

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

OCTOBER 23, 2014

The McKinney Community Development Corporation met in regular session in the Dowdy Board Room, 5900 S. Lake Forest Drive, McKinney, Texas, on October 23, 2014 at 8:00 a.m.

Board members Present: Vice Chair Scott Elliott, Secretary/Treasurer Colleen Smith, David Clarke, David Myers, Kurt Kuehn, Hamilton Doak, Michelle Gamble, and alternate Board member Rick Glew.

Staff Present: President Cindy Schneible; Administrative Assistant Deb Hass; Interim City Manager Tom Muehlenbeck; Accounting Manager Trudy Mathis; Director of Parks, Recreation, and Open Space Rhoda Savage; Assistant Director of Parks, Recreation, and Open Space Ryan Mullins; Facilities Construction Manager Patricia Jackson; MEDC President Jim Wehmeier; and City Secretary Sandy Hart.

There were six guests present.

MCDC President Cindy Schneible called the meeting to order at 8:06 a.m. after determining a quorum was present.

14-1065 Oaths of Office. City Secretary Sandy Hart gave the oath of office to newly appointed and re-appointed Board members.

14-1066 Election of Officers. Ms. Schneible explained the election process in accordance with the MCDC by-laws. The by-laws state the MCDC Board officers will consist of a Chairman, Vice-Chairman, Secretary, and Treasurer. Ms. Schneible explained in the past the Board has elected to combine the Secretary and Treasurer into a single office. Ms. Schneible explained each office will be voted on separately. If more than one candidate is nominated for each office, a paper ballot will be used. Board members unanimously approved the motion by Board member Smith, seconded by Board member Kuehn, to elect Scott Elliott as Chairman. Chairman Elliot opened the nominations for Vice Chairman. Board member Myer nominated Colleen Smith, seconded by Board member Clarke for the office of Vice Chairman. Chairman Elliot nominated Kurt

Kuehn, seconded by Board member Doak for the office of Vice Chairman. Chairman Elliott called for other nominations, and there were none. Chairman Elliott called for nominations to be closed. By a majority vote, using a paper ballot, the Board approved the motion by Chairman Elliott, seconded by Board member Doak to elect Kurt Kuehn as Vice Chairman. Chairman Elliott asked for a motion to combine the offices of Secretary and Treasurer. Board members unanimously approved the motion by Board member Doak, seconded by Board member Kuehn to combine the office of Secretary and Treasurer. Chairman Elliott called for nominations for Secretary/Treasurer. Board member Kuehn nominated Colleen Smith for Secretary/Treasurer. The nomination was seconded by Board Member Gamble. By a majority vote, Board Member Smith was elected Secretary/Treasurer.

14-1067 Minutes of the McKinney Community Development Corporation Meeting of September 25, 2014. Board members unanimously approved the motion by Board member Kuehn, seconded by Board member Clarke, to approve and Minutes of the McKinney Community Development Corporation Meeting of September 25, 2014.

14-1068 Financial Report. Accounting Manager Trudy Mathis reported the September financial report as a preliminary end of year report that will not be finalized until after the audit is completed. Ms. Mathis reported revenues were 5.9% above budget, 5.8% being sales tax. Ms. Mathis reported expenditures were at 37% of budget, as a majority of dollars budgeted for committed projects have not yet been expended for project expenses. A majority of projects are City parks projects that are just underway. Ms. Mathis reported once Finance finalizes the fiscal year and knows what actual balances are; Finance will come back to the Board with a request to re-appropriate the balance of funds allocated to project grants to the current fiscal year. Ms. Mathis reminded the Board

in the February, and November of fiscal year 2013 there were sales tax adjustments at the state level. Due to those adjustments when you compare fiscal year 2013 to fiscal year 2014 there is only a 2.7% increase in sales tax revenues. Ms. Mathis explained if you compare fiscal year 2014 to fiscal year 2012, which was a more normal year there is a 14% increase in sales tax revenues. Ms. Mathis reported in relation to Sister Cities, MCDC is very much in line with Allen and Frisco on sales tax revenues. Ms. Mathis reported more numbers will be available in the December and January Board meetings. Ms. Mathis commented finance is working with financial advisors developing a preliminary time line for the debt issuance for the Aquatic Center. The time line finance is operating with right now is a late January sale of approximately 24 million of debt, with proceeds being received in late February. Ms. Mathis stated because MCDC has not previously issued debt, Finance is working with bond counsel at Fulbright and Jaworski to gather the documents the State Attorney General will require for the debt issuance. Board member Kuehn asked Ms. Mathis to develop a report showing sister cities Allen and Frisco's sales tax revenue comparisons for FY 2012 to FY 2014. Ms. Mathis will compile the report and forward to Ms. Schneible.

14-1069 Board and Liaison Updates

Chamber of Commerce – McKinney Magazine Publisher Peggy Smolen reported on the Business to Business issue that is a new product of *McKinney Magazine*. The issue is highlighting the cities growth and attraction of new businesses. Ms. Smolen thanked the Board for their support editorially and with advertising. The Business to Business issue will be distributed November 6, 2014 at the State of the City event. Ms. Smolen reported Lisa Hermes is the new Chamber President. Ms. Smolen stated Leadership McKinney's next event is the alumni network fundraiser at Adriatica for the McKinney Food Pantry. Ms. Smolen

commented the McKinney Ambassadors were involved with Meals on Wheels.

City of McKinney - Interim City Manager Tom Muehlenbeck reported the City will host a District 3 Town Hall meeting on Tuesday, October 28, 2014 at 7:00 p.m. at the Jack Cockrill Middle School. Mr. Muehlenbeck reported a community meeting was held on October 22, 2014 to begin the format and process for hiring the new police chief. A final town hall meeting will be held on October 23, 2014 and the information gathered from these meetings will be processed and the City will begin advertising for a new police chief.

Main Street & MPAC – MPAC/Main Street Program Director Amy Rosenthal gave the report. Ms. Rosenthal thanked the Board for their support of Oktoberfest, and the \$15,000 awarded for advertising and promotion. Ms. Rosenthal reported Oktoberfest brought in approximately 50,000 people, 12,000 on Friday, 27,000 on Saturday, and 10,000 on Friday. Businesses reported high sales during the event, and \$500,000 in concession tickets were sold. Ms. Rosenthal reported MPAC featured “Rocky Horror Picture Show” on Friday, October 17, 2014. The show was sold out. The weekend of October 24th will feature “Phantom of the Opera,” and the weekend of October 31st will feature a free concert with the U.S. Army Jazz Ambassadors. Ms. Rosenthal shared that FedEx Office will serve as Title Sponsor for the City’s November event-Home for the Holidays. Fed Ex will team with American Express to debut a mobile shipping center in downtown McKinney during Home for the Holidays.

McKinney Convention & Visitors Bureau (MCVB) - Vanessa Baggett, MCVB Tourism Services/Sales Representative reported MCVB will be hosting travel writers the weekend of October 24th. MCVB worked with the Dallas Fort Worth Area Tourism Council on the visits. The writers that will be visiting are from AAA, Asian-American publications, and a

newspaper for the Denison/Durant area. Ms. Baggett reported there were 292 visitors in September, 163 from out of state, 15 from out of country, 72 Texas residents, and 41 McKinney residents. MCVB saw more than 56 visitors attending the Munzee Market Place event. Ms. Baggett reported 110 visitor bags were provided, 50 for Habitat for Humanity, 25 for a wedding, and 35 for the City of McKinney Planning Development Department. Ms. Baggett reported 4856 leads were processed thru AARP, Tour Texas, See Texas First, Texas Highways, and Texas State Travel Guide. Ms. Baggett reported 111 hotel rooms were booked with total revenue of \$11,256.88. Ms. Baggett reported MCVB is already receiving RFP's for Sheraton for 2016, 2017, and 2018.

McKinney Economic Development Corporation (MEDC) - President /CEO

Jim Wehmeier reported that MEDC closed 15 projects during the first three quarters of this year. The projects added 1500 jobs to the community with approximately \$95 million in annual payroll, and \$92 million in capital investments. Mr. Wehmeier thanked MCDC board members for their support and partnership on Project Heat. MEDC continues to see opportunities to bring more businesses to McKinney.

Parks, Recreation & Open Spaces - Newly hired Director of PROS

Rhoda Savage asked Assistant Director of PROS Ryan Mullins to give the report. Mr. Mullins updated the Board on the "way finding" signage. The signs will be up next month. Mr. Mullins stated PROS will be meeting with the design firm for the Bonnie Wenk Park Phase II. Mr. Mullins commented PROS will start developing the master plan for park development. The showing of the LEGO movie will be held at the Carey Cox Memorial Park on October 24, 2014 using the inflatable screen that was purchased with MCDC grant funds. On November 7, 2014 the Mother/Son Western Event will be held at the Community Center. A Veteran's Day celebration will be held November 8, 2014 at Veteran's Memorial Park with Congressman Sam Johnson attending again this

year. Veterans Memorial Park will also host a Veterans Day event on November 11th that will feature a roll call of Collin County Veterans who have lost their lives defending the United States of America.

Mr. Muehlenbeck commented that regarding the McKinney National Airport every hanger is leased, with a waiting list, and the administrative office spaces are also leased up.

14-1070 Report from Barbara Johnson on Heard Craig Project #13-06, Installation of a Fire Suppression System in Heard Craig House, Funded by MCDC. Ms. Johnson, Executive Director of the Heard Craig Center for the Arts began her update by introducing Heard Craig Board President Debbie Denison. Ms. Johnson thanked the Board for the \$119,582 that was granted for installation of a fire suppression system in the Heard Craig House. Ms. Johnson displayed a power point with photos showing before and after the installation was completed.

14-1071 Marketing Director's Report. President Schneible gave the Marketing Director's Report. Ms. Schneible pointed out a calendar that has been created to keep Board members up to date on activities in the city. Ms. Schneible reminded the Board of the Toyota visit schedule. Ms. Schneible directed the board's attention to the sample rack cards, provided to each member, that were created for the "My McKinney Campaign" to educate McKinney residents on the impact of dollars invested in community projects by MCDC as a result of the one-half cent quality of life sales tax. Ms. Schneible reported there has been an increase in media coverage for MCDC activities in recent weeks.

14-1072 Executive Director's Report. Ms. Schneible reported she provided a new Board member orientation for incoming Board members. Ms. Schneible handed out a Board contact list, upcoming Board meeting dates, and Board expectations. Ms. Schneible indicated it is likely the Board Strategic Retreat will be held at the December meeting and will be a half day meeting. Ms. Schneible reminded Board members of the City Board

attendance policy which requires Board members to attend 75% of Board meetings. Ms. Schneible reported PSA is opening December 1, 2014, and MCDC has processed the first payment for the loan in the amount of \$710,780.95. Ms. Schneible commented the loan to PSA was approved for up to \$3.2 million, but is expected to the total requested will be between \$2.7 million and \$2.8 million. Ms. Schneible reminded the Board to return their sub-committee assignment requests.

14-1073 PSA McKinney Update Presented by Don Blackwood, General Manager, PSA. Mr. Blackwood provided a summary of the PSA project to the Board. Mr. Blackwood reported PSA signed the contract with the City the first Monday of February 2014, had the ground breaking at noon on February 18th and will open on schedule December 1, 2014 on budget. Mr. Blackwood gave a construction update. Mr. Blackwood reported registration for McKinney leagues have started, twenty-four days have been booked for outside tournaments from March through November, three being national tournaments. Mr. Blackwood stated on December 12, 2014 the head of the NBA officials will be visiting the facility. Mr. Blackwood also stated December 4, 2014 will be the grand opening celebration, with the unveiling of plaques.

14-1074 McKinney Aquatics and Fitness Center Update Presented by Patricia Jackson, Facilities Construction Manager, City of McKinney. Ms. Jackson updated the Board on activities of the project team. Ms. Jackson reported the design development set of documents was submitted in September, and the project team has been working with the construction manager to get a design development estimate. Ms. Jackson reported some challenges concerning the budget. Ms. Jackson commented the project was to be a \$33 million dollar project, and they will deliver a \$33 million dollar project but will have some options brought back to the Board for consideration. Ms. Jackson reported the project at this time is approximately 3 million over budget due to site improvements,

the construction market, and the dramatic design of the interior and exterior of the building. Ms. Jackson stated the project team will schedule a meeting with the steering committee, MCDC, City Council and the design and construction teams.

Ms. Schneible explained the process that will be used in regards to the alternate MCDC Board member. Ms. Schneible stated Rick Glew will be MCDC's alternate Board member. Ms. Schneible explained, per the City Attorney, the alternate will be seated for a meeting when a regular Board member is absent for an entire meeting. The alternate will be included in executive session only when seated as a Board member in order to ensure confidentiality of matters discussed during executive session. Mayor Loughmiller commented City Council will be addressing the policy and expectations of the Board and alternate Board member and will notify MCDC of any changes to the policy as it currently stands.

Board Chairman Elliott recognized City officials that were in attendance. Chairman Elliot welcomed new Board members and shared what service on the MCDC board meant to him and his expectations for the board in the coming year.

Board members unanimously approved the motion by Board member Kuhlen, seconded by Board member Myers, to adjourn. Chairman Elliott adjourned the meeting at 9:55 a.m.

SCOTT ELLIOTT
Chairman

ATTEST:

Colleen Smith
Secretary/Treasurer