

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION
Grant Application
 Fiscal Year 2018

IMPORTANT:

- Please read the McKinney Community Development Corporation Grant Guidelines prior to completing this application.
- The Grant Guidelines and Application are available at www.mckinneycdc.org; by calling 972.547.7653 or by emailing cschneible@mckinneycdc.org
- **Please call to discuss your plans for submitting an application in advance of completing the form.** A completed application and all supporting documents are required to be submitted via email or on a thumb drive for consideration by the MCDC board. Please submit the application to:

McKinney Community Development Corporation
 5900 S. Lake Forest Blvd., Suite 110
 McKinney, TX 75070

- *If you are interested in preliminary Board of Directors review of your project proposal or idea, please complete and submit the **Letter of Inquiry** form, available at www.mckinneycdc.org, by calling 972.547.7653 or emailing cschneible@mckinneycdc.org.*

Applications must be completed in full, using this form, and received by MCDC, via email or on a thumb drive, by 5:00 p.m. on the date indicated in schedule below.

Please indicate the type of funding you are requesting:

- | | |
|---|--|
| <p><input checked="" type="checkbox"/> Project Grant
 Projects that are eligible for funding in accordance with the Type B sales tax statute (refer to examples in Grant Guidelines) and that advance the mission of MCDC.</p> | <p><input type="checkbox"/> Promotional or Community Event Grant (maximum \$15,000)
 Initiatives, activities or events that promote the City of McKinney for developing new or expanded business opportunities and/or tourism – and enhancing quality of life for McKinney residents.</p> |
|---|--|

Promotional and Community Event Grants:

Application Deadline	Presentation to MCDC Board	Board Vote and Award Notification
Cycle I: November 30, 2017	December 2017	January 2018
Cycle II: May 31, 2018	June 2018	July 2018

Project Grants:

Application Deadline	Presentation to MCDC Board	Board Vote and Award Notification
Cycle I: January 3, 2018	January 2018	February 2018
Cycle II: March 30, 2018	April 2018	May 2018
Cycle III: June 29, 2018	July 2018	August 2018

APPLICATION

INFORMATION ABOUT YOUR ORGANIZATION

Name: McKinney HUB 121, LLC

Federal Tax I.D.: 82-3137054

Incorporation Date: October 18, 2017

Mailing Address: 16475 Dallas Parkway, Ste. 540

City Addison

ST: TX

Zip: 85001

Phone: 972.231.8600x1
shane@jordanrealtyadvisors.com

Fax: 972.231.8695

Email:

Website:

Check One:

- Nonprofit – 501(c) Attach a copy of IRS Determination Letter
- Governmental entity
- For profit corporation
- Other

Professional affiliations and organizations to which your organization belongs:

REPRESENTATIVE COMPLETING APPLICATION:

Name: Shane Jordan

Title: Managing Member

Mailing Address: 16475 Dallas Parkway, Ste 540

City: A

ST: TX

Zip: 75001

Phone: 972.231.8600x1
shane@jordanrealtyadvisors.com

Fax: 972.231.8695

Email:

CONTACT FOR COMMUNICATIONS BETWEEN MCDC AND ORGANIZATION:

Name: Shane Jordan

Title: Managing Member

Mailing Address: 16475 Dallas Parkway, Ste 540

City: Addison

ST: TX

Zip: 75001

Phone: 972.231.8600x1
shane@jordanrealtyadvisors.com

Fax: 972.2312.8695

Email:

FUNDING

Total amount requested: \$700,000 (including \$300,000 from Ch. 380 Agreement with City of McKinney; \$400,000 requested from McKinney CDC)

Matching Funds Available (Y/N and amount): N-Developer will be constructing the balance of the Phase 1 Improvements

Will funding be requested from any other City of McKinney entity (e.g. McKinney Convention and Visitors Bureau, Arts Commission, City of McKinney Community Support Grant)?

Yes

No

Please provide details and funding requested: The City of McKinney has drafted a Chapter 380 Agreement granting \$300,000 to the Project. The Applicant has signed the Agreement and it is anticipated to be approved by the City Council in April 2018.

PROJECT/PROMOTIONAL/COMMUNITY EVENT

Start Date: June, 2018 (anticipated)

Completion Date: June, 2019 (anticipated)

BOARD OF DIRECTORS *(may be included as an attachment)*

Shane Jordan

Managing Member

Lawrence (Larry) Masi

Managing Member

LEADERSHIP STAFF (may be included as an attachment)

Shane Jordan

Lawrence (Larry) Masi

Zack Jordan

Using the outline below, provide a written narrative no longer than 7 pages in length:

I. Applying Organization

Describe the mission, strategic goals and objectives, scope of services, day to day operations and number of paid staff and volunteers.

Disclose and summarize any significant, planned organizational changes and describe their potential impact on the Project/Promotional/Community Event for which funds are requested.

II. Project or Promotional/Community Event (whichever is applicable)

- Outline details of the Project/Promotional/Community Event for which funds are requested. Include information regarding scope, goals, objectives, target audience.
- **For Promotional Grants/Community Events** – describe how this initiative will **promote the City of McKinney for the purpose of business development and/or tourism.**
- Describe how the proposed Project/Promotional/Community Event fulfills strategic goals and objectives for your organization.
- Please also include planned activities, time frame/schedule, and estimated attendance and admission fees if applicable.
- Include the venue/location for Project/Promotional/Community Event?
- Provide a timeline for the Project/Promotional/Community Event.
- Detail goals for growth/expansion in future years.

Project Grants – please complete the section below:

- | | | |
|-----------------------------|---|-----------------------------|
| • An expansion/improvement? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • A replacement/repair? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • A multi-phase project? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • A new project? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

Has a feasibility study or market analysis been completed for this proposed project? *If so, please attach a copy of the Executive Summary.* Applicant has relied upon its extensive knowledge of regional real estate and retail trends, coupled with the psychographic data provided in Exhibit "B."

Provide specific information to illustrate how this Project/Promotional/Event aligns with one or more of the goals and strategies adopted by McKinney City Council and McKinney Community Development:

- Eligible for MCDC consideration under Sections 501 to 505 of the Texas Local Government Code (refer to MCDC Grant Guidelines)
- Support cultural, sports, fitness, entertainment, community projects and events that attract resident and visitor participation and contribute to quality of life, business development and growth of McKinney sales tax revenue
- Highlight and promote McKinney as a unique destination for residents and visitors alike
- Meet citizen needs for quality of life improvements, business development and sustainable economic growth for residents in the City of McKinney
- Demonstrate informed financial planning – addressing long-term costs, budget consequences and sustainability of projects for which funding is requested
- Educate the community about the impact local dining and shopping has on investment in quality of life improvements in McKinney

Indicate which goal(s) listed above will be supported by the proposed Project/Promotional/Event:

Has a request for funding, for this Project/Promotional/Community Event, been submitted to MCDC in the past?

Yes

No

Date(s):

Financial

- Provide an overview of the organization's financial status including the impact of this grant request on organization mission and goals. McKinney HUB 121, LLC owns 17 acres with debt provide by Happy State Bank. Equity is from partners that invest with us on a regular basis. The grant is paramount to the success of the project
- Please attach your organization's budget for the current year and audited financial statements for the preceding two years. If audited financials are not available, please indicate why. We don't have an audited financial statement. Our lenders/partners do not require and as such we don't prepare.

What is the total estimated cost for this Project/Promotional/Community Event?

\$20,000,000

(Please provide a budget specific to the proposed Project/Promotional/Community Event.)

What percentage of Project/Promotional/Community Event funding will be provided by the Applicant? 0%

The music pavilion is one component of the overall project being developed within Phase 1. Phase 1 includes two buildings at the corner of Alma and Henneman Way and three buildings that surround the music pavilion. Project cost is estimated at \$20,000,000 including land, for the five buildings totaling approximately 57,000 square feet of building area. The Applicant will be providing project funding via debt and equity and, likely, a \$300,000 grant from the City.

Are Matching Funds available? Yes

No

Cash \$

Source

% of Total

In-Kind \$

Source

% of Total

Please provide details regarding other potential sources for funding. Include name of organization solicited; date of solicitation; amount of solicitation and date that notice of any award is expected.

IV. Marketing and Outreach

Describe marketing plans and outreach strategies for your organization, for the Project/Promotional/Community Event for which you are requesting funding – and how they are designed to help you achieve current and future goals. The Applicant will engage in extensive marketing to the region. Additionally, Ken-Ran Entertainment will provide programming for live entertainment for the Music Pavilion. Ken-Ran has been in the production business for over 50 years and will assist with marketing events as well. www.kenran.com

V. Metrics to Evaluate Success

Outline the metrics that will be used to evaluate success of the proposed Project/Promotional/Community Event. If funding is awarded, a final report will be required summarizing success in achieving objectives outlined for the event. The success of the project will be identified and evaluated by the success of the merchants located within HUB 121.

Acknowledgements

If funding is approved by the MCDC board of directors, Applicant will assure:

- The Project/Promotional/Community Event for which financial assistance is sought will be administered by or under the supervision of the applying organization.
- All funds awarded will be used exclusively for the purpose described in this application.
- MCDC will be recognized in all marketing, advertising, outreach and public relations as a funder of the Project/Promotional/Community Event. Specifics to be agreed upon by applicant and MCDC and included in an executed performance agreement.
- Organization's officials who have signed the application are authorized by the organization to submit the application;
- Applicant will comply with the MCDC Grant Guidelines in executing the Project/Promotional/Community Event for which funds were received.
- A final report detailing the success of the Project/Promotional/Community Event, as measured against identified metrics, will be provided to MCDC no later than 30 days following the completion of the Project/Promotional/Community Event.
- Up to 80% of the approved grant may be provided, on a reimbursement basis, prior to conclusion of the Project/Promotional/Community Event with submission of invoices/receipts to MCDC. The final 20% may

be paid following MCDC's receipt of unpaid invoices/receipts; documentation of fulfillment of obligations to MCDC; and final report on the Project/Promotional/Community Event.

- The required performance agreement will contain a provision certifying that the applicant does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. Further, should the applicant be convicted of a violation under 8 U.S.C. § 1324a(f), the applicant will be required to repay the amount of the public subsidy provided under the agreement plus interest, at an agreed to interest rate, not later than the 120th day after the date the MCDC notifies the applicant of the violation.

We certify that all figures, facts and representations made in this application, including attachments, are true and correct to the best of our knowledge.

Chief Executive Officer

Representative Completing Application

s/Shane Jordan
Signature

Signature

Shane Jordan
Printed Name

Printed Name

3/29/18
Date

Date

INCOMPLETE APPLICATIONS, OR THOSE RECEIVED AFTER THE DEADLINE, WILL NOT BE CONSIDERED.

CHECKLIST:

Completed Application:

- Use the form/format provided
- Organization Description
- Outline of Project/Promotional/Community Event; description, budget, goals and objectives
- Indicate the MCDC goal(s) that will be supported by this Project/Promotional/Community Event
- Project/Promotional/Community Event timeline and venue
- Plans for marketing and outreach
- Evaluation metrics
- List of board of directors and staff

Attachments:

- Financials: organization's budget for current fiscal year; Project/Promotional/Community Event budget; audited financial statements
- Feasibility Study or Market Analysis if completed (Executive Summary)
- IRS Determination Letter (if applicable)

A FINAL REPORT IS TO BE PROVIDED TO MCDC WITHIN 30 DAYS OF THE EVENT/COMPLETION OF THE PROJECT/PROMOTIONAL/COMMUNITY EVENT.

FINAL PAYMENT OF FUNDING AWARDED WILL BE MADE UPON RECEIPT OF FINAL REPORT.

PLEASE USE THE FORM/FORMAT OUTLINED ON THE NEXT PAGE.



McKINNEY COMMUNITY DEVELOPMENT CORPORATION

Final Report

Organization:

Funding Amount:

Project/Promotional/Community Event:

Start Date:

Completion Date:

Location of Project/Promotional/Community Event:

Please include the following in your report:

- Narrative report on the Project/Promotional/Community Event
- Identify goals and objectives achieved
- Financial report – budget as proposed and actual expenditures, with explanations for any variance
- Samples of printed marketing and outreach materials
- Screen shots of online Promotions
- Photographs, slides, videotapes, etc.
- Performance against metrics outlined in application

Please submit Final Report no later than 30 days following the completion of the Project/Promotional/Community Event to:

McKinney Community Development Corporation
5900 S. Lake Forest Blvd., Suite 110
McKinney, TX 75070

Attn: Cindy Schneible
cschneible@mckinneycdc.org

I. Applying Organization

McKinney HUB 121, LLC (the “Applicant”) is a Texas Limited Liability Company organized specifically for the development of the Northwest corner of the Alma Road and the Sam Rayburn Tollway. Fourth Avenue Investments, LLC, the Owner, has invested and played a prominent role in three McKinney developments.

II. Project

The Applicant will begin construction in 2018 on the first phase of an entertainment, restaurant, hotel and multi-family development known as Hub 121 (the “Project”). The Project will be located on 22-acres in the northwest quadrant of the intersection Alma Road and the Sam Rayburn Tollway. Phase 1 of the project will include approximately 58,700 sf of retail and restaurant space situated in five buildings as shown on the attached Exhibit “A.” The primary marketing area for the Project includes residents within a 15 minute drive as shown in Exhibit “B,” including employees and guests of the McKinney Corporate Center.

Construction of Phase 1 of the Project is anticipated to total \$20M, with the resulting improvements being subject to ad valorem tax. It is anticipated that the Phase 1 restaurants will generate approximately \$47 million in annual sales at stabilization which will be subject to local sales tax. Further, and perhaps most importantly, the Project will enhance the viability of the McKinney Corporate Center located immediately west of the site by providing an entertainment and dining destination within walking distance as well as an exceptional venue for the general public. While difficult to quantify, the presence of the Project is certain to enhance McKinney’s efforts in attracting business to the Corporate Center.

Central to the Project’s design is a privately maintained green space, open to the public, located along the existing hike and bike trail in Craig Ranch (the “Pavilion”) as shown in Exhibit “C.” The Pavilion will leverage its proximity to the existing, mature trees located along the western boundary of the tract to provide a sense of place unlike any other found in McKinney and will tie the adjacent restaurants together into one cohesive development. The Pavilion is designed to provide pedestrian and cyclist access to the restaurant and entertainment areas through the City’s trail system. The Pavilion fulfills a strategic goal of the Project by providing cohesion between the entertainment district, the existing natural space, and the adjacent McKinney Corporate Center.

The Pavilion will include extensive landscaping, shade structures, an amphitheater, electrical system, sound system, and seating areas. While visitors need not be patrons of the restaurants to enjoy the Pavilion, we anticipate that the majority of guests will view the Pavilion as an extension of the dining opportunities within the Project rather than a standalone open space. The Pavilion will have programmed events intended to aid in the promotion and marketing of the Project and entertain patrons while they wait for a table or relax after dinner. The Pavilion will serve as an activity center on the weekends and may include such activities such as Saturday morning exercise classes, Sunday morning gospel music, and Friday and Saturday evening live music all adding to the distinct feel of Hub 121.

Construction of the Pavilion will require grading, drainage, turf installation, landscaping, and structural improvements in the form of the amphitheater and shade structures. The construction cost of these enhancements is estimated to be in excess of \$700,000 as shown in Exhibit “E”.

The Project is eligible for participation by the McKinney CDC. The Applicant is an eligible “User” per Local Government Code § 501.003. The requested financial assistance constitutes an allowable contribution under Local Government Code § 501.103(1).

The Project is consistent with numerous McKinney City Council and McKinney Community Development Corporation goals as follows.

McKinney City Council Goals Satisfied

- *Direction for Strategic & Economic Growth*
 - *Develop a retail development strategy for key areas of the community to further diversify revenue sources and expand entertainment, dining and shopping options*
- *Enhance the Quality of Life in McKinney*
 - *Create affordable and accessible cultural activities and quality-of-life resources for all ages throughout the City; and*
 - *Maximize public/private partnerships*

McKinney Community Development Corporation Goals Satisfied

- *Eligible for MCDC consideration under Sections 501 to 505 of the Texas Local Government Code*
- *Support cultural, sports, fitness, entertainment, community projects and events that attract resident and visitor participation and contribute to quality of life, business development and growth of McKinney sales tax revenue*
- *Meet citizen needs for quality of life improvements, business development and sustainable economic growth for residents in the City of McKinney.*

III. Financial

The Applicant recognizes that the McKinney Community Development Corporation requests financial information illustrating the Applicant’s capacity to successfully complete the Project. As McKinney HUB 121, LLC is a single-purpose entity formed solely to develop this property, we are unable to provide historic evidence of financial performance.

McKinney HUB 121’s Managers, jorParks, Inc and Fourth Avenue Investments, LLC however, have illustrated the financial wherewithal to complete projects of this magnitude on numerous occasions in and near McKinney. Projects of note include:

- Westminster at Craig Ranch which is a 57 residential lot subdivision, currently the builder, Grand Homes, has purchased 35 lots. Westminster at Craig Ranch is located at the NWC of Chief Spotted Tail and Alma Road. The entity previously owned the land

now developed as CST (Valero) convenience store and gas station and the retail strip running from CST to Rowlett Creek Parkway._

- Tour at Craig Ranch is a 71 lot subdivision located about 200' east of Custer Road fronting the north side of Tour Drive and the south side of Paradise Drive. Grand Homes has just begun home construction and has purchased 14 lots. The ownership entity also owns a 26,000 square foot commercial lot just north of the NEC of Custer and Tour Drive. The NEC is under development for medical office. We provided the access to Custer so the medical office site could develop since the site did not have enough frontage to have access to Custer. Without our cooperation the medical office site would not have been able to develop given the city requirement for 2 ways in and out.
- Nature Place is a 12 lot semi-custom subdivision backing up to the Heard Nature Preserve. The lots have been sold to Drees Homes and all homes sold._
- The total investment in the aforementioned projects amounts to approximately \$15,000,000.

The Applicant is well-capitalized, has a bank commitment in place for construction, and is ready to begin final design work on the Project with an anticipated 2018 construction commencement date. The overall cost of the Project (Phase 1) is anticipated to be approximately \$20 million.

The City of McKinney has drafted a Chapter 380 Agreement to provide a grant in the amount of \$300,000 based upon the completion of five (5) Class A retail/restaurant buildings totaling at least 50,000 sf and a music pavilion area generally developed consistent with that shown in Exhibit "A." The Applicant has signed the Agreement and it is anticipated to be considered by the McKinney City Council in April 2018. The City of McKinney Chapter 380 Economic Development Program and Agreement may be found in Exhibit "D."

IV. Marketing and Outreach

The Applicant's marketing plan includes a robust marketing and public relations campaign to inform the public of the Project's numerous dining and entertainment options.

V. Metrics to Evaluate Success

Success will be measured by the enhanced ad valorem tax received by the City of McKinney and the additional sales tax recognized by the City, and the Economic Development Corporation and Community Development Corporation.

The Applicant is requesting funding to be distributed in two phases. First, the Applicant requests \$200,000 in initial cash funding to help defray construction costs which would be payable upon completion of the Pavilion and the receipt of a certificate of occupancy from the City. Following the Project's construction and successful initiation of retail operations, Applicant requests reimbursement of 50% of the Type B sales tax attributable to the Project for a period not to exceed four years or until the receipt of an additional \$200,000 from the McKinney CDC, whichever first occurs.

By structuring the CDC's participation partially as a reimbursement, the Applicant earns its incentive payments through the generation of sales taxes actually collected by the McKinney CDC.

Exhibit "A"

City-Approved Site Plan

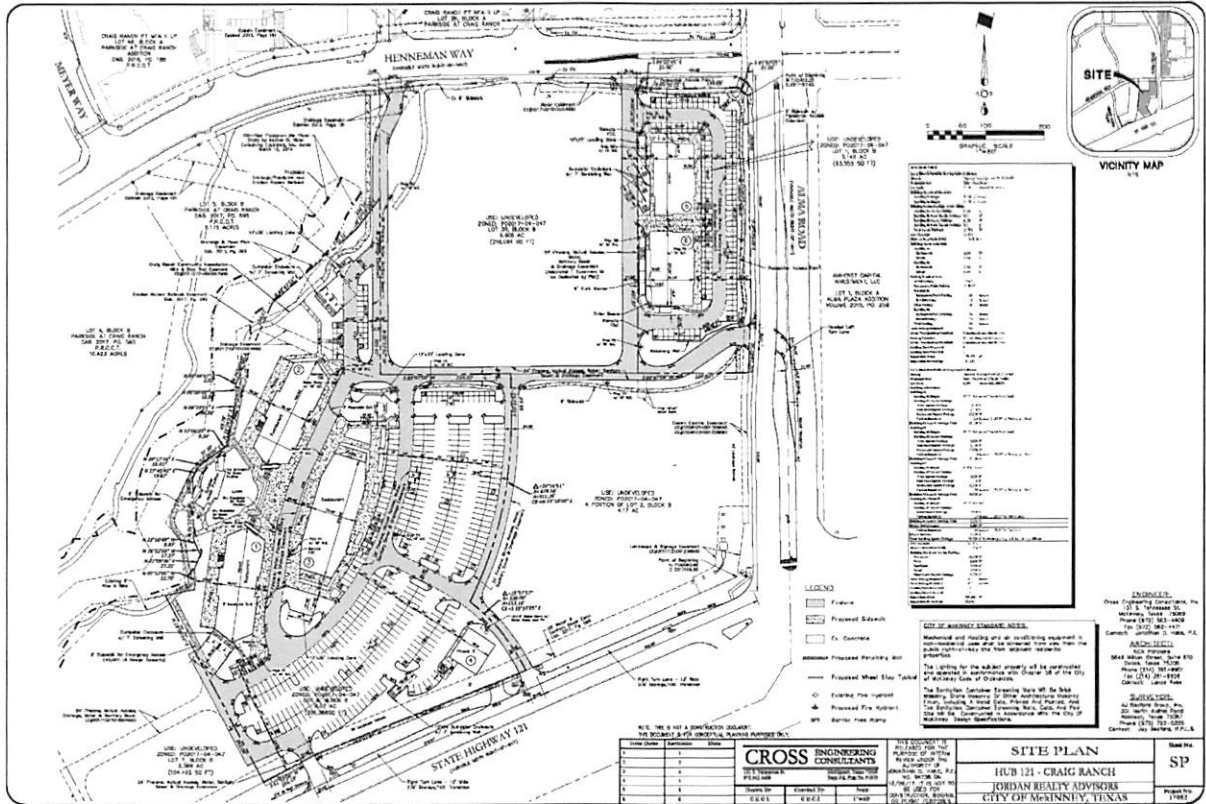


Exhibit "B"
Market Potential



Restaurant Market Potential

Highway 121 & Alma Rd, McKinney, Texas, 75070
 Drive Time: 15 minute radius

Prepared by Esri
 Latitude: 33.13485
 Longitude: -96.70700

Demographic Summary	2016	2021
Population	603,337	680,727
Population 18+	433,596	495,431
Households	215,293	241,927
Median Household Income	\$95,237	\$102,417

Product/Consumer Behavior	Expected Number of		
	Adults	Percent	MPI
Went to family restaurant/steak house in last 6 mo	352,236	81.2%	109
Went to family restaurant/steak house 4+ times/mo	134,697	31.1%	113
Spent at family rest/steak hse last 6 months: <\$31	22,275	5.1%	72
Spent at family rest/steak hse last 6 months: \$31-50	34,158	7.9%	96
Spent at family rest/steak hse last 6 months: \$51-100	67,909	15.7%	104
Spent at family rest/steak hse last 6 months: \$101-200	63,802	14.7%	123
Spent at family rest/steak hse last 6 months: \$201-300	30,946	7.1%	131
Spent at family rest/steak hse last 6 months: \$301+	49,372	11.4%	155
Family restaurant/steak house last 6 months: breakfast	60,068	13.9%	110
Family restaurant/steak house last 6 months: lunch	91,791	21.2%	112
Family restaurant/steak house last 6 months: dinner	237,296	54.7%	118
Family restaurant/steak house last 6 months: snack	7,982	1.8%	97
Family restaurant/steak house last 6 months: weekday	147,978	34.1%	112
Family restaurant/steak house last 6 months: weekend	213,364	49.2%	119
Fam rest/steak hse/6 months: Applebee's	99,418	22.9%	97
Fam rest/steak hse/6 months: Bob Evans Farms	11,668	2.7%	74
Fam rest/steak hse/6 months: Buffalo Wild Wings	50,145	11.6%	135
Fam rest/steak hse/6 months: California Pizza Kitchen	23,275	5.4%	160
Fam rest/steak hse/6 months: Carrabba's Italian Grill	21,416	4.9%	159
Fam rest/steak hse/6 months: The Cheesecake Factory	45,404	10.5%	161
Fam rest/steak hse/6 months: Chili's Grill & Bar	73,968	17.1%	141
Fam rest/steak hse/6 months: CiCi's Pizza	18,173	4.2%	108
Fam rest/steak hse/6 months: Cracker Barrel	46,959	10.8%	108
Fam rest/steak hse/6 months: Denny's	40,819	9.4%	102
Fam rest/steak hse/6 months: Golden Corral	27,233	6.3%	78
Fam rest/steak hse/6 months: IHOP	62,527	14.4%	129
Fam rest/steak hse/6 months: Logan's Roadhouse	12,617	2.9%	85
Fam rest/steak hse/6 months: LongHorn Steakhouse	21,894	5.0%	106
Fam rest/steak hse/6 months: Old Country Buffet	5,607	1.3%	75
Fam rest/steak hse/6 months: Olive Garden	87,472	20.2%	116
Fam rest/steak hse/6 months: Outback Steakhouse	51,680	11.9%	126
Fam rest/steak hse/6 months: Red Lobster	56,462	13.0%	108
Fam rest/steak hse/6 months: Red Robin	43,548	10.0%	165
Fam rest/steak hse/6 months: Ruby Tuesday	27,694	6.4%	105
Fam rest/steak hse/6 months: Texas Roadhouse	37,767	8.7%	115
Fam rest/steak hse/6 months: T.G.I. Friday's	37,931	8.7%	116
Fam rest/steak hse/6 months: Waffle House	23,472	5.4%	102
Went to fast food/drive-in restaurant in last 6 mo	398,729	92.0%	102
Went to fast food/drive-in restaurant 9+ times/mo	185,409	42.8%	108
Spent at fast food/drive-in last 6 months: <\$11	16,811	3.9%	90
Spent at fast food/drive-in last 6 months: \$11-\$20	26,109	6.0%	81
Spent at fast food/drive-in last 6 months: \$21-\$40	45,541	10.5%	89
Spent at fast food/drive-in last 6 months: \$41-\$50	33,443	7.7%	102
Spent at fast food/drive-in last 6 months: \$51-\$100	77,009	17.8%	106
Spent at fast food/drive-in last 6 months: \$101-\$200	60,341	13.9%	116
Spent at fast food/drive-in last 6 months: \$201+	69,132	15.9%	131

Data Note: An MPI (Market Potential Index) measures the relative likelihood of the adults in the specified trade area to exhibit certain consumer behavior or purchasing patterns compared to the U.S. An MPI of 100 represents the U.S. average.
Source: These data are based upon national propensities to use various products and services, applied to local demographic composition. Usage data were collected by GfK MRI in a nationally representative survey of U.S. households. Esri forecasts for 2016 and 2021.

January 19, 2017



Restaurant Market Potential

Highway 121 & Alma Rd, McKinney, Texas, 75070
 Drive Time: 15 minute radius

Prepared by Esri
 Latitude: 33.13485
 Longitude: -96.70700

Product/Consumer Behavior	Expected Number of		
	Adults	Percent	MPI
Fast food/drive-in last 6 months: eat in	171,244	39.5%	109
Fast food/drive-in last 6 months: home delivery	37,418	8.6%	113
Fast food/drive-in last 6 months: take-out/drive-thru	227,508	52.5%	113
Fast food/drive-in last 6 months: take-out/walk-in	94,244	21.7%	112
Fast food/drive-in last 6 months: breakfast	153,730	35.5%	109
Fast food/drive-in last 6 months: lunch	242,471	55.9%	112
Fast food/drive-in last 6 months: dinner	216,790	50.0%	113
Fast food/drive-in last 6 months: snack	63,600	14.7%	121
Fast food/drive-in last 6 months: weekday	275,409	63.5%	109
Fast food/drive-in last 6 months: weekend	219,281	50.6%	111
Fast food/drive-in last 6 months: A & W	9,747	2.2%	81
Fast food/drive-in last 6 months: Arby's	64,065	14.8%	93
Fast food/drive-in last 6 months: Baskin-Robbins	19,346	4.5%	135
Fast food/drive-in last 6 months: Boston Market	16,014	3.7%	108
Fast food/drive-in last 6 months: Burger King	116,640	26.9%	89
Fast food/drive-in last 6 months: Captain D's	8,973	2.1%	61
Fast food/drive-in last 6 months: Carl's Jr.	32,691	7.5%	135
Fast food/drive-in last 6 months: Checkers	9,068	2.1%	73
Fast food/drive-in last 6 months: Chick-fil-A	121,421	28.0%	157
Fast food/drive-in last 6 months: Chipotle Mex. Grill	76,315	17.6%	169
Fast food/drive-in last 6 months: Chuck E. Cheese's	12,650	2.9%	87
Fast food/drive-in last 6 months: Church's Fr. Chicken	12,936	3.0%	91
Fast food/drive-in last 6 months: Cold Stone Creamery	19,403	4.5%	147
Fast food/drive-in last 6 months: Dairy Queen	57,950	13.4%	95
Fast food/drive-in last 6 months: Del Taco	20,644	4.8%	132
Fast food/drive-in last 6 months: Domino's Pizza	56,512	13.0%	110
Fast food/drive-in last 6 months: Dunkin' Donuts	56,706	13.1%	110
Fast food/drive-in last 6 months: Hardee's	13,978	3.2%	56
Fast food/drive-in last 6 months: Jack in the Box	50,591	11.7%	141
Fast food/drive-in last 6 months: KFC	80,749	18.6%	88
Fast food/drive-in last 6 months: Krispy Kreme	25,002	5.8%	125
Fast food/drive-in last 6 months: Little Caesars	45,670	10.5%	93
Fast food/drive-in last 6 months: Long John Silver's	15,317	3.5%	69
Fast food/drive-in last 6 months: McDonald's	236,692	54.6%	99
Went to Panda Express in last 6 months	46,780	10.8%	141
Fast food/drive-in last 6 months: Panera Bread	74,840	17.3%	152
Fast food/drive-in last 6 months: Papa John's	50,409	11.6%	130
Fast food/drive-in last 6 months: Papa Murphy's	23,846	5.5%	130
Fast food/drive-in last 6 months: Pizza Hut	80,423	18.5%	93
Fast food/drive-in last 6 months: Popeyes Chicken	35,271	8.1%	105
Fast food/drive-in last 6 months: Quiznos	17,417	4.0%	125
Fast food/drive-in last 6 months: Sonic Drive-In	50,220	11.6%	112
Fast food/drive-in last 6 months: Starbucks	99,833	23.0%	157
Fast food/drive-in last 6 months: Steak 'n Shake	19,258	4.4%	88
Fast food/drive-in last 6 months: Subway	157,758	36.4%	112
Fast food/drive-in last 6 months: Taco Bell	138,284	31.9%	103
Fast food/drive-in last 6 months: Wendy's	124,158	28.6%	103
Fast food/drive-in last 6 months: Whataburger	28,521	6.6%	157
Fast food/drive-in last 6 months: White Castle	10,394	2.4%	83

Data Note: An MPI (Market Potential Index) measures the relative likelihood of the adults in the specified trade area to exhibit certain consumer behavior or purchasing patterns compared to the U.S. An MPI of 100 represents the U.S. average.

Source: These data are based upon national propensities to use various products and services, applied to local demographic composition. Usage data were collected by GfK MRI in a nationally representative survey of U.S. households. Esri forecasts for 2016 and 2021.

January 19, 2017



Restaurant Market Potential

Highway 121 & Alma Rd, McKinney, Texas, 75070
Drive Time: 15 minute radius

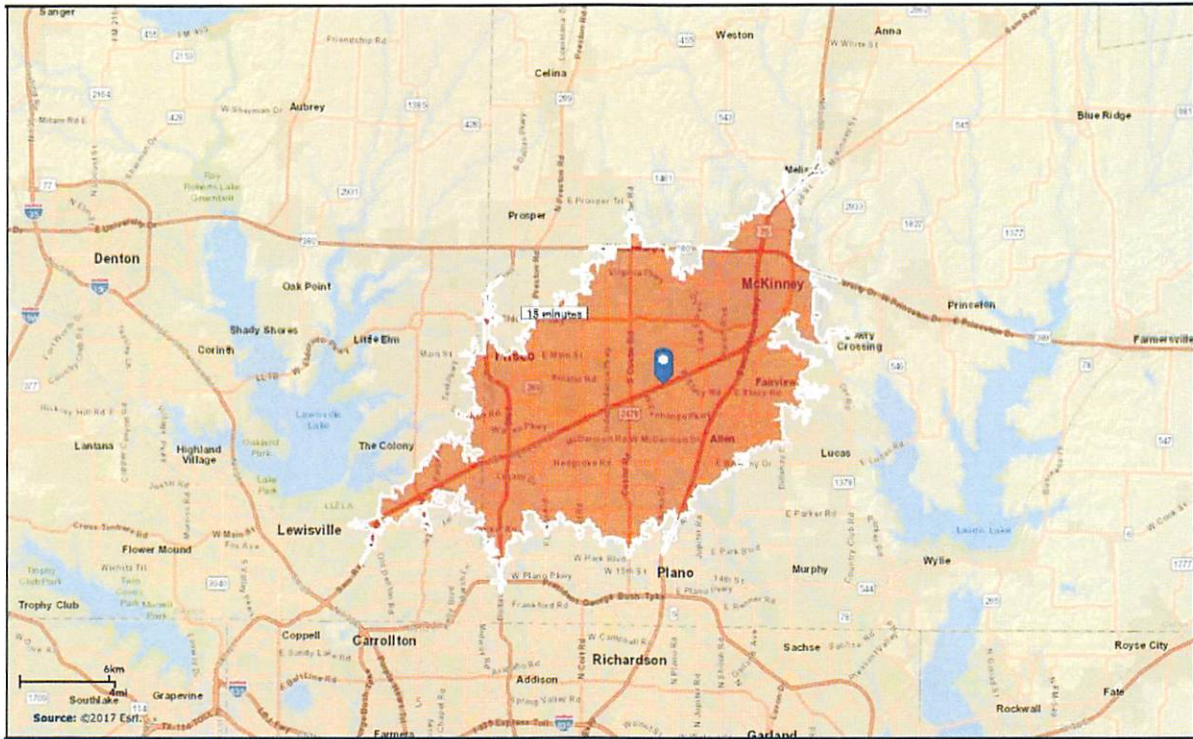
Prepared by Esri
Latitude: 33.13485
Longitude: -96.70700

Went to fine dining restaurant last month	69,597	16.1%	143
Went to fine dining restaurant 3+ times last month	18,147	4.2%	134
Spent at fine dining rest in last 6 months: <\$51	9,650	2.2%	109
Spent at fine dining rest in last 6 months: \$51-\$100	18,313	4.2%	114
Spent at fine dining rest in last 6 months: \$101-\$200	23,051	5.3%	144
Spent at fine dining rest in last 6 months: \$201+	28,328	6.5%	165

Data Note: An MPI (Market Potential Index) measures the relative likelihood of the adults in the specified trade area to exhibit certain consumer behavior or purchasing patterns compared to the U.S. An MPI of 100 represents the U.S. average.

Source: These data are based upon national propensities to use various products and services, applied to local demographic composition. Usage data were collected by GfK MRI in a nationally representative survey of U.S. households. Esri forecasts for 2016 and 2021.

January 19, 2017



October 17, 2017

Exhibit "C"
The Pavilion





Exhibit “D”

Chapter 380 Economic Development Agreement

**THE CITY OF MCKINNEY, TEXAS
AND
MCKINNEY HUB 121, LLC**

**CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM AND
AGREEMENT**

WHEREAS, *MCKINNEY HUB 121, LLC, a Texas Limited Liability Company* (hereinafter "HUB"), is entering into this Chapter 380 Economic Development Program and Agreement (this "Agreement") pursuant to a program initiated by the ***CITY OF MCKINNEY, TEXAS*** (hereinafter "CITY") pursuant to Chapter 380 of the Texas Local Government Code, for the primary purpose of constructing, staffing, and operating a restaurant/entertainment complex at the northwest corner of the Sam Rayburn Tollway (SH 121) at Alma Road entirely within the City of McKinney, Texas including five (5) Class A retail/restaurant buildings totaling approximately 58,700 square feet and a music pavilion area that includes a sound stage and concert lawn (the "Project"); and

WHEREAS, the CITY has agreed to a conditional economic development grant to HUB based on the timely completion of not less than five (5) retail/restaurant buildings and a music pavilion area that includes a sound stage and concert lawn and receipt of a Certificate of Occupancy for three (3) Restaurants, all within the Project, and including but not limited to the construction of related infrastructure and site improvements to be funded by the CITY upon the timely performance of HUB under this Agreement; and

WHEREAS, the CITY has the authority under Chapter 380 of the Texas Local Government Code to make loans or grants of CITY funds for the purposes of promoting local economic development and stimulating business and commercial activity within the CITY; and

WHEREAS, the CITY has determined the "Project", defined herein below, to be an eligible project for a conditional grant to HUB of its funds, which grant will serve the public purpose of promoting local economic development and enhancing business and commercial activity in the City of McKinney, Texas; and

WHEREAS, the CITY has concluded and hereby finds that this Agreement clearly promotes economic development in the City of McKinney and, as such, meets the requisites under Chapter 380 of the Texas Local Government Code, and further, is in the best interests of the CITY and HUB; and

WHEREAS, the City Council has considered and approved this Agreement authorizing the CITY pursuant to applicable law; and

NOW, THEREFORE, for and in consideration of the agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, CITY and HUB agree as follows:

SECTION 1. TERM

This Agreement shall be effective from the Effective Date until January 15, 2020, unless terminated sooner under the provisions herein.

SECTION 2. DEFINITIONS

The following words shall have the following meanings when used in this Agreement.

- a. Agreement. The word "Agreement" means this Chapter 380 Economic Development Program and Agreement, together with all exhibits and schedules attached to this Agreement and specifically incorporated herein.
- b. CITY. The word "CITY" means the City of McKinney, Texas. For purposes of this Agreement, CITY's address is 222 N. Tennessee, McKinney, Texas 75069.
- c. Force Majeure. For purposes of this Agreement, "force majeure" shall mean any contingency or cause beyond the reasonable control of HUB including acts of God or the public enemy, war, riot, civil commotion, insurrection, governmental or de facto governmental action (unless caused by acts or omissions of FOURTH), fires, explosions or floods, and strikes; however specifically excluding normal weather delays and governmental acts of the CITY.
- d. Grant. The word "Grant" means a grant equal of Three Hundred Thousand Dollars (\$300,000.00) made by the CITY to HUB under the terms of this Agreement payable upon completion of the Project and satisfaction of the conditions in Section 4 below.
- e. HUB. The word "HUB" means McKinney HUB 121, LLC, a Texas Limited Liability Company, having a registered office address of 16475 Dallas Parkway, Suite 540, Addison, Texas 75001
- f. Private Development. The words "Private Development" mean HUB's future construction of approximately 250,000 square feet of

office, retail, restaurant, and entertainment uses, including not less than five (5) Class A retail/restaurant buildings totaling approximately 58,700 square feet and three (3) additional pad sites or outparcels located wholly within the CITY at the northwest corner of the Sam Rayburn Tollway (SH 121) at Alma Road, designed and constructed in accordance with the layout generally depicted on Exhibit A attached hereto and incorporated herein by reference for all purposes .

- g. Project. The word "Project" means five (5) Class A retail/restaurant buildings totaling approximately 58,700 square feet and a music pavilion area that includes a sound stage and concert lawn, designed and constructed in accordance with the layout generally depicted on Exhibit B attached hereto and incorporated herein by reference for all purposes located wholly within the Private Development and developed by HUB, including a Certificate of Occupancy for three (3) Restaurants.
- h. Restaurant. The word "Restaurant" means a fine dining, casual dining, and/or fast casual restaurants within a larger coordinated development. Fine dining restaurants generally include dining establishments which include a formal, sit down, full service dining experience. Casual dining restaurants generally include dining establishments where moderately-priced food is offered in a casual atmosphere. Fast casual dining restaurants generally include dining establishments that do not provide full table service but do offer a higher quality of food with limited use of frozen or processed ingredients.

SECTION 3. GRANT FUNDING OBLIGATION OF CITY

HUB shall be eligible for a Grant in the amount of Three Hundred Thousand Dollars (\$300,000.00), subject to HUB's verified satisfaction of the conditions described in Section 4 below, on or before January 15, 2020, said Grant to be payable within thirty (30) days after CITY'S receipt of the compliance certificates described in Section 4 below.

SECTION 4. OBLIGATIONS OF FOURTH

While this Agreement is in effect, HUB shall comply with the following terms and conditions to be eligible for any Grant(s); as such conditions are described or may apply:

- a. On or before January 15, 2020, HUB shall construct not less than five (5) Class A retail/restaurant buildings totaling at least 50,000 square feet and a music pavilion area that includes a sound stage and concert lawn, designed and constructed in accordance with the layout generally depicted on Exhibit B, and further, HUB, or tenant's located in the project, shall have received a Certificate of Occupancy for three (3) Restaurants within the Project. As an express condition to HUB's receipt of the Grant, HUB shall also provide the following compliance certificates to CITY: compliance certificates specifying that construction of the Project has been completed and accepted by CITY in accordance with the terms and conditions of this Agreement and all CITY codes, ordinances and regulations, as verified by CITY. HUB shall further not be eligible for the Grant for any portion(s) of the Project until the final completion and acceptance of any required public infrastructure has occurred.
- b. HUB shall be in compliance with all applicable City of McKinney codes, state and federal laws, and local ordinances applicable to the Project.

SECTION 5. EVENTS OF DEFAULT.

Each of the following shall constitute an event of default under this Agreement:

- a. CITY's failure to process a Grant payment to HUB in accordance with Section 3 of this Agreement.
- b. HUB's violation or failure to perform any of the covenants contained in Section 4 hereinabove.

SECTION 6. EFFECT OF AN EVENT OF DEFAULT

In the event of default under Section 5, the non-defaulting party shall give written notice to the other party of any default, and the defaulting party shall have thirty (30) days to cure said default. Should said default remain uncured and the non-defaulting party is not otherwise in default, the non-defaulting party shall have the right to immediately terminate this Agreement.

As long as it shall not be in default, HUB shall further have the power to enforce specific performance to collect amounts owing upon CITY's default without terminating this Agreement. No action shall lie for punitive damages, and no special or consequential damages shall be recovered by either party. No Grant payment shall be due or owing by CITY to HUB after termination.

SECTION 7. MISCELLANEOUS PROVISIONS

The following miscellaneous provisions are a part of this Agreement:

- a. **Amendments.** This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by all of the parties hereto.
- b. **Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Collin County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of Collin County, Texas.
- c. **Binding Obligation Only on Effective Date.** This Agreement shall become a binding obligation on the parties on the Effective Date. CITY warrants and represents that the individual executing this Agreement on behalf of CITY has full authority to execute this Agreement and bind CITY to the same. HUB warrants and represents that the individual executing this Agreement on its behalf has full authority to execute this Agreement and bind it to the same.
- d. **Private Development Conditions.** All of the Private Development shall be consistent with all City codes and ordinances as well as any other regulations or plans relative to the Property, including the CITY's Comprehensive Plan, Subdivision Regulations, Zoning Ordinance and all other applicable development regulations. This Agreement does not constitute a waiver by CITY of any development ordinances or conditions. HUB acknowledges that by executing this Agreement, no entitlement or agreements concerning zoning or land use shall arise, either implied or otherwise, through or by virtue of this Agreement.
- e. **No Waiver of Sovereign Immunity.** The CITY shall not have waived any statutory or common law right to sovereign immunity by virtue of its execution hereof.
- f. **Execution of Agreement.** The CITY has authorized its City Manager to execute this Agreement on behalf of the CITY.

- g. **Severability.** In the event any provision of this Agreement shall be determined by any court of competent jurisdiction to be invalid or unenforceable, the Agreement shall, to the extent reasonably possible, remain in force as to the balance of its provisions as if such invalid provision were not a part hereof.
- h. **Notices.** Whenever a party to this Agreement is required or permitted under this Agreement to provide the other party with any notice, submittal, request, demand, consent, or approval ("**Notice**"), the Notice will be given in writing and will be delivered to the other party at the address or facsimile number set forth below: (a) personally; (b) by a reputable overnight courier service; (c) by certified mail, postage prepaid, return receipt requested; or (d) by e-mail or facsimile transmission. Either party may change its address for Notice by written notice to the other party delivered in the manner set forth above. Notice will be deemed to have been duly given: (i) on the date personally delivered; (ii) one (1) business day after delivery to an overnight courier service with next-day service requested; (iii) on the third (3rd) business day after mailing, if mailed using certified mail; or (iv) on the date sent when delivered by facsimile or e-mail (so long as delivered on a business day and the sender receives electronic confirmation of delivery and a copy of the Notice is sent by one of the other means permitted hereunder on or before the next business day).

If to HUB:

McKinney HUB 121, LLC
Attn: Shane Jordan
16475 Dallas Parkway, Suite 540
Addison, TX 75001

Copy to: Rob Daake
Abernathy Roeder Boyd & Hullett, P.C.
1700 Redbud Blvd., Suite 300
McKinney, Texas 75069
Telephone: (972) 544-4088
E-mail: rdaake@abernathy-law.com

If to CITY: City of McKinney, Texas
Attn: Paul G. Grimes, City Manager
222 N. Tennessee Street
McKinney, TX 75069
Telephone: (972) 547-7510
Fax: (972) 547-2607
E-mail: pgrimes@mckinneytexas.org

Copy to: Mark S. Houser
Brown & Hofmeister, L.L.P.
740 East Campbell Road, Suite 800
Richardson, Texas 75081
Telephone: (214) 747-6100
Fax: (214) 747-6111
E-mail: mhouser@bhlaw.net

- i. **Effective Date.** The effective date (the "Effective Date") of this Agreement shall be the latter of the dates on which HUB and CITY have each executed this Agreement.
- j. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.

CITY OF MCKINNEY

By: _____
PAUL G. GRIMES
City Manager

Date Signed: _____

ATTEST:

SANDY HART, TRMC, MMC
City Secretary
DENISE VICE, TRMC
Deputy City Secretary

APPROVED AS TO FORM:

MARK S. HOUSER
City Attorney

McKinney HUB 121, LLC,
a Texas limited liability company

By: jorParks, Inc.
a Texas corporation
its Manager

By: _____
Shane D Jordan
President

Date Signed: _____

Exhibit A
Depiction of Project

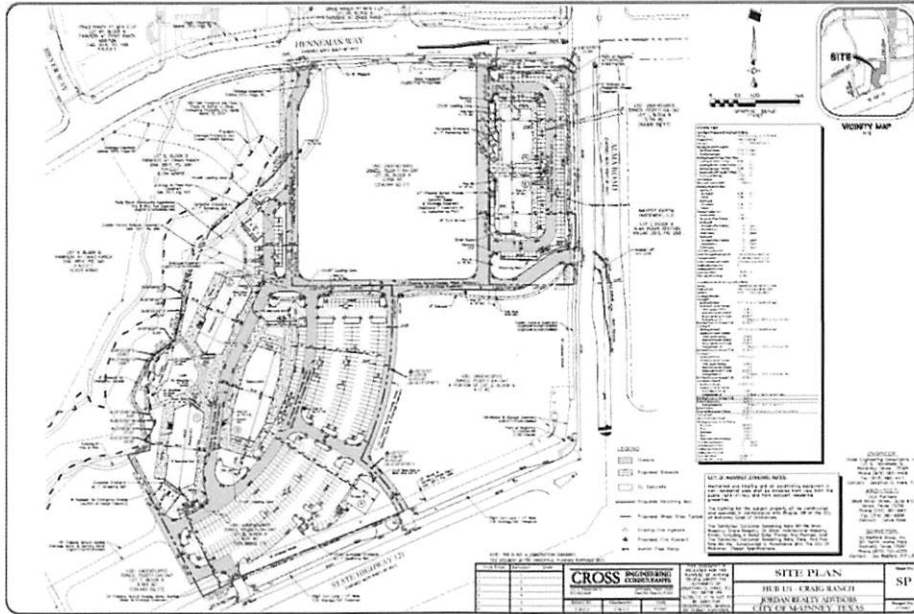


Exhibit "E"

Pavilion Construction Cost Estimate



6705 Levelland Rd., Suite B
Dallas, TX 75252
Tel: 972-381-8178
Fax: 972-381-8216

Project: Hub 121 Pavilion
Address: McKinney, TX

Date: 12-22-17

	<u>L/M SQ. FT.</u>	<u>SQ. FT.</u>	<u>TOTAL</u>
SITE WORK/ UTILITIES		27294	\$ 48,022.00
SITE PAVING / SIDEWALKS	\$4.00	27294	\$ 109,176.00
FIRE LANE	\$8.00	9504	\$ 76,032.00
SYNTHETIC GRASS	\$8.00	7500	\$ 60,000.00
PAD/SLAB	\$21.00	2500	\$ 52,500.00
MASONARY / WATER PROOFING	\$18.00	2495	\$ 44,910.00
STRUCTURAL STEEL	\$14.00	2645	\$ 37,030.00
ROOFING	\$5.00	1485	\$ 7,425.00
STANDING SEAM ROOFING	\$31.00	1160	\$ 35,960.00
DOORS/FRAME/HARWARE			\$ 4,500.00
SEALED CONCRETE	\$0.08	2500	\$ 200.00
PAINT	\$7.00	2500	\$ 17,500.00
FRAMING / CEILING	\$3.20	952	\$ 3,046.40
FRAMING	\$4.00	216	\$ 864.00
STEEL PANEL	\$16.00	629	\$ 10,064.00
FIBER CEMENT	\$10.00	312	\$ 3,120.00
WOOD ACCENT	\$5.00	310	\$ 1,550.00
TOILET ACC.			\$ 4,300.00
HVAC			\$ 16,500.00
PLUMBING			\$ 68,900.00
FIRE ALARM	\$0.33	2500	\$ 825.00
ELECTRICAL			\$ 57,000.00
<u>GENERAL CONDITIONS</u>			<u>\$ 31,000.00</u>
			<u>\$ 690,424.40</u>
SUB TOTAL:			\$ 690,424.40
P / OH:			\$ 34,521.22
GRAND TOTAL:			\$ 724,945.62