

## MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

**JULY 27, 2017**

The McKinney Community Development Corporation met in regular session at the John and Judy Gay Library, 6861 Eldorado Parkway, McKinney, Texas, on July 27, 2017 at 8:00 a.m.

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

Staff Present: President Cindy Schneible; City Manager Paul Grimes; City Secretary Sandy Hart; Councilwoman Tracy Rath, Council member Chuck Branch; Chief Financial Officer Mark Holloway; Assistant to the City Manager Trevor Minyard; Assistant Director of Parks and Recreation Ryan Mullins; Director of Parks and Recreation Mike Kowski; Communications and Marketing Joey Barr; Facilities Construction Manager Patricia Jackson; Parks - Jenny Baker and Jill Yount; IT Helpdesk Technician Nicholas Martin; McKinney Economic Development Corporation President Darrell Auterson; Environmental Education Coordinator Martha Fipps; and MCVB Sales Manager Vanessa Rhodes.

There were sixteen guests present.

**17-745** June Financial Report. Chief Financial Officer Mark Holloway stated that Sales Tax collections are 11% above where we were last year for the month of June. The expenses are in line with what they should be. With 75% of the fiscal year you are at 65% expenditures.

**17-747** Board and Liaison Updates:  
Board Chairman – Vice Chairman Clarke stated that the Mission for the Community Development Corporation is to Work Proactively In Partnership With Others To Develop The Community Help Development Economic Projects Maintain The Quality Of Life.  
City of McKinney – City Manager Paul Grimes gave a thanks to Board member Glew for his assistance with the announcements during the July

4<sup>th</sup> parade. Mr. Grimes stated that the City is progressing through the budget process. A budget work session will be held on August 4<sup>th</sup>. On July 31<sup>st</sup>, the City Council will set the ceiling on the tax rate. The Legislative Special Session is in full swing with 199 bills filed about a week ago. Trevor Minyard and Mayor Fuller will be traveling down to Austin next week. Mayor Fuller will be meeting with the Governor who is holding meetings with various Mayors around the state. Mayor Fuller will be presenting to the Governor the importance of the Cities maintaining the local control and how that has worked in Texas for generations. Mr. Grimes stated that the City of McKinney is recognized by Standard and Poors with a AAA Rating. The Business Section of the Dallas Morning News had an article today announcing that Independent Bank will be expanding in McKinney with a \$50 Million project and forecasting between 400 and 1,000 new jobs. The City of McKinney is proud that they are staying in McKinney. Mr. Grimes stated that the Council Chambers is being updated with new technology over the next few months. The City Council and Planning and Zoning will be meeting at the County Commissioners Court.

Parks and Recreation – Director of Parks and Recreation Mike Kowski stated that the crews are working on operations and maintenance to get the fields in the best shape possible for the upcoming season that starts in two weeks. The Maintenance Superintendent and I visited six sister cities yesterday to get a feel for what they're doing to prepare for the upcoming seasons. Mr. Kowski gave a special thanks for the crews working hard to make sure the upcoming season that our fields are in the best shape possible. Mr. Kowski stated that last Saturday the Parks Board took a tour on the trolley to see various parks in the City. The idea was to look at parks that are in progress as well as future parks. The highlight of which is going to be Gray Branch given the sense of scale and the opportunity that is presented. Mr. Kowski stated that he and

President Schneible met to discuss installing signing kiosks in the various parks and Apex to advertise upcoming events and provide park maps. We will be back presenting on those items in the future.

Main Street/MPAC – MPAC/Main Street Director Amy Rosenthal stated that there is a lot going on at MPAC. This weekend marks the opening of the annual mellow drama at the theater where attendees can bring popcorn, boo, hiss, and cheer for the hero and plays until August 12th. On August 18th the Sergeant Peppers Lonely Bluegrass Band will perform and that will be totally fun. On August 19<sup>th</sup>, the North Texas Chapter of the American Theater Organ Society will come out to play the organ to Buster Keaton Silent Movies. This is a great opportunity to see and hear a theater organ and see Buster Keaton. The last weekend in August will be the McKinney Classic Film Festival. The Hues and Blues Art Exhibit is wrapping up down in the Gallery. We are midway through 100 days donations for the McKinney Performing Arts Center that relies on support from the public. Ms. Rosenthal stated that Dash is doing terrific and has provided rides to over 1,500 riders since the program was implemented. We have two really great drivers that receive compliments from people all the time. Many express surprise because they didn't know this was available and that they are going to tell their friends. It's a great convenient ride and the drivers love the opportunity to talk with visitors. Our drivers tell us a lot of the people they're taking through downtown are not from McKinney. Dash operates from 11-3 Tuesday through Saturday. On Thursday Dash operates until 6 p.m. On Friday and Saturdays Dash operates until 10 p.m. Ms. Rosenthal responded to a question regarding ADA accessibility on Dash indicating the City Attorney stated that because this is on-demand service and not a fixed route, ADA accessibility is not required. Ms. Rosenthal stated that with the success of Dash, they would like to add another unit after the 9-acre site is completed.

McKinney Convention and Visitors Bureau – MCVB Sales Manager Vanessa Rhodes stated that they had 248 guests come into the Visitors Center during the month of June with 53 from out of the country. Yesterday there were two gentlemen here from Rome, Italy that were here to scout for making a short film. They fell in love with McKinney and with the idea of Hugs. MCVB generated or assisted with 370 room nights which generated \$42,000. There was a news story that was posted on Facebook with a video about ducks that had gotten lost and ended up in Downtown McKinney. A couple of them went into the street gutters and were rescued and taken by Animal Control to Erwin Park. NBC News picked up the story and talked about what you would find in downtown McKinney. This was a great free, fun advertisement for downtown. McKinney Economic Development Corporation – President Darrell Auterson provided a few updates that included the announcement today of Independent Bank locating to Craig Ranch and three or four more projects that are in the pipeline that should be announced before the end of the year. Last Monday, the MEDC Board heard presentations from four developers vying to do a speculative industrial development as a response to an RFP released in April. The four presenters included Hunt Southwest, Bradford, Dalfen America Corporation, and Sentinel Capital. The Board authorized negotiations with Hunt Southwest who proposed to construct two buildings. A ground breaking will be scheduled soon for Paccar, a Fortune 500 company, that is locating to McKinney.

**17-746** President's Report – President Schneible stated that the monthly reports were attached to the agenda and she highlighted a few items: The Farmers Market that is supported by MCDC will be moving temporarily starting this Saturday to the parking lot adjacent to Development Services at Hunt Street between Tennessee and Kentucky. Today you will hear presentations on four project grant requests. There was a fifth

application that was received from McKinney Air Center but they have requested that the public hearing be delayed until the August meeting to allow time for the Interim Director to have a chance to get a handle on operations and to become more familiar with the request. At the August meeting, the Board will be asked to consider and vote on the FY2017/18 budget. The draft budget was approved a couple of months ago before being submitted to the City Manager's Office. There will be some adjustments based on revenue estimates that will come back for your consideration next month. Last Month, I shared with you the draft of Quality of Life Survey that will go on the City's Website. The platform that will be used to get additional information from citizens regarding quality of life amenities is Peak Democracy. Ms. Schneible thanked the Performing Arts Subcommittee for working on a survey that was prepared to go to arts groups to get input on what they're currently doing, what their needs are from a performance and rehearsal standpoint.

**17-752** Vice Chairman David Clarke called for Consideration/Discussion/Action on the Promotional and Community Event Grant Application Submitted by Volunteer McKinney (P&C #17-08), in the Amount of \$5,000 for the Marketing, Promotion and Advertising of the 2017 Santa on the Square Event. Board members unanimously approved the motion by Board member Doak, seconded by Board member Myers, to approve funding in the amount of \$2,000 to Volunteer McKinney (P&C #17-08) for the Marketing, Promotion and Advertising of the 2017 Santa on the Square Event.

**17-753** Vice Chairman David Clarke called for Consideration/Discussion/Action on the Promotional and Community Event Grant Application Submitted by North Collin County Habitat for Humanity (P&C #17-09), in the Amount of \$4,000 for the Marketing, Promotion and Advertising of the 2017 Monster Mash Birthday Bash Event. Board members unanimously approved the motion by Board member Gamble, seconded by Board

member Glew, to approve funding in the amount of \$3,500 to North Collin County Habitat for Humanity (P&C #17-09) for the Marketing, Promotion and Advertising of the 2017 Monster Mash Birthday Bash Event.

- 17-754** Vice Chairman David Clarke called for Consideration/Discussion/Action on the Promotional and Community Event Grant Application Submitted by McKinney Rotary Club Foundation (P&C #17-10), in the amount of \$5,000 for the Marketing, Promotion and Advertising of the 2017 Rotary Parade of Lights Event. Board members unanimously approved the motion by Board member Myers, seconded by Board member Gamble, to approve funding in the amount of \$3,500 McKinney Rotary Club Foundation (P&C #17-10) for the Marketing, Promotion and Advertising of the 2017 Rotary Parade of Lights Event.

Board member Glew left the meeting for the following agenda item.

- 17-755** Vice Chairman David Clarke called for Consideration/Discussion/Action on the Promotional and Community Event Grant Application Submitted by the Heritage Guild of Collin County (P&C #17-11), in the amount of \$10,000 for the Marketing, Promotion and Advertising of the 2017 Fall Season of the McKinney Farmer's Market, 2017 Legends of McKinney Ghost Walk and 2017 Holiday Tour of Homes Events. Board members approved the motion by Board member Doak, seconded by Board member Brewer, to approve funding in the amount of \$9,000 to the Heritage Guild of Collin County (P&C #17-11) for the Marketing, Promotion and Advertising of the 2017 Fall Season of the McKinney Farmer's Market, 2017 Legends of McKinney Ghost Walk and 2017 Holiday Tour of Homes Events, with a vote of 5-0-1, Board member Glew abstained.

Board member Glew returned to the meeting.

- 17-756** Vice Chairman David Clarke called for Consideration/Discussion/Action on the Promotional and Community Event Grant Application Submitted by Arts and Music Guild (P&C #17-12), in the Amount of \$7,000 for the

Marketing, Promotion and Advertising of the 2017 McKinney Art Studio Tour Event. Board members unanimously approved the motion by Board member Myers, seconded by Board member Gamble, to approve funding in the amount of \$5,000 to Arts and Music Guild (P&C #17-12) for the Marketing, Promotion and Advertising of the 2017 McKinney Art Studio Tour Event.

**17-757** Vice Chairman David Clarke called for Consideration/Discussion/Action on the Promotional and Community Event Grant Application Submitted by Collin County Master Gardeners Association (P&C #17-13), in the amount of \$10,000 for the Marketing, Promotion and Advertising of the 2018 Garden Show. Board members unanimously approved the motion by Board member Myers, seconded by Board member Glew, to approve funding in the amount of \$6,000 to Collin County Master Gardeners Association (P&C #17-13) for the Marketing, Promotion and Advertising of the 2018 Garden Show.

**17-758** Vice Chairman David Clarke called for Consideration/Discussion/Action on the Promotional and Community Event Grant Application Submitted by McKinney Main Street (P&C #17-14), in the Amount of \$15,000 for the Marketing, Promotion and Advertising of the 2017 Oktoberfest Event. Board members unanimously approved the motion by Board member Doak, seconded by Board member Gamble, to approve funding in the amount of \$15,000 to McKinney Main Street (P&C #17-14) for the Marketing, Promotion and Advertising of the 2017 Oktoberfest Event.

**17-759** Vice Chairman David Clarke called for Consideration/Discussion/Action on the Promotional and Community Event Grant Application Submitted by Mission Regan (P&C #17-15), in the Amount of \$5,000 for the Marketing, Promotion and Advertising of the 2017 Golf Tournament. Board members unanimously approved the motion by Board member Myers, seconded by Board member Brewer, to approve funding in the

amount of \$1,000 to Mission Regan (P&C #17-15) for the Marketing, Promotion and Advertising of the 2017 Golf Tournament.

**17-760** Vice Chairman David Clarke called for Consideration/Discussion/Action on the Promotional and Community Event Grant Application Submitted by Embrace Texas (P&C #17-16), in the Amount of \$2,500 for the Marketing, Promotion and Advertising of the 2017 Child to Family Event. Board members unanimously approved the motion by Board member Glew, seconded by Board member Gamble, to approve funding in the amount of \$1,000 to Embrace Texas (P&C #17-16) for the Marketing, Promotion and Advertising of the 2017 Child to Family Event.

**17-761** Vice Chairman David Clarke called for Consideration/Discussion/Action on the Promotional and Community Event Grant Application Submitted by Crape Myrtle Trails of McKinney (P&C #17-17), in the Amount of \$7,780 for the Marketing, Promotion and Advertising of the 2017 Crape Myrtle Run the Trails Event. Board members unanimously approved the motion by Board member Doak, seconded by Board member Glew, to approve funding in the amount of \$4,000 to Crape Myrtle Trails of McKinney (P&C #17-17) for the Marketing, Promotion and Advertising of the 2017 Crape Myrtle Run the Trails Event.

**17-542** Vice Chairman David Clarke called for 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 (ITEM TO BE TABLED TO AUGUST MEETING). Board members unanimously approved the motion by Board member Glew, seconded by Board member Gamble, to table this item to the August 24th meeting.



**17-748** Vice Chairman David Clarke called for Consideration/Discussion/Action on a Request for Funding Project #17-05, Submitted by the City of McKinney Parks and Recreation Department in the Amount of Five Million, Five Hundred Thousand Dollars (\$5,500,000) for Park Land Acquisition, Parks Accessibility Improvements and for Design and Construction of Various Parks, Facilities and Trail Projects. Board members unanimously approved the motion by Board member Doak, seconded by Board member Glew, to approve the funding of Project #17-05, submitted by the City of McKinney Parks and Recreation Department in the amount of five million, five hundred thousand dollars (\$5,500,000) for park land acquisition, parks accessibility improvements and for design and construction of various parks, facilities and trail projects.

**17-749** Vice Chairman Clarke called for a Public Hearing and Consider/Discuss/Act on Project #17-06, Submitted by North Collin County Habitat for Humanity, in the Amount of Three Hundred Thirty One Thousand Seventy-Two Dollars (\$331,072) for Land Acquisition and Lot Preparation for Construction of Low Income Housing (\$160,850); Exterior Home Repairs for 15 Low Income Homes (\$112,500); and Material Costs for Construction of a MISD/North Texas Job Corp Project Home (\$57,722); Amount Requested Represents 36% of Total Project Cost. Ms. Elizabeth Johnston, Development and Marketing Manager for North Collin County Habitat for Humanity (NCCHH) stated that NCCHH is requesting a total of \$331,072 for land acquisition and lot preparation for construction of low income houses, exterior home repairs for 15 low income houses, and material costs for a MISD/North Texas Job Corp Project home. The NCCHH has two affordable housing programs in targeted areas of east McKinney. The organization provides home repair services for low income homeowners and exterior repairs, landscaping and clean up. After seven years of the repair program and 25 years of new homes, NCCHFH has had a great impact on the community. There

is a continued need for affordable housing as well as repairs that need to be done. There are over 100 on the Habitat wait list and eight families in the cue to get a home. The average home value in McKinney is almost \$300,000. For lower to moderate income families, that is out of reach. Habitat is here to help those families. Our application includes \$112,500 for home repair projects. Fifteen repair projects averaging \$7,500 per project are planned. The request also includes \$160,850 for land acquisition. We are excited to let you know that we are currently under contract on a 2.75 acre parcel for \$217,000. We plan to use the funds remaining from the previous MCDC grant and add it to the funds we are requesting today toward this purchase. We can get 36 homes on this piece of property called Cotton Grove, which will dramatically increase the number of families that Habitat for Humanity is able to serve. The plan is to use steel modular containers that are being restored by the JDL Group for the project. This is a recycling, restoration effort using modular construction design. The last part of the request is funding for a McKinney ISD project where students will enter a job training program to gain skills in building homes. Mr. J.D. Lee stated that there is an emerging trend of repurposing shipping containers and it is becoming a viable form of creating affordable housing. JDL Group is looking to be the first to market in this area as well as helping Habitat for Humanity. Vice Chairman Clarke called for public comment and there were none. Board members unanimously approved the motion by Board member Gamble, seconded by Board member Brewer, to close the public hearing.

**17-750** Vice Chairman Clarke called for a Public Hearing and Consider/Discuss/Act on Project #17-07, Submitted by McKinney Housing Authority, in the Amount of Five Hundred Thousand Dollars (\$500,000) for Rehabilitation and Reconstruction and Expansion of Merritt McGowan Manor, a Sixty-Two Year Old, Low-Income, Multi-

family Project Located on 10.205 Acres in McKinney; Majority of Project Costs Will be Funded Through a Tax Credit Award and Equity Loan; Amount Requested Represents 50% of Estimated Gap in Funding Needed for the Project. Mr. Jeff Fulenchek, Director of Development at Carleton Development, Ltd., thanked the Board for their contributions to the recently completed Newsome Homes project. He indicated the Newsome Homes project has helped transform that area of McKinney and the Merritt McGowan Manor project will continue that transformation. The current Merritt Homes is a 62 year old property that is not up to the current housing standards. This project is a rehabilitation, reconstruction and expansion of the existing multi-family project located on 10.205 acres in east McKinney. The new layout will be much less dense and will have a lot of green space, an area for barbecuing, a playground area, and will meet all the modern codes for construction. Ms. Roslyn Miller of the McKinney Housing Authority and Mr. Will Henderson, with Carleton Development, are in Austin today in anticipation of receiving a tax credit award from the State of Texas in the amount of \$1.5 million over 10 years that will provide us with about \$14 million of equity. Currently there are 86 units and the new development will have 136 units. Vice Chairman Clarke called for public comments and there were none. Board members unanimously approved the motion by Board member Doak, seconded by Board member Gamble, to close the public hearing.

Board member Glew left the meeting for the following agenda item.

- 17-751** Vice Chairman Clarke called for a Public Hearing and Consider/Discuss/Act on Project #17-08, Submitted by Heritage Guild of Collin County, in the Amount of Sixty Five Thousand Dollars (\$65,000) for Repairs to the Taylor Inn and the Campus-wide Irrigation System at Chestnut Square; Amount Requested Represents 100% of Estimated Project Cost. Ms. Stella Stevens, Chair of the Heritage Guild of Collin County Board of Directors, addressed the MCDC. Chestnut Square has

transformed over the past few years and is the only historic park in Collin County not owned by taxpayers. The Guild is requesting funding for two projects, the sprinkler system overhaul and the repairs to the Taylor Inn. The Taylor Inn needs a new roof, significant exterior wood replaced, paint, and a variety of repairs indoors. We are requesting \$45,000 for the Taylor Inn improvements. We are also asking for \$20,000 for sprinkler system repairs and enhancement. The current system does not meet current code. Our total request for both projects is \$65,000. Vice Chairman Clarke called for public comments and there were none. Board members approved the motion by Board member David Myers, seconded by Board member Michelle Gamble, to close the public hearing, with a vote of 5-0-1, Board member Glew abstaining.

Board member Glew returned to the meeting.

**17-764** Vice Chairman Clarke called for a Public Hearing and Consider/Discuss/Act on Project #17-09, Submitted by D&L Feeds, Inc. (DL Farm and Home), in the Amount of One Hundred Forty Thousand One Hundred Seventy-Seven Dollars (\$140,177) for Infrastructure Improvements that Include Water, Storm Drainage, Sewer, Traffic Control at 1502 N. Church Street, the Location of an Expanded D&L Feed Store and Warehouse Location; Amount Requested Represents 50% of Estimated Project Cost. Ms. Jasmine Jones, Marketing Manager for D&L Farm and Home stated that they purchased their store in McKinney in 2003 and provide a wide range of products. This store has been at the current location since 1980 and had two different owners before D&L Feed. DHL has outgrown that location and needs more room. The company found three acres at 1502 North Church which is essentially right behind the current location. A large part of this \$2 million project has been infrastructure since the sewer and water were not available on the side of the street where the new store will be located. DHL also has to bring the utilities to the location which includes boring

under the street and adding three new manholes with a cost of \$280,000 and that is in addition to the \$44,000 utility impact fee that was paid to the City of McKinney. Ms. Jones stated that the business in McKinney generates \$1.1 million in taxable sales. Pet sales have increased as agriculture sales have decreased and will continue to do so as McKinney develops. Ms. Jones will email President Schneible a list of community events that D&L hosts and participates in on an annual basis. Vice Chairman Clarke called for public comments and there were none. Board members unanimously approved the motion by Board member Gamble, seconded by Board member Brewer, to close the public hearing.

Vice Chairman Clarke called for Citizen Comments and there were none.

Vice Chairman Clarke called for Board or Commissioner Comments and there were none.

Board members unanimously approved the motion by Board member Doak, seconded by Board member Myers, to adjourn. Vice Chairman Clarke adjourned the meeting at 9:14 a.m.

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DAVID CLARKE  
Vice Chairman