Manager Chance Miller, Director of Parks and Recreation Michael Kowski, Main Street/MPAC Director Amy Rosenthal, Visit McKinney Director Dee-dee Guerra, MEDC President Peter Tokar and MCDC Administrative and Marketing Coordinator Linda Jones.

Chairman Brewer called the meeting to order at 8:00 a.m. Chairman Brewer announced that due to technical difficulties, the meeting would not be broadcast, and Board members would be voting by show of hands. She asked everyone to spend a moment reflecting on civic duty and how to be informed voters. Board member Bradford shared an invocation, which was followed by the Pledge of Allegiance.

Chairman Brewer called for public comments on agenda items, and there were none.

Chairman Brewer called for a motion on the Consent Items. Board members unanimously approved a motion by Board member Kelly, seconded by Board member McGill, to approve the following Consent Items:

- 21-0306** Minutes of the McKinney Community Development Corporation Retail Development Infrastructure Grant Subcommittee Meeting of March 17, 2021.

- 21-0307** Minutes of the McKinney Community Development Corporation Meeting of March 25, 2021.
- 21-0308** Minutes of the McKinney Community Development Corporation Special Meeting of March 29, 2021.
- 21-0309** Minutes of the McKinney Community Development Corporation Work Session of March 29, 2021.
- 21-0310** Minutes of the McKinney Community Development Corporation TUPPS Project Subcommittee Meeting of March 30, 2021.
- 21-0311** Minutes of the McKinney Community Development Corporation Special Meeting of March 18, 2021.
- 21-0312** Chairman Brewer called for the Financial Report. Financial Compliance Manager Chance Miller summarized March financials. March revenues were \$1.28 million with expenses totaling \$2.8 million including \$1 million in community grants and \$1.5 million to the Parks Construction Fund, resulting in a net decrease of \$1.4 million. Sales tax revenue for March applies to January sales and showed a 12.5% increase over 2020. During the same period Frisco saw an increase of 4.5%, Allen saw an increase of 6.1%, and Plano saw a decrease of 8.8%. Year to date, McKinney is at an increase of 10.4%, Frisco is at 5.6%, Allen is at 3.4%, and Plano's sales tax revenue shows a decrease of 2.6%. Mr. Miller asked for questions, and there were none. Chairman Brewer asked for questions on the checks issued report, and there were none.
- 21-0313** Chairman Brewer called for Board and Liaison Reports.
Board Chair. Chairman Brewer thanked everyone who participated in the recent Adopt-A-Spot clean-up at Bonnie Wenk. She mentioned that

Board members are welcome to invite their pastors or others to lead an invocation at one of our meetings.

City of McKinney. City Manager Paul Grimes shared his excitement for Arts in Bloom and congratulated the Main Street team for an amazing and successful event. He reminded everyone that the AT&T Byron Nelson is May 13-16, and the City is looking forward to showcasing what McKinney has to offer. Mr. Grimes shared that the City has started the budget process for FY 2022. There was an opportunity for public input regarding the budget at the last Council meeting. The proposed budget will be presented to Council in August and adopted in mid-September. Mr. Grimes asked for questions, and there were none.

Visit McKinney. Director Dee-dee Guerra shared that staff has been working with Parks and Recreation on the USA Pickleball Tournament which starts today and will bring more than 1,000 players plus spectators to McKinney. Ms. Guerra thanked MCDC staff for partnering on the AT&T Byron Nelson booth. She added that they have continued to receive RFPs, and they have about two or three visits a week regarding weddings. Visit McKinney has received additional spotlights on various influencer blogs. Visit McKinney's new website launches the first week of May. Ms. Guerra shared that National Tourism Week is May 3 – 9, and she thanked the board and staff for their shared sponsorship for the First Responders Lunch on May 4. She announced that Beth Shumate submitted an article that was published in April edition of Texas Municipal League's *Texas Town and City* magazine. Ms. Guerra introduced Steven Powell with Destination Services, who shared that they will be working with Visit McKinney on strategic planning with the goal to establish McKinney as an elevated destination. Their efforts will include interviews with residents, corporations and visitors and strategic meetings with Visit McKinney's board and other key entity representatives. The strategic process will take about six months.

McKinney Economic Development Corporation. MEDC liaison to MCDC

Kurt Kuehn shared that they have a robust pipeline that includes projects with MCDC, and they appreciate our partnership. They are looking forward to the AT&T Byron Nelson and have some out-of-town special guests that will be spending time at the tournament and throughout McKinney. Mr. Kuehn asked for questions, and there were none.

McKinney Main Street/MPAC. Director Amy Rosenthal shared that Arts

in Bloom was a huge success and thanked the Board for promotional grant funding for the event. Attendance is estimated at 10,000 for Friday, 25,000 for Saturday and 12,000 for Sunday, and the artists were excited to be exhibiting. She thanked Vice Chairman Glew, Board member McGill and Linda Jones for volunteering at the event. Coming up in Downtown is the Mystic Market at Mitchell Park, Classic Cars this Saturday, and the Derby Wine & Whiskey Walk on May 1. Election on the Square, a McKinney tradition, will take place on May 1 in Mitchell Park. Election results will be tallied on a chalkboard as they come in. Music will be provided by the E-flat Porch Band, and Councilman Rainey Rogers will help emcee the event this year. The Texas Music Revolution is June 4-5. There was a pop-up concert with several musicians on the square this past Tuesday to promote that event. Tickets and places to stay are booking fast. Ms. Rosenthal shared that Council gave approval to move forward with the silo art project, so they will be working with the artist regarding next steps. Vice Chairman Glew stated his appreciation that Main Street has honored social distancing while opening up Downtown for events. Board member McGill shared her enthusiasm for the silo art project, adding that it will be a great gateway statement for McKinney. Chairman Brewer congratulated Main Street on the success and execution of Arts in Bloom.

McKinney Parks and Recreation. Director Michael Kowski reiterated that

the Pickleball Tournament kicks off today. He complimented Visit

McKinney for preparing packets and a McKinney playbook website with discounts and coupons for visitors. He added that McKinney is hosting one of the largest youth baseball tournaments this weekend and that the Kiwanis triathlon is Sunday at Apex Centre. Mr. Kowski announced that the Senior Recreation Center will be re-opening on May 3, with tours starting next Monday. Old Settlers should be reopening within a month. Parks staff did the final walkthrough for Cottonwood Park yesterday, and there are still a few things to complete before opening. Parks and Recreation is planning a full month of park celebrations/openings in July. Mr. Kowski shared that the next Parks/MCDC joint meeting will likely be in June. He asked for questions. Chairman Brewer commented about the UN_QUE letters at Bonnie Wenk, and that they will be at the AT&T Byron Nelson. Mr. Kowski shared that the new letters are heavier and were made of metal by Parks staff. Board member Kelly complimented Parks on their responsiveness to the storms, and Mr. Kowski acknowledged that there is great team effort in the department.

21-0314 Chairman Brewer called for the President's Report. Ms. Schneible deferred to Vice Chairman Glew for a report on TUPPS subcommittee meetings. He shared that the TUPPS subcommittee (Vice Chairman Glew, Board members Kelly and Bradford and Councilwoman Richardson-Woods) is meeting every two weeks with Keith Lewis and Chase Lewis and sometimes an expanded group. They have had two meetings since the last Board meeting. Discussions have centered around understanding the budget and allocation given to public/entertainment amenities, site plans and features, community engagement prior to and after opening, issues with structural requirements for the tap room and a groundbreaking event. President Schneible added that TUPPS is now the eleventh largest craft brewery in Texas, up from number 16. Ms. Schneible directed the Board to the

reports attached including grants awarded report, social media metrics and the report documenting MCDC support of promotional grants. She called attention to the Final Report for Main Street's Believe in the Magic activities, which shows a 12% increase in sales tax collection over 2019. She shared that MCDC sponsored lunches from Hugs Café for volunteers at the vaccination hub. The lunch boxes displayed the "It's My McKinney" sticker, so it was also a great opportunity to promote that message. She shared that the Family Health Center at Virginia Parkway, a project supported by MCDC, served 4,000 unique patients in 2020 and provided 18,000 services. She added that a virtual tour of the facility is currently available online. Ms. Schneible reminded the Board of two upcoming events supported by promotional grants: Empty Bowls on April 29 and the Kiwanis Triathlon on Sunday, April 25. She also reminded everyone that applications will be accepted for the second cycle for Promotional and Community Events grants beginning May 1 through May 31. Ms. Schneible shared that TUPPS has decided not to move forward with a music festival scheduled for Spring that had been awarded a promotional grant. Planning for a different type of festival in the fall is underway.

21-0082

Chairman Brewer called for a Public Hearing and consideration/discussion/action on a Project Grant application (#21-06), submitted by Sanchez Charities, LLC, in the amount of three hundred forty-three thousand nine hundred seventeen and no/100 dollars (\$343,917.00), for construction of horizontal infrastructure for The Mustard Seed Center for nonprofits to be located on White Street approximately 500 feet east of Redbud Drive in McKinney, Texas. Amount requested represents 18% of total project cost. Board member Kelly reported that this project's subcommittee appreciated the opportunity provided by the Mustard Seed project grant application to learn more about the possibilities for a

collaborative nonprofit effort housed in one location. He shared that most Board members were able to visit and tour Serve Denton. The visit provided a great understanding of the planning and execution that has brought Serve Denton to their well-regarded status. While the subcommittee recommends not moving forward with this grant as proposed at this time, the subcommittee and Board have defined some strategic principles to serve as a guide for a project or initiative that is likely larger in scope than the original Mustard Seed proposal. He shared that the subcommittee met with Martin and Kim Sanchez to discuss MCDC's vision for a collaborative project, and the Sanchez's are enthusiastic about the vision and potential. Vice Chairman Glew added that the plan is to move forward exploring and expanding partnerships for collaboration. He added that the City Manager has commented positively on a broad, inclusive project scope. Board member McGill added that this is an opportunity to look strategically at how McKinney is being served and what improvements would benefit the community. President Schneible shared that this type of discussion has taken place over several years, but the momentum, interest and alignment of goals among various groups makes this seem like the right time to move forward. Vice Chairman Glew added that there is a healthy debate around strategy and the urgency to get started. Board members unanimously approved a motion by Board member Kelly, seconded by Secretary Barnes-Tilley, to close the public hearing. Board members unanimously approved a motion by Board member Kelly, seconded by Board member McGill, to postpone this item indefinitely. Chairman Brewer thanked Sanchez Charities for initiating the project.

21-0315

Chairman Brewer called for a Public Hearing and consideration/discussion/action on Project #21-10, submitted by McKinney Parks Foundation in the amount of fifteen thousand five hundred ninety-nine

and 98/100 dollars (\$15,599.98) to fund tools and equipment including a Gator, woodchipper and log splitter to support maintenance of McKinney parks. Amount requested represents 100% of total project cost. Rick Moreno shared a history of the Parks Foundation, including volunteer partnerships, organizational goals and major projects. He shared photos of the tool shed funded by MCDC. Mr. Moreno shared that the Foundation is asking for \$15,599.98 for equipment. They plan to purchase a gator from John Deere's used equipment site for \$8,500. Secondly, they plan to purchase a new woodchipper/shredder for \$5,999.99 that would allow volunteers to shred brush and tree limbs onsite. This will allow them to use the shredded material as mulch for weed and flood control and prevent Parks Maintenance from having to pick up the debris. The third planned purchase is a log splitter that will help them move things onsite. They are also considering creation of a program to make firewood and grill wood available to the public for a donation. Mr. Moreno shared that the Parks Foundation has safe and secure storage available and a trailer to move all the equipment. He thanked the Board for their consideration and for their past support. Vice Chairman Glew asked if the Parks Department has any of this equipment. Mr. Moreno said that they have some of the equipment, but it is not as mobile and not typically available for use because of full-time use by Parks maintenance staff. Chairman Brewer called for a motion to close the Public Hearing. Board members unanimously approved a motion by Board member Mott, seconded by Board member Bradford, to close the public hearing.

21-0316

Chairman Brewer called for a Public Hearing and consideration/discussion/action on Project #21-12, submitted by Heritage Guild of Collin County in the amount of one hundred twenty-five thousand and no/100 dollars (\$125,000.00) to fund an expansion of the reception room

in Bevel House at Chestnut Square; upgraded restroom and kitchen facilities; HVAC; landscaping; furnishings; and interior painting of the Chapel. Amount requested represents 91% of total project cost. Jaymie Pedigo shared that about 40% of revenues for Chestnut Square are generated from weddings and event rentals. The challenge they face is attendance limitations due to size. While the Chapel holds 150 people, the Bevel House can only seat 72. When the adjoining pavilion is also rented, seating capacity increases to 120. They are planning to add about 500 square feet to the Bevel House reception room, which would increase the indoor seating capacity to 120. In 2019, prior to COVID, they hosted 73 wedding events; 60 of those were for non-McKinney residents and 44 were non-Collin County residents. Approximately a third of those brides reported booking hotel rooms and more than half reported using local caterers, restaurants, bakeries, florists, photographers and other local vendors. Ms. Pedigo reiterated that 40% of their revenue is from weddings and events and added that 40% of Chestnut Square's budget goes to personnel. Therefore, any additional wedding/event revenue earned can go towards funding the preservation and education tenets of their mission. They are asking for \$125,000 for this project, and their original estimate is for \$137,500 due to COVID-related price increases. Their goal is to work with vendors on the timing of the project to be able to purchase materials as prices come back down. To prepare for the additional space, Chestnut Square will pay for exterior demolition, deck removal/replacement, reconfiguring the Visitors Center porch/entrance and office parking lot, upgrades to the kitchen and possibly replacing some furnishings. Upon completion of the expansion, the cost of a Saturday wedding will increase to \$4,000, and it will only take 30 weddings to realize an ROI, which should be in less than a year. Currently weddings/events are booked 18 months in advance, so the resulting income will not be realized until late 2022 or 2023. Board

member Kelly inquired about the current cost for a wedding, and Ms. Pedigo replied it was \$3,850. She added that they are holding six weeks open on their calendar for this project starting mid-July through Labor Day. She shared site plans showing the reconfiguration for the expansion, which includes moving the current restrooms. She asked for questions. Vice Chairman Glew asked about the Chapel renovations, and Ms. Pedigo clarified that those renovations are part of the previous grant awarded. Vice Chairman Glew added that as Chestnut Square grows its wedding business, it becomes closer to self-sustainability. Ms. Pedigo added that this expansion will make them even more of a major player in the wedding industry. During COVID, they had 89 smaller weddings/events which generated \$103,000. Wedding revenue is typically more than \$150,000. Chairman Brewer asked if they still offer the smaller weddings, and Ms. Pedigo said they are continuing with those. Additionally, the speaker system that has been an added feature for larger events is now included, for a slightly higher price, for smaller events. Board member McGill shared her appreciation for the project presentation. Chairman Brewer called for a motion to close the public hearing. Board members unanimously approved a motion by Board member Bradford, seconded by Board member McGill, to close the public hearing.

21-0317

Chairman Brewer called for a Public Hearing and consideration/discussion/action on Project #21-13, submitted by Habitat for Humanity of Collin County in the amount of two hundred thousand and no/100 dollars (\$200,000.00) to fund critical home repairs for low income residents in McKinney, Texas. Amount requested represents 100% of total project cost. CEO Celeste Cox shared that they are requesting \$200,000 for home repairs and hope to be able to use the funds on 20 homes pending construction materials cost. She showed several before

and after pictures of McKinney projects that were recently completed or are currently in progress. Ms. Cox complimented the skills of their volunteers. She reminded the Board that the City has increased its code enforcement for exterior violations, so many of their projects are to help those who cannot afford to bring their homes up to code. Ms. Cox announced that they have completed four projects this year in McKinney, have two under construction and three are nearly ready to start. Average cost is about \$13,000 per project. She reminded the Board that the work they do helps families who can barely pay their bills, helps improve the aging housing stock in McKinney, and keeps families in their homes. She added that this request represents about 36% of the total home repair program and reminded the Board that they receive a large amount of in-kind donations. Secretary Barnes-Tilley shared her appreciation for the work they do. Board member McGill asked about the need beyond the 20 homes this program will serve. Ms. Cox stated that they do about 45 projects per year in Collin County, so these are 20 that would be in McKinney. She added that they take applications on an ongoing basis. Chairman Brewer asked if the homeowners put in sweat equity in the projects, and Ms. Cox clarified that homeowners have a financial commitment in addition to sweat equity. Secretary Barnes-Tilley and Board member Kelly asked for clarification regarding the status of the grant awarded in 2020. Ms. Cox stated that it was a \$120,000 grant, and they have completed four homes already and will complete five more before the grant deadline. Chairman Brewer asked how long it would take to spend this grant request, and Ms. Cox said it would take about a year. Ms. Cox shared her appreciation for MCDC's continued support. Vice Chairman Glew sought clarification on how many people are requesting projects. Ms. Cox said that the number of houses they can do depends on the scope of each project; some are very small projects and others are larger. She added that historically the applicant's work is done

within twelve to eighteen months. Ms. Cox verified that some projects are done with all in-kind donations and volunteer hours. For example, they typically complete five or six small projects on McKinney Make A Difference Day. Chairman Brewer called for a motion to close the public hearing. Board members unanimously approved a motion by Secretary Barnes-Tilley, seconded by Vice Chairman Glew, to close the public hearing.

21-0318

Chairman Brewer called for consideration/discussion/action on a request by TUPPS Brewery, LLC to amend the lease agreement executed between McKinney Community Development Corporation (Landlord) and TUPPS Brewery, LLC (Tenant) to extend the date from April 30, 2021 to July 31, 2021 to obtain the required landlord approval of a construction contract and guaranteed maximum price for construction of the project, including all identified and specified project components, to be constructed at 402 E. Louisiana Street, McKinney, Texas. President Schneible stated that the original lease specified that the Board would approve the construction contract and guaranteed maximum price by April 30, 2021. The TUPPS team is still in the process of finalizing and submitting the design documents that are needed to confirm that pricing. They are asking the Board for an extension to July 31, 2021. Ms. Schneible added that Keith Lewis and Chase Lewis are in attendance and can answer any questions the Board may have. Board members unanimously approved a motion by Vice Chairman Glew, seconded by Board member Mott, to approve the extension.

21-0319

Chairman Brewer called for consideration/discussion/action on a request from Sanchez Charities, LLC, to rescind approval of Project #20-11, funding in the amount of fifty thousand and no/100 dollars (\$50,000.00) for a monument to be located in the Mexican Cemetery in Pecan Grove Cemetery at 1701 McDonald Street, McKinney, Texas.

President Schneible shared that this was added to the agenda at the request of the applicant. Board member Kelly asked what the protocol regarding rescinding project requests, and Ms. Schneible stated that this will enable finance to take the commitment off the books. She added that funds unused from other projects or promotional grants, flow back into the fund balance. Board members unanimously approved a motion by Board member McGill, seconded by Board member Kelly, to rescind the originally approved project.

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

Chairman Brewer recessed the meeting into Executive Session at 9:20 a.m. in accordance with the Texas Government Code. Items to be discussed regarding Economic Development Matters include Project 20-09 (TUPPS), Project 21-06 (Mustard Seed), Project 21-10 (Parks Foundation), Project 21-12 (Heritage Guild), Project 21-13 (Habitat for Humanity), Project Bluesky and Project Handle.

Chairman Brewer reconvened the meeting of McKinney Community Development Corporation back into regular session at 10:27 a.m.

Chairman Brewer called for a motion to adjourn. Board members unanimously approved a motion by Vice Chairman Glew, seconded by Board member Mott, to adjourn. Chairman Brewer adjourned the meeting at 10:28 a.m.

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

These minutes were approved by the MCDC members on: _____

JACKIE BREWER
Chairman

MARY BARNES-TILLEY
Secretary