

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

MARCH 24, 2022

The McKinney Community Development Corporation met in regular session in the City Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on Thursday, March 23, 2022 at 8:00 a.m.

Board Members Present: Vice Chair Kathryn McGill, Secretary David Kelly, Treasurer Mary Barnes-Tilley, Board Members Jackie Brewer, Rick Glew, and Deborah Bradford, Board Alternate David Riche, and Ad Hoc Member Joy Booth.

Absent: Chairman Angela Richardson-Woods.

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

Staff Present: President Cindy Schneible, City Manager Paul Grimes, Financial Compliance Manager Chance Miller, Assistant Director of Parks and Recreation Ryan Mullins, Main Street/MPAC Director Amy Rosenthal, Visit McKinney Interim Director Marie Woodard, MEDC President Peter Tokar and MCDC Administrative and Marketing Coordinator Linda Jones.

There were several guests present.

Vice Chair McGill called the meeting to order at 8:02 a.m. after determining a quorum was present. Board Member Bradford delivered the invocation that was followed by the Pledge of Allegiance.

Vice Chair McGill thanked Board Alternate David Riche for his participation on the dais today.

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

Vice Chair McGill called for a motion on the consent items. Board members unanimously approved a motion by Board Member Kelly, seconded by Treasurer Barnes-Tilley, to approve the following consent items:

22-0256 Minutes of the McKinney Community Development Corporation Meeting of March 3, 2022.

- 22-0257** Minutes of the McKinney Community Development Corporation Potential Projects Subcommittee Meeting of February 21, 2022.
- 22-0258** Minutes of the McKinney Community Development Corporation TUPPS Subcommittee Meeting of March 1, 2022.
- 22-0259** Minutes of the McKinney Community Development Corporation Potential Projects Subcommittee Meeting of March 7, 2022.
- 22-0260** Vice Chair McGill called for the Financial Report. Financial Compliance Manager Chance Miller reviewed the audited financials for FY 21. Final revenues were \$18.4 million which is \$1.4 million over the revised budget. Expenses were \$20.5 million which is \$2.1 million under budget. Ending balance for FY 21 is \$61.4 million. Mr. Miller explained that the \$1.4 million in excess revenue rolls into the MCDC fund balance, and President Schneible has reappropriated the remaining expenditures. Secretary Kelly asked if there were major changes from the pre-audit numbers previously presented, and Mr. Miller shared that an additional \$800,000 in revenue is reflected in the audited numbers. Mr. Miller reviewed the February 2022 financials. Revenues were \$3 million, including the TUPPS development contribution of \$1 million. Expenses were \$674,000 and included \$280,000 for community grants, \$297,000 for park construction and \$31,000 for MPAC. Sales tax for February represents December sales and showed a 12% increase over 2021, yielding a 17.9% increase year-to-date. During the same time, Allen saw an 8% decrease which reflects a \$1 million audit correction, Frisco saw a 12.8% increase, and Plano saw a 9.1% increase. Secretary Kelly asked for an explanation of an audit correction. Mr. Miller shared that the comptroller will sometimes select an entity to audit which may result in a correction. There were no questions on the checks issued report.

22-0261 Vice Chair McGill called for Board and Liaison reports.

Vice Chair. Vice Chair McGill announced that March is National Women's History Month, and today is National Cocktail Day. She recognized Hortence Sparks Ward who was the first woman to pass the Texas State Bar exam and was the first woman south of the Mason Dixon line to argue a case at the Supreme Court. She was the Chief Justice of the all-woman Supreme Court in Texas. Ms. Ward campaigned for women's rights, especially suffrage. Vice Chair McGill thanked the Board for representing MCDC at several community events including the H-E-B groundbreaking, the silo mural launch event where Board Member Bradford spoke representing MCDC, the St. Patrick's Beer Walk and the McKinney Christian Academy Fiesta. Ms. McGill reminded Board members of the East McKinney Community Conversations event tonight from 5:00 to 7:00 p.m. at Old Settlers Park.

Board Member Glew reported that the TUPPS subcommittee continues to meet monthly. The development permit has been issued, site survey has been completed, renovations to the building to be used for construction trailer are underway, and the proposal for the demolition of the MCDC-owned building on the northwest corner has been accepted. He added that the building that will be used as the construction trailer will house a coffee shop once construction is complete.

Treasurer Barnes-Tilley and Vice Chair McGill shared accolades regarding the recent McKinney Philharmonic Orchestra performance, which featured a Ukrainian musician.

City of McKinney. City Manager Paul Grimes shared that Council held a second strategic priority meeting to give further direction to staff. Work on the FY 23 budget is underway. Staff will present a proposed budget to Council in early August, and Council will adopt a budget mid-September. The *Dallas Morning News* had a feature article about the West Grove development that will be constructed at Custer and 380, and

will include a Whole Foods Market, retail and luxury apartments. Additionally, The Hub will be located within the site. Secretary Kelly asked for clarification on the park at The Hub funded by MCDC, and Mr. Grimes explained that The Hub will have a park and West Grove will have a separate two-acre park within that development. Mr. Grimes reported that the Kaizen building at Alma and 121 is anticipated to be complete in Fall 2022. Design for the new City Hall is complete, and construction documents are in production and should be finalized in September. The construction process will take about 24-36 months, so expected build completion is late 2024. Mr. Grimes shared that McKinney's population estimate as of March 1 is 207,998.

Visit McKinney. Interim Director Marie Woodard announced that a total of 92 group rooms were filled in February which resulted in just over \$8,800 in HOT tax (Hotel Occupancy Tax). As part of the AT&T Byron Nelson schedule of events, there will be a concert on Saturday evening of the tournament, which will require a separate ticket. May 1-7 is National Travel and Tourism Week. Visit McKinney hopes to partner with Main Street, MEDC, MCDC and Chamber to help educate local audiences about what Visit McKinney does and about the significance of local sales tax dollars. In addition to the Downtown Historic tours, Visit McKinney will be adding free Art Walks that will highlight the many murals and other art installations that make McKinney unique. Ms. Woodard added that the HOT tax was \$108,287 for February 2021 and \$159,514 for February 2022, which is a 47% increase. Year-to-date HOT tax collections are \$849,568, a 52.51% increase. She asked for questions, and there were none.

McKinney Economic Development Corporation. President Peter Tokar reported that MEDC is preparing for the AT&T Byron Nelson including hospitality suites and a Red-Carpet Tour that will showcase development opportunities in McKinney. MEDC will be participating in Saturday's

Neighborhood Conference to educate residents about the work of MEDC. The panel will share information about how MEDC and MEDC are funded, and how the funds are prioritized to enhance our community. This will be the first of several public forums for residents this year. Mr. Tokar shared that EDC will attend the 2022 D CEO Commercial Real Estate Awards event next week, where KDC is nominated for a design award for Collin County Children's Advocacy Center. D CEO is aware that MCDC is a partner on this project. Mr. Tokar announced that MEDC is now officially accredited through the International Economic Development Corporation. This was a two-year process, and they are the 72nd EDC in the nation to receive this distinction. Additionally, MEDC recently received the Excellence in Economic Development Award from the Texas Economic Development Council.

McKinney Main Street/MPAC. Director Amy Rosenthal thanked MCDC for supporting the silo mural launch event and recognized Board Member Bradford for her outstanding presentation at the event. She announced that they raised a little over \$20,000 at that event and will continue fundraising. Secretary Kelly asked about the total budget and fundraising. Ms. Rosenthal stated that the total commission for the mural project is \$300,000. Already secured is \$90,000 from the Texas Commission for the Arts and \$50,000 from HOT tax. Additionally, they are about halfway to their \$50,000 goal for individuals, and they have a \$100,000 goal from corporations. Board Member Glew asked about funding the silo repairs, and Ms. Rosenthal shared that the repair costs have been allocated separately from the HOT tax. They are still seeking input from residents for the silo art through a survey that closes on March 27, and they will share feedback with Council at a Work Session on April 5. Several art events will be hosted in April including the Juried Art Competition and Exhibition on April 2, Arts in Bloom April 8-10, Dallas Yarn Bombers have decorated trees in Downtown McKinney, Ovation

Academy presents 25th Annual Putnam County Spelling Bee this weekend, dance band next weekend, Wilder Blue Album Release on April 2 and a bluegrass concert on April 19.

McKinney Parks and Recreation. Assistant Director Ryan Mullins shared that the summer guides have been released for Apex, Parks and Recreation and Senior Center, and they are already receiving rental requests for the pavilions. Parks staffing is currently 350, and they are building to about 550 for summer. A job fair will be hosted at Old Settlers on April 9 from 8:00 am to 1:00 pm. Mr. Mullins shared that Party on the Patio events will resume on Saturdays starting in April at the Recreation Center at Towne Lake. Additionally, the McKinney Armed Services Memorial Board is planning their upcoming Memorial Day Ceremony for Saturday, May 28 at the Veteran's Memorial. Mr. Mullins reported that construction for the indoor tennis facility is underway, and renovations are planned or underway on multiple parks. New signage is in progress for Apex Center and Gabe Nesbitt Community Park. The grand opening for the cycling skills area at Erwin Park constructed by DORBA is April 23. Old Settlers Recreation Center is hosting the East McKinney Community Conversations tonight from 5:00 to 7:00 pm. Mr. Mullins stated that they are looking forward to the joint meeting with MCDC Board which is currently scheduled for April 14 at Old Settlers Recreation Center. Board Members Riche and Brewer acknowledged the work of the Parks Department on preparing fields for spring and summer youth sporting events. Ms. Brewer asked about porta potties at Grady Littlejohn Park, and Mr. Mullins shared that there had been a water leak that is now fixed. Treasurer Barnes-Tilley verified the date of the upcoming job fair as April 9 from 8:00 am to 1:00 pm, and Mr. Mullins added that they can hire as young as age 15 for some of their positions.

22-0262 Vice Chair McGill called for the President's Report. President Cindy Schneible encouraged Board members to review the reports attached to the agenda. She reminded Board members that the deadline for the second cycle of Project Grants is March 31, adding that the Board should expect several applications with significant requests. Public Hearings will be at the April meeting, and Board action is scheduled for May. MCDC's discretionary budget for Project Grants is about \$1.7 million for this fiscal year, and about \$1.4 million remains. She reminded the Board that funds for the roadway improvements to support the H-E-B development will be paid from economic development funds. Ms. Schneible highlighted Main Street's final report for Oktoberfest and Home for the Holidays, noting that Oktoberfest brought 77,000 visitors to Downtown McKinney and Home the Holidays brought 61,000. She reminded Board members of the joint meeting with Parks currently scheduled for April 14, which each Board will have an opportunity to provide input on Parks projects for FY 2023 that will be funded through the \$5.5 million MCDC allocation. Ms. Schneible shared that she and Linda Jones will be participating in the ICSC Red River Conference in Dallas next week as part of retail initiatives for the City. Treasurer Barnes-Tilley sought clarification about the Retail Coach attendance estimates, and Ms. Schneible verified that about 80% of cell phones are captured, so actual attendance for Oktoberfest and Home for the Holidays is likely closer to 92,000 and 73,000 respectively. Board Member Glew shared that the 2021 Home for the Holidays was a self-sustaining event, and the event did not use funds raised through Oktoberfest for the first time. He acknowledged that this is due to programming and strategy changes made by the Main Street team.

22-0263 Vice Chair McGill called for the Salesmanship Club Update on the AT&T Byron Nelson. Representing the Salesmanship Club were Larry Delzel

and Chris Peck, and they were joined by Lexie Okeke from AT&T Byron Nelson staff. Mr. Delzel thanked the Board for volunteering to serve the City of McKinney as members of the MCDC board. Mr. Delzel is the Chairman of the Collin County Liaison Committee for the Salesmanship Club Charitable Golf of Dallas. The Salesmanship Club is a 103-year-old organization with about 675 members, both male and female, who have a heart for children. The principles of the organization are fellowship, commitment, humility and respect. They accept only 16 new members each year out of about 50 applicants. Having hosted the tournament since 1968 in Dallas and Las Colinas, they are very excited to be in McKinney and have appreciated the welcome and partnerships the City offers. Salesmanship Club members (red pants) devote many hours to the tournament along with about 600 other volunteers (blue pants). They are dedicated to the tournament as it is their main fundraiser for Momentous Institute. Mr. Delzel shared that they have recently started promoting the Momentous Institute and the work it does around the world. Mr. Peck, a McKinney resident, is excited to have the tournament in his hometown. Salesmanship Club has supported orphans and at-risk children for more than 100 years. In 1997, the club started the Momentous Institute, which teaches social-emotional learning to children ages 3 through fifth grade. Nearly all 220 students live in at-risk situations including poverty, drug-abuse and violence. The school is designed to be a learning lab, where social-emotional learning skills are taught. Their students matriculate back into public schools for middle school and high school, 93% of their students graduate high school and 89% continue to pursue education in college. The school has created The Change Maker Curriculum, which teaches social-emotional learning (SEL) skills. This curriculum is now used throughout Dallas schools and schools across the country and even around the world. They also have a therapeutic service center which handles about 5,500 family cases each year, both

voluntary and required. Momentous serves the North Texas area in person and beyond North Texas through online services. Additionally, the organization hosts a Changing the Odds Conference for teachers with about 1,500 attending each Fall. Mr. Peck emphasized that funding is a key component to the impact their services can make, and the golf tournament is the primary fundraiser. Ancillary events to the AT&T Byron Nelson include the Fairway 5K which is a fundraiser run/walk through the TPC golf course at Craig Ranch and Birdies for Mental Health which is a fundraiser where participants contribute based on the number of birdies in the tournament. One goal of the Salesmanship Club and AT&T Byron Nelson is to build partnerships, and he thanked MCDC for joining them. Mr. Delzel added that the success of their programs is proven. In addition to the programs Mr. Peck reviewed, the club also provides college scholarships to past students and a mentor program that can help the students prepare for their college freshman year. Thus far, they have raised about \$172 million through the history of the tournament. He encouraged Board members to promote ticket sales and help spread the word about the work of the Momentous Institute. Additionally, the Salesmanship Club is hoping to expand the diversity of its membership especially ethnically and geographically. Board Member Bradford applauded their efforts to help the children and asked about the availability of the curriculum and the Fall conference. Mr. Peck stated that individuals can contact Lexie Okeke to get information about the curriculum. He encouraged Board members to refer to their website, momentousinstitute.org, for additional information including the Fall conference. Mr. Delzel added that the conference hosts teachers, school counselors and mental health professionals and has featured well-known industry and corporate keynoters. He shared that once a year, past students return to tell about their journey from the institute to middle school to high school then to college, and it's always amazing to hear

their stories and the impact Momentous Institute had in their lives. Ms. Lexie Okeke added that the organizations who provide volunteers at AT&T Byron Nelson for parking and concessions can receive proceeds for their groups, and they are currently seeking local McKinney organizations to be involved throughout the tournament. Last year, local groups that participated included AEYL (Alliance of Elite Youth Leadership), Hugs Café and Collin County Master Gardeners. Mr. Delzel added his appreciation for the support of City Manager Grimes and Mayor Fuller, and he extended an invitation to the Board to join one of their monthly lunches and tour the school. Board Member Glew asked about the 40 new venues for the tournament this year, and Mr. Delzel stated that they have double-decked the pavilion this year at Hole 17 to accommodate more shared hospitality suites. Vice Chair McGill thanked Mr. Peck, Mr. Delzel and Ms. Okeke for sharing about their organization and the Momentous Institute.

22-0264 Vice Chair McGill called for consideration/discussion/action on a request from Heritage Guild of Collin County to extend the term of the loan agreement executed with McKinney Community Development Corporation for Project #21-12, from June 30, 2022 to September 20, 2022. President Schneible explained that the plan review and permitting process for this project took longer than anticipated, so Heritage Guild is requesting a term extension. Jaymie Pedigo clarified that their extension request is for September 30 not September 20 as stated on today's agenda. She asked for additional questions, and there were none. Board members unanimously approved a motion by Board Member Glew, seconded by Board Member Brewer, to extend the term to September 30, 2022.

22-0265 Vice Chair McGill called for consideration/discussion/action on the approval of a waiver of borrower's performance under Section 4(f) of the

Third Amended and Restated Loan Agreement by and between the McKinney Community Development Corporation and McKinney HUB 121, LLC dated effective May 24, 2018. President Schneible explained that the original agreement was for development of the open space and amphitheater for HUB 121. Terms have been extended twice. The developer completed the work required by the February deadline including the open space and amphitheater and certificates of occupancy on three restaurants. The original agreement was tied to the City's 380 agreement regarding this development, but the City has not extended the term of its original agreement at this time. Therefore, this vote will essentially sever MCDC's agreement from the City's 380 agreement, making it possible for MCDC to reimburse the developer according to MCDC's amended agreement that was executed. All other provisions in the agreement remain unchanged. She reminded the Board that their agreement is to reimburse \$200,000 at the completion of the open space and amphitheater, and an additional \$200,000 is to be paid out over a maximum of four years based on the amount of sales tax generated from the project which will be tracked by Finance. Board members unanimously approved a motion by Board Member Glew, seconded by Treasurer Barnes-Tilley, to approve the waiver as proposed.

22-0266 Vice Chair McGill called for consideration/discussion/action on MCDC Strategic Priorities for FY 23. Board Member Glew thanked those who have already submitted their comments regarding strategic priorities. He shared that they are considering a work session dedicated to strategic discussion on Friday, April 22. Ms. Schneible shared that staff is working on an alternate location for the Work Session. Board members unanimously approved a motion by Board Member Glew, seconded by Secretary Kelly, to table this agenda item to a Work Session on April 22, 2022.

Vice Chair McGill called for public comments on matters not on the agenda, and there were none.

Vice Chair McGill called for additional Board comments, and there were none.

Vice Chair McGill recessed the meeting into Executive Session at 9:08 a.m. in accordance with the Texas Government Code. Items to be discussed regarding economic development matters include Project Bluesky, Project Handle, Project 20-09 (TUPPS Brewery and Entertainment Destination), Project 20-08 (District 121), Project 18-05 (HUB 121) and Municipal Facilities.

President Schneible stated that there will be no action taken after Executive Session.

Vice Chair McGill reconvened the meeting of McKinney Community Development Corporation back into regular session at 9:45 a.m.

Vice Chair McGill called for a motion to adjourn. Board members unanimously approved a motion by Board Member Glew, seconded by Board Member Bradford, to adjourn. Vice Chair McGill adjourned the meeting at 9:45 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
Chairman

DAVID KELLY
Secretary