

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

MAY 26, 2022

The McKinney Community Development Corporation met in regular session in the City Hall Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on Thursday, May 26, 2022 at 8:00 a.m.

Board Members Present: Chair Angela Richardson-Woods, Vice Chair Kathryn McGill, Secretary David Kelly, Treasurer Mary Barnes-Tilley, Board Members Jackie Brewer, Rick Glew and Deborah Bradford, and Board Alternate David Riche.

Absent: Ad Hoc Member Joy Booth.

City Council Present: Mayor George Fuller, Councilman Patrick Cloutier and Councilwoman Geré Feltus.

Staff Present: President Cindy Schneible, City Manager Paul Grimes, Assistant City Manager Kim Flom, Financial Compliance Manager Chance Miller, Director of Parks and Recreation Michael Kowski, Main Street/MPAC Director Amy Rosenthal, MEDC President Peter Tokar, CSO Administrative Assistant Blenda Sims and MCDC Administrative and Marketing Coordinator Linda Jones.

There were several guests present.

Chair Richardson-Woods called the meeting to order at 8:00 a.m. after determining a quorum was present. She shared sympathy for the residents of Uvalde, Texas, stating that Uvalde was her first home after college. Ms. Woods shared that Mayor Fuller is hosting a candlelight vigil tonight at The Sanctuary. Deacon Timothy Bray of St. Michael the Archangel delivered the invocation which was followed by the Pledge of Allegiance.

Chair Richardson-Woods called for public comments on non-public hearing agenda items, and there were none.

Chair Richardson-Woods called for a motion on the consent items. Board members unanimously approved a motion by Vice Chair McGill, seconded by Board Member Bradford, to approve the following consent items:

22-0457 Minutes of the McKinney Community Development Corporation Meeting of April 28, 2022.

- 22-0458** Minutes of the McKinney Community Development Corporation Work Session of April 22, 2022.
- 22-0459** Minutes of the McKinney Community Development Corporation TUPPS Subcommittee Meeting of May 17, 2022.
- 21-1179** Minutes of the Joint Meeting of the McKinney City Council, McKinney Community Development Corporation (MCDC) & Historic Preservation Advisory Board (HPAB) of December 7, 2021.
- 22-0460** Chair Richardson-Woods called for an update on 2022 McKinney Board & Commission Member Appointments. Blenda Sims, CSO Administrative Assistant, thanked Board members for their service. She shared that City Council will make Boards and Commissions appointments on August 23, 2022 for terms beginning October 1, 2022 and ending September 30, 2024. Interested individuals must complete an application no later than Friday, June 17, and participate in in-person interviews which will take place during the months of July and August. All newly-appointed and reappointed members will be required to complete the Open Meetings trainings prior to October 1, 2022. Appointments are for two years, and MCDC Board members can serve up to three terms. Under the current policy, MCDC members not eligible for reappointment are Richard Glew and Jackie Brewer. There were no questions.
- 22-0461** Chair Richardson-Woods called for the Financial Report. Financial Compliance Manager Chance Miller reviewed the April financials. Revenues for April were \$1.4 million. Expenses were \$1.4 million including \$1.1 million in projects. Sales tax for April represents February sales and showed a 24.1% increase over 2021, yielding an 18.6% increase year-to-date. During the same period, Allen saw a 13.6%

increase, Frisco saw a 45.8% increase, and Plano saw a 19.7% increase. Mr. Miller asked for questions, and there were none. There were no questions on the checks issued report.

22-0462 Chair Richardson-Woods called for board and liaison reports. She thanked Board members for their continued participation in community events. Since the last meeting, board members have represented MCDC at the Farm Fresh Food Walk, Visit McKinney Tourism week, Empty Bowls, Love Life Foundation Women in Service lunch, MillHouse Foundation Art Fest, and the AT&T Byron Nelson. She added that the Byron Nelson was an amazing event and is looking forward to seeing the final numbers on the economic impact. Board Member Glew shared that TUPPS is on schedule. The B.Y.O.B. (Build Your Own Business) program will launch with a press release next week. The subcommittee is working with TUPPS on the final application and guidelines for business commitments. Beyond building a brewery, this is a great opportunity to help start-up businesses. Chair Richardson-Woods reminded members that the City's Juneteenth Celebration will be Saturday, June 18, from 10:00 a.m. to 9:00 p.m. at Towne Lake Park. She thanked the many businesses and organizations who are sponsoring and participating in the event. She encouraged Board members to participate in the 2022 Love Life Foundation backpack drive by donating supplies on the list. Items for the backpacks will be collected at MCDC's July Board meeting. Chair Richardson-Woods reminded everyone of the candlelight vigil supporting Uvalde tonight at 8:00 p.m. at The Sanctuary.

City of McKinney. City Manager Paul Grimes announced that the former Ag Power building just north of Wilmeth and west of Highway 75 was purchased by the City and has been renovated as the new home for the Public Works Department. Their previous office space on College Street

will be renovated for other department staff. The most recent population estimate for the City is 209,015. Mr. Grimes shared that the budget process is well underway, and final assessed appraisal values will be available in July. The City cannot propose an effective tax rate increase of more than 3.5%, which presents challenges during this time of 8% inflation. Mr. Grimes announced that the City has received a AAA credit rating from Moody's and Standard & Poor's.

Visit McKinney. President Schneible announced that Visit McKinney's new Executive Director, Aaron Werner, will start in early June.

McKinney Economic Development Corporation. President Peter Tokar stated that MEDC is working to follow-up on meetings that took place during the Byron Nelson tournament. He expressed appreciation for MCDC Board members who joined them in their suites and encouraged those who participated to provide feedback. Planning for next year has already begun. MEDC participated in a NTCAR (North Texas Commercial Association of Realtors) event last week, which included updates from McKinney and Allen representatives and a discussion with David Craig and John Drago about bringing the Byron Nelson to McKinney and the economic impact it brings to the community. MEDC will be the Title Sponsor for the NTCAR golf tournament at Stonebridge Country Club in September. The tournament is run by their young professionals' organization, and four local charities will receive a direct financial benefit as a result of McKinney hosting the tournament. Mr. Tokar noted that the MEDC Organizational Report is attached to the agenda for Board review. He added that they are making progress regarding the new shared office space with MCDC, MEDC and the Chamber at the Kaizen Building at District 121. The move is slated for Fall 2022. Secretary Kelly shared that the Byron Nelson was amazing, and he complimented the City on how they leveraged the event across the board. He complimented Visit McKinney, President Schneible, Linda

Jones and City staff on this year's booth. He added that the lessons learned in 2021 led to great improvement this year. Mr. Kelly complimented MEDC on their suites, tours and events surrounding the tournament, adding his appreciation for the businesses they hosted. He encouraged MCDC and MEDC Board members to consider a joint citywide presence for coming years. Mr. Kelly asked what charities will be supported by the NTCAR tournament and if nonprofits can apply. Mr. Tokar indicated he would verify this information and share it with the Board at a later date.

McKinney Main Street/MPAC. Director Amy Rosenthal thanked everyone for the collaboration on the Byron Nelson. She reminded Board members that McKinney is a Texas Music-Friendly City as designated by the governor's office, and next weekend McKinney is hosting the Texas Music Revolution with twenty venues and more than 100 local and touring bands. She encouraged participation at the Juneteenth Celebration. Other events on the near horizon include the SBG Craft Beer Walk on June 18 and Mark Broussard at MPAC on June 25. She announced that Herbert Austin, District Director of the Small Business Association, will present to Downtown Merchants at their regular meeting on June 14. The silo art project is underway, and Guido van Helton will begin painting in mid to late June. Ms. Rosenthal shared that *The Benji Movie* was filmed in McKinney, and the McKinney Arts Commission is funding a Benji statue to commemorate the film and its McKinney connection. Board Member Glew shared that he is happy to welcome back Aaron Werner, and Ms. Rosenthal added her enthusiasm for Mr. Werner's return to the City. Secretary Kelly asked about the status of funding for the silo project, and Ms. Rosenthal stated that about \$30,000 is needed to be fully funded.

McKinney Parks and Recreation. Director Michael Kowski added his compliments regarding the Byron Nelson execution. He announced that

city pools are open with the exception of JMAC (Juanita Maxfield Aquatics Center) which is still finalizing renovations. He encouraged Board members to attend the Memorial Day Celebration, hosted by the Armed Services Memorial Board, on Saturday at 10:00 a.m. at the Veterans Memorial Park at Craig Ranch. The Senior Recreation Center will celebrate 20 years on June 4 starting at 9:00 a.m. with remarks, the opening of a time capsule and a performance by "Elvis." The center will have a casino with live bands and dancing starting at 5:00 p.m. On June 7, City Council will consider a proposal to rename the aquatics center at Old Settlers in honor of former McKinney City Council member Gilda Garcia Garza. If approved, a celebration will follow later after new signage is designed and produced. He encouraged everyone to attend the Juneteenth Celebration at Towne Lake Park on June 18. Mr. Kowski announced that Finch Park renovations will be complete in late summer.

22-0463 Chair Richardson-Woods called for the President's Report. President Cindy Schneible shared that she and Assistant City Manager Barry Shelton attended the ICSC Retail Conference in Las Vegas. They joined the Retail Coach booth and were able to have some meaningful conversations with several developers, brokers and retail groups. She reminded Board members that the promotional grant application deadline is May 31, the next cycle for Project Grants opens June 1, and the next cycle for Retail Development Infrastructure Grants opens July 1. Ms. Schneible encouraged Board members to review the Parks and Library activity guides attached to the agenda to become familiar with the scope of activities offered. SERVE MCKINNEY is June 2 from 5:30 to 7:00 pm. MCDC will have a table at the event, and Ms. Schneible encouraged participation. She encouraged members to review the Byron Nelson 19th Hole promotional collateral provided.

Chair Richardson-Woods reminded Board members of several upcoming events: Memorial Day service this Saturday, DFW Series bike races on June 2 at Erwin Park and our Bonnie Wenk adopt-a-spot clean-up day on June 4 at 8:30.

Chair Richardson-Woods recessed the meeting into Executive Session at 8:40 a.m. in accordance with the Texas Government Code: Section 551.087. Deliberation regarding economic development matters include Project 20-08 (District 121), Project 22-08 (Hugs Greenhouse), Project 22-09 (Archstreet McKinney, District 121 Hotel), Project 22-10 (Habitat for Humanity), Project Bluesky, Project 20-09 (TUPPS Brewery & Entertainment Destination) and Project Handle.

Chair Richardson-Woods reconvened the meeting of McKinney Community Development Corporation back into regular session at 9:20 a.m.

22-0464 Chair Richardson-Woods called for consideration/discussion/action on a request submitted by District 121, LLC to amend the loan agreement for Project #20-08 to increase the grant amount by eight hundred fifty-seven thousand six hundred forty-three and NO/100 dollars (\$857,643.00) to bring the total project cost to two million eight hundred ninety-seven thousand eight hundred ninety-three and NO/100 dollars (\$2,897,893.00). Additional project expenses reported due to increased material costs and expanded project scope that includes increased size of park, installation of artificial turf and restrooms at The Commons at District 121. Extension on the term of the loan from September 24, 2022 to August 31, 2023 is requested. Board members unanimously approved a motion by Board Member Glew, seconded by Board Member Bradford, to approve grant funding and term extension as requested.

22-0465 Chair Richardson-Woods called for consideration/discussion/action on a Project Grant application submitted by Hugs Cafe (#22-08) in the amount of fourteen thousand one hundred fifty-eight and 93/100 dollars (\$14,158.93) for upgrades to a greenhouse structure to include benchtops and irrigation to accommodate increased wholesale business,

expand propagation inventory and improve driveway and grounds. Amount represents 100% of total project cost. Board members unanimously approved a motion by Secretary Kelly, seconded by Vice Chair McGill, to approve grant funding as requested.

22-0466 Chair Richardson-Woods called for consideration/discussion/action on a Project Grant application submitted by Archstreet McKinney (#22-09) in the amount of two hundred fifty thousand and NO/100 dollars (\$250,000.00) for infrastructure costs related to construction of a select service hotel located in District 121. In a vote of 6-1-0 with Secretary Kelly voting no, Board members approved a motion by Board Member Glew, seconded by Treasurer Barnes-Tilley, to approve the grant request with the condition that all financing for the project is in place by November 30, 2022 and that infrastructure expenses submitted for reimbursement are eligible for consideration under the Texas Local Government Code.

22-0467 Chair Richardson-Woods called for consideration/discussion/action on a Project Grant application submitted by Habitat for Humanity of Collin County (#22-10) in the amount of seven hundred thousand and NO/100 dollars (\$700,000.00) to include: \$400,000 for the purchase of land for new affordable home sites; and \$300,000 to fund critical home repairs for low-income residents in McKinney, Texas. Amount represents 100% of total project cost. Board members approved a motion by Board Member Brewer, seconded by Board Member Glew, to approve grant funding as requested with a vote of 6-1-0, with Vice Chair McGill voting no.

22-0468 Chair Richardson-Woods called for consideration/discussion on guidelines, policy and process related to MCDC grant programs. President Schneible reminded the Board of current budget allocations for grant funding with \$200,000 allocated for Promotional Grants, 10% of

sales tax revenue allocated to Discretionary Project Grants, \$120,000 allocated to Retail Development Infrastructure Grants, \$5.5 million annual commitment to Parks through 2025, and remaining funds allocated for economic development projects. There was Board consensus that these allocations remain the same for FY 2023. President Schneible reviewed Board ideas regarding grant funding and potential grant limits which could include how many times a year one entity can apply, grant matches and funding options including loans. She added that she has not identified any Type A or B corporations that have a formal loan program that MCDC could use a model for developing a program. Chair Richardson-Woods shared concerns about limiting entities to one per year unless there are other eligible projects that cannot be funded when budgeted funds are committed. Board Member Brewer added her concern in establishing policy versus guidelines for consideration with each grant applicant. Ms. Brewer reminded everyone that MCDC funds are paid out on a reimbursement basis, and that any changes to grant guidelines/policies should be widely publicized before going into effect. Additionally, she cautioned the Board about setting policy that would restrict emergency projects and timely opportunities. Treasurer Barnes-Tilley emphasized the importance of sound guidelines to evaluate and determine the quality of the project, and whether it fit within general guidelines rather than limiting an entity in bringing a needed project. Chair Richardson-Woods reminded Board members that each board member has the ability to vote no on any project application. Board Member Brewer stated that it is important to consider whether or not repeat applicants previously met MCDC expectations when evaluating new requests from that entity. President Schneible read current application verbiage as follows:

“Preference may be given to applicants who have not received funding within the previous twelve months.” and

“Preference may be given to applicants who develop and demonstrate multiple revenue streams.”

Vice Chair McGill shared that MCDC is in a unique position to assist the not-for-profit community, emphasizing that there is a new rigor imposed by most funding organizations requiring evidence of the impact a project makes in the community. She agreed that establishing clearer grant evaluation guidelines is a good step forward and emphasized the importance of considering data and innovation when looking for projects that match MCDC priorities. Board Member Glew shared that the funding option for PSA was a loan, and that agreement worked well for both parties. President Schneible stated that a loan option is often explored early with the applicant, but the preference from most applicants is a grant versus a loan due to the funding model established for the project. Mr. Glew asked if a standard loan counteroffer could be part of MCDC’s funding practices, and Ms. Schneible stated that there is nothing that would preclude that discussion. She added that, with the rise in interest rates, a loan may be more attractive to some for-profit entities. She asked the Board to provide clearer preferences for initial potential applicant meetings. Secretary Kelly stated that it is the responsibility and decision of the Board to counter with a loan option for projects where they feel that is the best option for MCDC. Ms. Schneible shared that the conversations regarding the PSA agreement were in closed door sessions, and a tiered repayment plan was established for PSA. Board Member Glew suggested that the Potential Projects subcommittee present loan options during the initial meeting with the applicant. Board Member Bradford agreed that utilizing the loan option is a great way to leverage MCDC funding. Ms. Schneible asked the Board if they want to consider asking potential project applicants to present to the full board instead of to the smaller subcommittee. She verified that an initial discussion with the full Board could not be held in Executive Session.

Secretary Kelly stated that the subcommittee venue is important because many potential applicants may want to keep their project confidential. Board Member Glew, Vice Chair McGill and Secretary Kelly expressed preference in keeping the initial potential project meeting within the subcommittee. Secretary Kelly reminded Board members that each member's obligation to vote according to the Board's established preferences. Regarding amendments and/or supplemental requests, President Schneible asked if there are guidelines the Board wants to consider that might place limitations on these requests or if consideration should be on a case-by-case basis. There was consensus that these considerations should continue being evaluated on a case-by-case basis. Regarding Promotional Grants, President Schneible reminded the Board that policies were recently amended to include funding for a broader opportunity regarding social media, especially as we continue to receive requests for more nontraditional promotional plans. The current process is for the Promotional Grants subcommittee to provide input, then Ms. Schneible shares that input with the applicant, and there was general consensus that the process should remain unchanged, and new or innovative ideas should be evaluated on a case-by-case basis. Board Member Glew added the importance that the final report shows metrics as evidence that goals were met. Ms. Schneible reminded the Board that the overall guideline for this grant require that the event showcase McKinney for business development and tourism. Board Member Brewer asked about a need to increase ticket price, and Linda Jones and Ms. Schneible shared that most events have a free or low-cost opportunity with an option to purchase a higher level (VIP) experience. President Schneible asked about the interest in a marketing workshop for interested applicants that teaches marketing best practices including social media tips. The general consensus is to proceed with planning a workshop. A workshop regarding grant application process would be

designed and delivered by MCDC staff and Board. A workshop regarding marketing best practices would likely be designed and delivered by City Communications and Marketing team. Workshops would be highly encouraged, but not necessarily required. Regarding potentially restructuring the Retail Development Infrastructure Grant, President Schneible shared that about \$100,000 has been awarded since the inception of this grant, and she asked for discussion and direction on moving forward. Board Member Glew and Secretary Kelly shared anecdotal information about \$25,000 not being a significant amount to landlords and that the application process may need to be streamlined. President Schneible reminded the Board that these types of applications could be considered as a Project Grant and that the original intent of this grant was to demonstrate the Board's commitment to historic downtown businesses and businesses located at gateways to McKinney. Vice Chair McGill suggested that the grant continue for another year with the modification that there is no match required, and Secretary Kelly suggested that they also consider increasing the grant amount. There was consensus that the Finance Committee will discuss and present a new maximum amount for this grant. Grant modifications will go into effect with the FY 2023 budget. President Schneible stated that Board feedback indicates that all entities (for profit, nonprofit, city) should follow the same process with no special accommodations. President Schneible asked for clarification on the Board's priority of public/private partnerships. There was discussion and consensus that all potential project grant applicants, including City of McKinney departments, should follow the same guidelines for sharing information prior to submitting an application. There was consensus that all funding options, including loans, should be presented and discussed at the initial information meeting for larger project grant requests. Regarding taking proactive efforts to drive projects related to priority initiatives, Board members

agreed that it is the role of each Board member to be informed and involved in the community and to encourage ideas related to Board priorities be brought to the Board. President Schneible will initiate updating Board member expectations. Board members reviewed and discussed an updated application evaluation rubric. Board Member Glew suggested considering weighting the rubric items, and there was consensus that the total “score” could be used as a guideline. Treasurer Barnes-Tilley suggested that the scoring could also be used to provide feedback to applicants. President Schneible will continue to work with Board members to finesse the evaluation tool. Regarding projects in the ETJ, Board consensus is to continue to consider funding of eligible projects in ETJ areas.

Chair Richardson-Woods called for public comments on matters not on the agenda, and there were none.

Chair Richardson-Woods called for Board comments. Treasurer Barnes-Tilley thanked MEDC for opening their suite for MCDC Board members. Board Member Brewer added that it was helpful to know who the suite invitees were. Secretary Kelly encouraged MCDC to consider partnering with MEDC on the suites for 2023. Chair Richardson-Woods reminded everyone of the vigil this evening at The Sanctuary. She encouraged participation at the City’s Juneteenth Celebration on June 18.

Chair Richardson-Woods called for a motion to adjourn. Board members unanimously approved a motion by Treasurer Barnes-Tilley, seconded by Secretary Kelly, to adjourn. Chair Richardson-Woods adjourned the meeting at 10:33 a.m.

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

These minutes approved by the MCDC members on: _____

ANGELA RICHARDSON-WOODS

Chair

DAVID KELLY
Secretary