

**CITY COUNCIL AND McKINNEY COMMUNITY DEVELOPMENT CORPORATION
JOINT MEETING**

SEPTEMBER 4, 2013

The City Council and the McKinney Community Development Corporation of the City of McKinney, Texas met in joint session in the Council Chambers of the Municipal Building on September 4, 2013 at 12:00 noon.

Council Present: Mayor Brian Loughmiller, Mayor Pro-Tem Travis Ussery, Council members: Geralyn Kever, Don Day, Ray Ricchi, Roger Harris, and Randy P. Pogue.

McKinney Community Development Corporation Present: Chairman George Fuller, Board members: Michael Puhl, Jason Burress, Kevin Griffin, Colleen Smith, and Scott Elliott.

Staff Present: City Manager Jason Gray; Deputy City Manager Rob Daake; Deputy City Manager Jose Madrigal; City Secretary Sandy Hart; Executive Director of Development Services Barry Shelton; Assistant Director of Development Services Rick Leisner; Recreation Superintendent Ryan Mullins; Facilities Construction Manager Patricia Jackson; McKinney Community Development Corporation Director Cindy Schneible; McKinney Convention and Visitors Bureau Director Dee-dee Guerra; Human Resources Director Tadd Phillips; McKinney Economic Development Corporation Director Business Retention and New Technology John Valencia; Parks, Recreation, and Open Space - Jill Yount, Emily Braht, and Jenny Baker; Communications and Marketing - CoCo Good and Anna Clark; and McKinney Community Development Corporation - Connie Gibson and Caytl Huston.

There were 5 guests present.

Mayor Loughmiller called the City Council meeting to order at 12:05 p.m. after determining a quorum present.

Chairman Fuller called the McKinney Community Development Corporation meeting to order at 12:05 p.m.

13-899 Mayor Loughmiller and Chairman Fuller called for Consideration/Discussion/Action on a Recommendation to City Council from the McKinney Community Development Corporation Board of

Directors for a Community Aquatic Facility. MCDC Chairman George Fuller stated that they were charged with the task of researching the feasibility for construction of a community aquatic facility and make the recommendation to City Council. The process included securing community input, identifying a model that has the capacity for 100% cost recovery, and make a recommendation to the City Council for a plan of action. Mr. Fuller stated that they also toured a number of aquatic facilities in the area. He stated that the other recommendation is that the location would be at Gabe Nesbit Park. The facility would include a fitness area and aquatic space with 9,000 square feet of water surface between indoor and outdoor pool areas. The projected revenues would meet the goal of being cost neutral. The operational costs and fees are consistent or below those that are found in our sister cities. Consultants Dwayne Brinkley and Scott Hunsacker provided empirical, financial, and demographic information. MCDC Executive Director Cindy Schneible stated that there is a lot of conversation about the need for competitive swimming facility. In the course of the boards due diligence, they talked to coaches and learned that a facility with competitive water only might not meet the cost recovery threshold. Mr. Fuller stated that they would first need to come to an agreement on the facility and then start looking to see what the cost would be to construct the facility. City Manager Jason Gray stated that they could go through a variety of different value engineering techniques as part of the design before it ever goes out to bid. Council member Ricchi questioned the projected revenue estimates and noted that there is potential for ongoing shortfall of revenue that will impact the general fund. Mr. Hunsacker stated that the per capita spending model they use shows how people use the facility. Mr. Brinkley stated that Allen's facility was a joint venture type of structure between the school district and the city. Allen's facility has more pool area than cardio equipment. Mr. Brinkley stated that Frisco took a different

approach and has more cardio equipment than pool area. Mr. Brinkley stated that bleachers could be placed on one side of the competitive pool for competition use of the lap lanes. Mr. Hunsacker stated the gym is not going to be bringing in revenue but the pools revenue would offset those costs. Ms. Schneible stated that there is \$9.5 million available from voter approved bonds and park land funds and they would propose the remainder would come from MCDC funds. Ms. Schneible stated that assuming they set aside funding for capital expenses, the facility would be cash flow positive in the third year and MCDC would support funding the negative cash flow for the first 2 years. Mayor Loughmiller stated that his thought was that in order to have no impact on the City's general fund, they would have to rely on MCDC to fund the operational cost. MCDC Board member Michael Puhl stated that he thought it would be easier for MCDC to agree to fund a certain balance towards the project, and if there are overruns, the City would be in a better position to work on the contracts. If MCDC needed to manage the project and sign the contracts they could authorize the payment of monies if there were cost overruns rather than to manage it. Mr. Gray stated that if it was agreeable to both Council and the MCDC board, he would like to have a meeting with Cindy Schneible and talk through from staff perspective. Mr. Gray stated that City staff will be managing construction regardless of who the contracting entity is. Recreation Superintendent Ryan Mullins stated that swim meets are not a money maker for the facility but rather for the organization that puts on the meet. Mr. Gray stated that staff is looking for consensus on how they Council would like to proceed. The Council voiced consensus that they agreed with the scope of the project based on the MCDC presentation and agree with going forward with the design. A work session discussion item will be scheduled for the September 16th Work Session to discuss funding mechanism and how shortfalls will be handled.

McKinney Community Development Corporation unanimously approved the motion by Board member Michael Puhl, seconded by Board member Kevin Griffin, to adjourn. Chairman Fuller adjourned the McKinney Community Development Corporation meeting at 1:45 p.m.

Council unanimously approved the motion by Council member Harris, seconded by Council member Pogue, to adjourn. Mayor Loughmiller adjourned the City Council meeting at 1:45 p.m.

BRIAN LOUGHMILLER
Mayor

GEORGE FULLER
Chairman

ATTEST:

SANDY HART, TRMC, MMC
City Secretary