

A | R | B | H

ABERNATHY ROEDER BOYD HULLETT

EST. 1876

Robert H. Roeder
roeder@abernathy-law.com

1700 Redbud Boulevard, Suite 300 | McKinney, Texas 75069
Main: 214.544.4000 | Fax: 214.544.4044

March 31, 2022

Ms. Paula Nasta, TIRZ#1 Coordinator
City of McKinney
222 N. Tennessee Street
McKinney, TX 75069

Re: Letter of Intent for Columbus Realty Partners' Application for TIRZ No. 1 Funds

Dear Ms. Nasta:

This letter of intent is offered on behalf of Columbus Realty Partners ("CRP") as a required element for the submittal of an application for funds from TIRZ No. 1. The requested amount of funding is \$500,000.00.

CRP owns approximately 5.7 acres of land located along the east side of McDonald Street between Virginia Street and Lamar Street (the "Property") within the Transit Village Core Character District designated by the McKinney Town Center Ordinance No. 2013-04-045 (the "MTC Ordinance"), which encourages the redevelopment of sites located therein. CRP intends to construct and operate a mixed use development on the Property in conformance with the MTC Ordinance that consists of 4,300 square feet of commercial space, 329 multi-family residential units and a 5-story parking garage designed to be urban in character and similar to another CRP project in downtown known as Davis at the Square. The Property is adjacent to the site acquired by the City of McKinney for its new municipal complex.

A site plan of the Project was approved by the McKinney Planning & Zoning Commission on December 14, 2021, based upon the recommendation of the City staff. A copy of the site plan and exterior elevations accompany this letter of intent; the full file can be found in the City staff records as File #21-0049SP.

CRP intends to commence construction of the Project after completion of environmental remediation of the Property, but no later than the first quarter of 2023. The estimated cost of construction for the Project is in excess of \$65,700,000 and the estimated appraisal value of the Project upon completion is in excess of \$59,100,000. In addition to ad valorem taxes generated by the Project, annual post-construction taxable sales of approximately \$1,500,000 are anticipated to be generated from the Project, along with ten (10) new FTE jobs. *The project qualifies as a Catalyst Project defined in the Construction Cost Reimbursement Application Packet.*

Until recently, the Property was the subject of an Environmental Protection Agency (“EPA”) Consent Decree and a Texas Commission on Environmental Quality (“TCEQ”) Agreed Order, the effect of which prevented meaningful redevelopment of a significant eyesore in the middle of the MTC District. In order to repurpose the Property for a mixed-use project, CRP has had to remove the Property from the EPA Consent Decree and the TCEQ Agreed Order and enroll the Property in the TCEQ Voluntary Cleanup Program (“VCP”). That effort began in June of 2021 and is intended to be completed late 2022. The attached comprehensive memorandum by Braun Intertec, a consultant hired by CRP, outlines in detail the existing environmental condition of the Property at the time it was acquired by CRP and the efforts required to enroll the Property in the VCP and clean the Property to a condition that would allow it to be utilized for the mixed-use Project.

CRP has budgeted \$2,215,000 for the cost of the VCP, broken down into three (3) distinct phases, two (2) of which have been completed:

- Phase One - obtain environmental evaluations of the Property and engage legal services to navigate the rules of the EPA and TCEQ to get the Property removed from the Consent Decree and Agreed Order and enrolled in the VCP. That phase has been completed at a cost to CRP of \$409,617.
- Phase Two – demolish and remove existing structures, including required asbestos remediation related thereto. That phase has been completed at a cost to CRP of \$122,709.
- Phase Three - remove and haul off of contaminated soils, replace with clean material and conduct an environmental close out report confirming the work done in accordance with the VCP plan. Phase 3 will begin this summer and be completed within several months thereafter at an anticipated cost of \$1,682,600.

The requested funding of \$500,000 is for partial reimbursement of Phases One and Two, which have been completed. I have enclosed a list of invoices paid by CRP for the work done in Phases One and Two to support this reimbursement request.

Thanks in advance for your assistance in processing this application. Should you have any questions or desire clarification of information contained herein or in the application, please contact me.

Very truly yours,


Robert H. Roeder

cc: Griffen Shaw
Enclosures:
Application
Site Plan & Elevations

Ms. Paula Nasta, TIRZ#1 Coordinator
March 31, 2022
Page 3

Braun Intertec Memorandum
Paid Invoices