

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

NOVEMBER 15, 2018

The McKinney Community Development Corporation met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on November 15, 2018 at 8 a.m.

Board members Present: Chairman Kurt Kuehn, Vice Chairman David Clarke, Secretary Jackie Brewer, Treasurer Rick Glew, Mary Barnes-Tilley, Kathryn McGill, Angela Richardson-Woods.

Absent: None.

City Council Members Present: Mayor George Fuller, Mayor Pro-tem Tracy Rath.

Staff Present: MCDC President Cindy Schneible; City Manager Paul Grimes; Assistant City Manager Barry Shelton; Assistant Director of Parks and Recreation Ryan Mullins; Director of Main Street and MPAC Amy Rosenthal; MCVB Sales Manager Vanessa Rhodes; Housing and Community Development Manager Janay Tieken.

There were several guests present.

Chairman Kuehn called the meeting to order at 8:01 a.m. after determining a quorum of the board was present.

CONSENT ITEMS

- 18-989** Minutes of the McKinney Community Development Corporation Meeting of October 25, 2018.

Chairman Kuehn called for action on the Minutes of the McKinney Community Development Corporation Meeting of October 25, 2018. Board members unanimously approved the motion by Board member Mary Barnes-Tilley, seconded by Secretary Jackie Brewer to approve the October 25, 2018 minutes of the McKinney Community Development Corporation.

REPORTS

- 18-990** Chairman Kuehn called for Board and Liaison Updates.
- Board Chairman. Mr. Kuehn expressed his appreciation to board members for their service on the board and willingness to serve as liaisons to other city boards to help everyone stay connected and work

toward one common goal.

City of McKinney. City Manager Paul Grimes provided an update on two items. The annual City of McKinney Progress Report, shared at the State of the Community event, is now available on line at www.mckinneytexas.org. Also, the City has kicked off meetings of the community Bond Committee. There are 35 members who will evaluate projects submitted by various disciplines or subject matter areas in the city for potential bond consideration. The citizen's committee will make recommendations to City Council in January on projects they believe are the highest priority, along with cost to include on the ballot. Council will act in early February if they choose to call a bond election for May of 2019.

McKinney Convention and Visitors Bureau. Vanessa Rhodes, MCVB sales manager provided an update. MCVB recently approved three grants for funding that include: \$3000 for the Texas Folklore Society who will hold a conference in McKinney in the spring; \$4000 for The Courts to promote upcoming Tennis tournaments that will be held at the facility in Gabe Nesbitt Park; \$5000 to Heard Natural Science Museum and Wildlife Sanctuary for improvements to their website. Chairman Kuehn inquired about MCVB's role in the upcoming NCAA Division II Football Championship that will be played in McKinney. Ms. Rhodes replied that MCVB is working to recruit volunteers and organize the events to support the event and promote McKinney. Although most hotels used will be located in Frisco, MCVB has negotiated special rates at McKinney hotels for guests who decide to stay in McKinney. Contact the McKinney Convention and Visitors Bureau to sign up to volunteer.

McKinney Economic Development Corporation. Ms. Schneible referred board members to the report attached to the agenda for an update on MEDC activities.

McKinney Main Street/MPAC. Director Amy Rosenthal provided an

update. The designation of the McKinney Historic Downtown Cultural District is official. A ceremony was held on November 10 with city officials and representatives from the Texas Commission on the Arts. Downtown McKinney has been decorated for the holidays. The Home for the Holidays event will take place November 23-25. A tree lighting ceremony will be held on Friday evening, November 23, followed by a concert by Asleep at the Wheel. McKinney will have a special opportunity on December 6 when WFAA's Santa's Helpers toy drive featuring Pete Delkus will come to McKinney. Toys will be collected in front of MPAC. The McKinney Rotary's Parade of Lights will take place on December 8. Board members complimented Main Street and Ms. Rosenthal on the addition of the speakers to the downtown area.

McKinney Parks and Recreation. Assistant Parks and Recreation Director Ryan Mullins provided an update. Mr. Mullins extended his congratulations to Ms. Rosenthal and Main Street on the Cultural District Designation. The following construction updates were provided: The Courts complex is going vertical as construction on the restroom and maintenance facility has begun; underground utilities are being placed in George Webb Park; design is underway on the improvements for Finch Park; construction has begun on the pavilion at Fitzhugh Park; an online survey has been launched to secure citizen input for features to include in Prestwyck Park; Council approval will be requested for a design contact for Cottonwood Park on December 4; splash pads and drinking fountains have been turned off during cold weather. Additionally, Mr. Mullins congratulated the McKinney Armed Services Memorial Board and Parks maintenance staff on the memorial events held during Veterans Day weekend. Mr. Kuehn requested an update on the status of equipment for the All Abilities Playground lost during fall flood events. Mr. Mullins responded that Parks staff are analyzing pieces recovered to determine what is missing and what needs to be reordered to facilitate

assembly Of thy equipment and completion of the park.

- 18-991** President's Report. Ms. Schneible referred board members to the information attached to the agenda. Additionally, Ms. Schneible reminded board members of the timeline and process for the first cycle of Promotional and Community Event grants: applications will be accepted through 5:00 p.m., November 30; applicants will present their requests at the December MCDC board meeting; board action will be scheduled for the January meeting. Information and nomination forms for the annual MCDC Quality of Life Award will be distributed in late November. The Quality of Life Award winners will be announced at the McKinney Chamber's Annual Community Awards Celebration on February 22, 2019.

DISCUSSION ITEMS

- 18-992** Consider/Discuss Data and Resident/Business Input on Affordable Housing and Transportation Issues in McKinney. Janay Tieken, Housing and Community Development Manager for the City of McKinney addressed the board regarding affordable housing and related issues in the community. She shared a presentation that previously had been provided to City Council in July, 2018. Information was collected through the Fair Housing Survey and requirement from HUD and included surveys, public meetings and focus groups. Data collected was analyzed by the University of Texas at Arlington. Ms.Tieken shared this was also done in cooperation with the McKinney Chamber, who are interested in supporting business members who struggle to recruit and retain employees due, in part, to lack of affordable housing and transportation options in McKinney. Issues identified included: limited affordable housing due to increased costs; denial of housing choice vouchers; public opposition to low income housing proposals; concentrated areas of poverty; access to employment; difficulty recruiting and retaining service,

manufacturing and hospitality workers. A living wage in McKinney is \$27 per hour. Potential solutions for consideration: recruit and attract landlords with incentives to construct affordable housing; request that builders, who apply for incentives, provide some percentage of affordable units; shared housing/roommate matching; improve program administration for Housing Choice Vouchers; identify and utilize grant programs to build affordable single and multifamily housing; allow higher density in selected areas. With regard to affordable transportation, several opportunities to address challenges were identified: work with the McKinney Chamber, business owners and job seekers to identify transit solutions – including partnerships to leverage grant funds; focus on transit solutions for seniors and lower income residents; expand transit service options through McKinney Urban Transit District; continue to identify and apply for additional transit funding. Additional options include: use incentives to encourage development of retail, grocery, banks and access to healthcare in underserved areas; incentivize new developments to set aside a percentage of units as affordable; support rehabilitation of aging tax credit units to maintain affordable rents. Ms. Tieken also shared a list of current affordable housing resources, available within the City of McKinney, with board members. Board member Barnes-Tilley requested clarification on the process used by Texas A&M to calculate what is affordable based on income. Ms. Barnes-Tilley also requested clarification about affordable units currently available within the city. Secretary Brewer inquired about marketing activities to promote incentive programs. Ms. Tieken shared that presentations are provided to realtors and realtor groups; employers; transit service provider and others to identify resources and ensure they're available. Treasurer Glew inquired about assistance to homeowners and renters. Ms. Tieken provided additional detail. Chairman Kuehn commented regarding enforcement of code issues with

landlords and tenants to ensure properties are kept up. He also commented about the importance of transportation. Ms. Tieken concluded her presentation and thanked the board for MCDC's support for affordable housing in McKinney.

- 18-993** Consider/Discuss an Update on Collin County Habitat for Humanity's Cotton Groves Project. Celeste Cox, CEO of Collin County Habitat addressed the board. She noted that Habitat families earn 30 to 60 percent of median household income so can only afford a \$109,000 to \$150,000 home. The waiting list for Habitat homes opened October 1 and will close November 30. Already there are more than 250 interested applicants. Regarding the Cotton Groves project, the training center will be complete within the next 30 to 45 days; it will be located in the ReStore parking lot on Couch Drive. An RFP was released to identify funding sources for interim construction and financing. Twelve banks responded. Five are currently under consideration by the Habitat Board of Directors to provide private equity. Containers will be acquired at wholesale cost from local depot via Textainer, Inc. Plat was approved by McKinney P&Z on November 13. Staff level plan approval is anticipated soon. Within the four months following staff approval, infrastructure development including dirt work, utilities, paving and franchise utilities will be addressed. Following infrastructure completion, plat will be filed along with submission of requests for construction permits. Total capital required for the project is \$6 million. To date 21%, \$1.26 million, has been raised. Board Letters of Intent to donate over the next three to five years are close to 100%. Leadership is currently working to identify top ten and then next top 20 donor prospects. Once 40% of the total is raised, grant applications will be submitted for the remaining funds needed for the project. Ms. Cox introduced J. D. Lee to review the site plan with the board. The plan includes 35 townhomes and an amenity

center and open space. Units will be a combination of three, four and five bedroom homes. Square footage is 1280 to 1500 per townhome. Conceptual designs and elevations were shared with the board. Chairman Kuehn inquired about availability of floor plans. Ms. Cox indicated she would provide them via email. Vice Chairman Clarke inquired about materials used for roofing in addition to solar panels to address potential cooling issues during summer months. Chairman Kuehn confirmed the units will be sold for appraised value, but tenants will repay 30% of gross monthly income, under Habitat operating rules. If a tenant wishes to sell a townhome, Habitat has the right of first refusal for the purchase. All units will have a 45-year deed restriction on them. The deed restriction requires sale to a qualified, low-income family at 30-60% median household income. Habitat is required to handle the qualification process. Cotton Groves will be the largest community of this product type in the U.S., when fully built-out. Cost to Habitat to construct the townhomes, with infrastructure, will be about \$130,000. The area where the townhomes will be constructed is the largest unserved area in McKinney.

- 18-994** Consider/Discuss Update on the Rehabilitation, Reconstruction and Expansion of Merritt McGowan Manor. Roslyn Miller, Executive Director of McKinney Housing Authority addressed the board, to provide an update on the Merritt Homes project. Ms. Miller expressed gratitude to MCDC, Housing and Community Development and Habitat for the opportunity to work collectively to bring housing solutions to McKinney. Ms. Miller began by describing the opportunity MHA has under HUD's RAD (Rental Assistance Demonstration) Conversion program to partner with private funders on housing redevelopment opportunities. The partnerships make it possible to construct safe, decent, quality affordable housing. The most recent example for MHA is Newsome Homes at 1450

Amscott, a beautiful property for seniors. Merritt Homes is an 86 unit property on Tennessee. MHA applied to HUD for a RAD conversion on that property and was successful. Additionally, MHA was able to qualify for 9% tax credits. With the two properties – Newsome and Merritt – MHA will be able to provide an additional 136 affordable housing units in McKinney. Once approval of the RAD conversion was received in September, the process to relocate residents began. Residents in all 86 units were successfully relocated. Ms. Miller shared photographs showing the abatement process required. Oncor has begun their work on the site. Infrastructure improvements are currently in process. When complete, the project will include all new construction. Security measures have been implemented to restrict access to the site. The relocation of the MHA offices is complete to what was formerly a maintenance facility at 603 Tennessee. Merritt will include a facility for on-site job training and after-school care for children that reside there. Chairman Kuehn asked about the process for families who may opt not to return to Merritt once construction is complete. Ms. Miller responded to the question. Treasurer Glew commended Housing and Community Development, Habitat and MHA on the work they're doing. All represent the definition of public service.

REGULAR AGENDA

- 18-995** Consider/Discuss/Act on a Request from City of McKinney to Extend the Term of the Loan Agreement Executed for Project #17-01, McKinney StarCenter Expansion, to January 1, 2020 and Clarify Project Expenses May Include Pre-Development Costs. Assistant City Manager Barry Shelton addressed the board and provided an update on the StarCenter expansion project and the process that was used to identify Pogue Construction and Gensler Architects for the project. The city has been working with those companies to shrink the footprint but retain the

programming desired at the StarCenter at a cost of \$12.95 million. The Stars have specific needs for facility, which is more than the addition of a third sheet of ice. It also includes 2000 seats and 14 locker rooms that can be rented out to traveling teams. The Stars look to recruit an NAHL minor league team to the facility and accommodate public use, high school and club hockey. Mr. Shelton shared an image of the proposed design. It is anticipated a pre-construction contract, with Gensler, will be presented to City Council on November 18th for approval. The contract will allow Gensler to proceed with production of the Design Development plan set for the project, which will then allow Pogue Construction to develop a Guaranteed Maximum Price. Once a GMP is prepared, there will be a set price and the city will be able to move forward with the project. The request today is to extend the term of the current agreement to January 1, 2020 and clarify that preconstruction costs may be included in the overall project cost. The Dallas Stars are funding \$2 million in project costs.

Board members unanimously approved the motion by Chairman Kurt Kuehn, seconded by Treasurer Rick Glew, to approve the request from City of McKinney to extend the term of the loan agreement executed for Project #17-01, McKinney StarCenter Expansion, to January 1, 2020 and clarify project expenses may include pre-development costs

Chairman Kuehn called for citizen comments and there were none.

Chairman Kuehn called for board or commissioner comments. Mr. Glew updated the board on the Memorial Armed Services Board's Veterans Day event held on November 10, where MCDC was presented with a plaque in recognition of the support provided for the construction of the Memorial to Gold Star Families at Veterans Memorial Park. Mr. Glew thanked Colin Kimball and the members of the Armed Services Memorial Board and the men, women and families who have sacrificed. It's been an honor for MCDC to participate in all that they do.

Chairman Kuehn requested a motion to adjourn. Board members unanimously approved the motion by Board member Angela Richardson-Woods, seconded by Vice Chairman David Clarke, to adjourn the meeting at 9:38 a.m.

KURT KUEHN
Chairman