

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

MAY 25, 2017

The McKinney Community Development Corporation met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on May 25, 2017 at 8:00 a.m.

Board members Present: Vice Chairman David Clarke, Secretary Hamilton Doak, Treasurer David Myers, Jackie Brewer, Rick Glew and Michelle Gamble

Absent: Chairman Kurt Kuehn

City Council members Present: Mayor Brian Loughmiller and Councilwoman Tracy Rath

Staff Present: President Cindy Schneible

City Staff Present: City Manager Paul Grimes, Assistant City Manager Barry Shelton, Assistant Director of Parks and Recreation Ryan Mullins, Parks Planning Manager Jill Yount, MPAC/Main Street Director Amy Rosenthal, MCDC Attorney Mark Houser, MEDC President Darrell Auterson, Director of Finance Trudy Mathis, Senior Financial Analyst Eric Corder, MCVB Marketing Manager Beth Shumate, Aquatics and Fitness Manager Teresa Thomason, Temporary Administrative Assistant Sterrett Coleman, MEDC Operations and Compliance Administrator Sheri Van Slycke.

There were nine guests present.

Vice Chairman Clarke called the meeting to order at 8:02 a.m. after determining a quorum was present. Vice Chairman Clarke called for action on the minutes.

- 17-531** Minutes of the McKinney Community Development Corporation Meeting of April 27, 2017
- 17-532** Minutes of the Joint Meeting of McKinney Community Development Corporation and the Park, Recreation and Open Space Board Meeting of April 13, 2017
- 17-533** Minutes of the McKinney Community Development Corporation Promotional and Community Events Committee Meeting of January 18, 2017

- 17-534** Minutes of the McKinney Community Development Corporation Finance Committee Meeting of April 20, 2017. Board members unanimously approved the motion by Treasurer Myers, seconded by Board member Gamble, to approve all four sets of minutes presented.
- 17-535** Vice Chairman Clarke called for the April Financial Report. Director of Finance Trudy Mathis reported revenue is above budget YTD by 14.68%. Sales tax figures came in 12.34% above last year's collection through April. Expenditures are below budget in total. The MCDC's expenditures for April were primarily related to The Apex Centre, at approximately \$110,000. The MCDC has approximately \$500,000 still encumbered for The Apex Centre project completion.
- 17-536** Vice Chairman Clarke called for the Board and Liaison Updates.
- Board Vice Chairman – Vice Chairman Clarke reported he attended the recent Leadership McKinney graduation. Mayor Loughmiller was keynote speaker for the graduating class. There were 26 graduates, including Mayor Loughmiller's wife. As a 2006 graduate of the program, Mr. Clarke is encouraged by the continued growth of Leadership McKinney. Many of those graduating have gone on to serve on City boards and commissions and have even been elected to Council.
- City of McKinney - City Manager Grimes reported that Senate Bill 2, represented as a property tax relief bill, has passed, but the proposed 8% rollback had been removed from the legislation as a result of overwhelming opposition from mayors and municipalities statewide. Mr. Grimes read a quote from the *San Antonio Express News* to convey the mood during the current session. House Bill 715, an annexation bill, has passed the House and has gone back to the Senate for Conference Committee action, and likely approval. If adopted it will handcuff a municipality's ability to annex properties into cities. Mr. Grimes shared that the public transportation initiative is moving along according to schedule. DCTA, partner of the McKinney Urban Transit District, has

signed up 76 likely riders to date. Very positive feedback has been shared and service will start on June 1st. City staff is in preparation for the new City Council Orientation and the new Mayor, George Fuller, will be sworn in June 5th. Council members elected in the runoff election will be sworn in June 19th. Mr. Grimes shared that the McKinney Airport was awarded the number one FBO in the United States and this is the fourth year in a row listed in the top five.

McKinney Economic Development Corporation – MEDC President Darrell Auterson expressed his pride in the significant role MEDC played in recruiting the major manufacturer, PACCAR, establishing their Dynacraft division in McKinney. The new Gateway initiative is progressing according to schedule with the KDC team. Initial site concepts have been reviewed and are undergoing refinement for presentation to the team. In addition to Gateway, an RFP for a Speculative Light Industrial Building has been produced and the deadline for submissions from developers is June 1st. The potential project includes a couple of alternatives, one is a minimum of 150,000 square foot product the second is a 400,000 square foot product. EDC is currently in the process of hiring a Director of Business Development and a Director of Marketing and Research.

Parks and Recreation - Assistant Director of Parks and Recreation Ryan Mullins reported the Parks and Recreation Open Space Trails and Streetscape Master Plan has been approved by City Council following an 18-month process that included the Parks Board and MCDC. Mr. Mullins updated the Board on the current trail connections that are close to completion, as well as the construction of Phase II at Bonnie Wenk.

MPAC/Main Street - MPAC/Main Street Director Amy Rosenthal shared an update of all the MPAC upcoming events including the Eighth Annual Bike the Bricks event May 26th with riders from Colorado, Oklahoma, Louisiana and Arkansas. The new Polaris GEM has been out for some

test runs and the drivers are working out the kinks. MPAC is staying busy with hosting a number of graduation and/or private parties this month. June 16th McKinney Arts Commission and the Mid-America Arts Alliance are presenting the Hues and Blues exhibit.

McKinney Convention and Visitors Bureau – MCVB Communications Manager Beth Shumate reported that during the month of April the MCVB generated 511 room nights, which included ten weddings, as well as the Texas Justice Court Training Group. MCVB hosted two site visits, one of which was the Texas Agri-Life Collin County Division and the other the Taiwanese Chamber of Commerce that will hold their event at the Sheraton on June 24th. Ms. Shumate reported the Visit Widget is up and running on the MCVB website. And she thanked MCDC for support for that project. MEDC partnered with the MCVB during Economic Development Week which coincided with National Tourism Week and they shared participation in the advertising and messaging opportunities, including a radio remote. MCVB has secured a partnership with Farmhouse Fresh, which is a small, skincare products company and they welcomed staff for a tour of their ranch.

Vice Chairman Clarke recognized the Mayor Brian Loughmiller and thanked him for the huge impact he had on the City of McKinney during his tenure. He continued by saying what a pleasure it has been to work with him on many of the initiatives with the MCDC Board.

17-537 Vice Chairman Clarke called for the Update on Apex Centre. Aquatics and Fitness Manager Teresa Thomason provided the update. Ms. Thomason shared the current membership is 3,634. Of those, 58% committed to annual memberships and 42% to monthly memberships. Management staff is acutely tuned into member's complaints and requests, responding quickly to emails with concerns and formulating both immediate and long term solutions to provide premier customer service. There are currently 285 employees, with 11 full-time and 274

part-time staff. There is a reservation system currently in place for the childcare/playroom area for heavy traffic periods and it is suggested to utilize this system to secure a place for your child, otherwise, there are no guarantees there will be space available. The possibility of a cap on memberships once the number reaches 4,500 has been discussed, but there are variables that will need to be considered, even a variable that includes the possibility of expansion. The Summer Celebration Kickoff will be held on Saturday, May 27th with a live radio remote, giveaways, food and fun from 7p.m. to 10 p.m.

17-538 Vice Chairman Clarke called for the President's Report. President Schneible directed the Board to the monthly reports on potential projects and the status of FY17 grant funds that were attached to the agenda, as well as a copy of the Especially Needed Small Carnival final report. In an effort to better communicate the impact of local purchases on investment in quality of life projects in McKinney, MCDC has acquired sponsorship with PSA to provide increased visibility and also an opportunity to participate in their vendor events. Additionally, digital advertising and radio spots highlighting the impact buying local has on the community will air within Apex Centre. Ms. Schneible reminded the Board of several upcoming events for which MCDC has provided grants.

17-539 Vice Chairman Clarke called for the Consideration/Discussion/Action on Project #17-03, Submitted by Collin County Historical Society in the Amount of Seven Thousand, Sixty-two Dollars and 00/100 (\$7,062.00) for Museum Display Cases; Amount Requested Represents 70% of Total Estimated Equipment Costs. Board members unanimously approved the motion by Board member Glew, seconded by Treasurer Myers, to approve Project #17-03.

17-540 Vice Chairman Clarke called for the Consideration/Discussion/Action on an Amendment to Project #16-06, McKinney Rotary Foundation All Abilities Playground, to Provide Additional Funding in an Amount Not to

Exceed Seventy-Five Thousand Dollars (\$75,000); Total Construction Cost is Estimated to be Five Hundred, Three Thousand, Two-Hundred Dollars (\$503,200); Total Requested from MCDC (\$275,000) Represents 55% of the Construction Cost of the All Abilities Playground. Board members confirmed with the Rotary Foundation that this \$75,000 request is a contingency as the volunteers continue their fundraising efforts as well as following up on incoming grant opportunities. As of the date of the Board meeting, there was an additional \$17,897 raised which potentially reduces the \$75,000 down to \$57,103. Board members unanimously approved the motion by Secretary Doak, seconded by Treasurer Myers, to approve the amendment to Project #16-06.

17-541 Vice Chairman Clarke called for the Consideration/Discussion/Action on an Amendment to Project #16-03, McKinney Armed Services Memorial Board Gold Star Memorial, to Provide Additional Funding in an Amount Not to Exceed Twenty Thousand Dollars (\$20,000); Total Construction Cost, with Contingency, is Estimated to be One Hundred Sixty-Five Thousand Dollars (\$165,000); Total Amount Requested from MCDC Represents 100% of Project Cost. Board members unanimously approved the motion by Secretary Doak, seconded by Board member Gamble, to approve amended Project #16-03.

17-542 Vice Chairman Clarke called for the Consideration/Discussion/Action on Project #17-04, Submitted by the City of McKinney for an MCDC Loan to Aimbridge Hospitality in the Amount of Five Million Dollars (\$5,000,000) and an MCDC Grant to Aimbridge Hospitality in the Amount of Three Million Dollars (\$3,000,000) for Partial Funding for the Construction of a Resort Hotel; Estimated Project Construction Cost is \$98,500,000; the Amount Requested Represents 8.12% of the Total Estimated Construction Cost. City of McKinney legal counsel, Mark Houser, recommended this item be tabled to a future meeting since the final documents are currently in draft form, and not ready for review and

approval. Board members were assured that the final legal documents will guarantee a four-star facility. Board members unanimously approved the motion by Board member Gamble, seconded by Board member Glew, to table action on Project #17-04 to the June Board meeting.

17-543 Vice Chairman Clarke called for the Consideration/Discussion/Action on the Second Amendment to the Lease Agreement Between Lake Forest- Investors Ltd., the McKinney Economic Development Corporation, and the McKinney Community Development Corporation for the Offices located at 5900 Lake Forest Drive, Suite 110. President Schneible shared the new lease included a \$1,500 a month increase, but that increase was accounted for in the proposed FY18 budget. Currently, the shared lease space with MEDC is divided 40/60, however, there is an upcoming remodel of the suite that will likely adjust the percentage since MEDC will occupy more square footage. Board members unanimously approved the motion by Secretary Doak, seconded by Treasurer Myers, to approve the new lease agreement.

17-544 Vice Chairman Clarke called for the Consideration/Discussion/Action on MCDC Strategic Plan Priorities. Board members unanimously approved the motion by Treasurer Myers, seconded by Board member Gamble, to table this item to another meeting.

Vice Chairman Clarke called for citizen comments and there were none. Vice Chairman Clarke called for Board comments. Mr. Clarke recognized and welcomed former MCDC Board Chairman and City Council candidate Scott Elliott.

Board members unanimously approved the motion by Board member Glew, seconded by Treasurer Myers, to adjourn. Vice Chairman Clarke adjourned the meeting at 9:03 a.m.

DAVID CLARKE
Vice Chairman

