

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

AUGUST 21, 2014

The McKinney Community Development Corporation met in regular session in the Dowdy Board Room, 5900 S. Lake Forest Drive, McKinney, Texas, on August 21, 2014 at 8:00 a.m.

Board members Present: Chairman George Fuller, Vice Chairman Scott Elliott, Secretary/Treasurer Colleen Smith, Michael Puhl, David Clarke, David Myers, and Kurt Kuehn.

Staff Present: President Cindy Schneible; Marketing Director Cayti Stein, Administrative Assistant Deb Hass; Accounting Manager Trudy Mathis; Interim Parks, Recreation, and Open Space Director Ryan Mullins; Interim City Manager Tom Muehlenbeck; Assistant to the City Manager Darrek Ferrell; MPAC/Main Street Director Amy Rosenthal, Chamber of Commerce Communications Director/Managing Editor Peggy Smolen; Facilities Construction Manager Patricia Jackson; Parks Development Superintendent Tony Nielsen.

There were 16 guests present.

Chairman Fuller called the meeting to order at 8:05 a.m. after determining a quorum present.

14-803 Minutes of the McKinney Community Development Corporation Meeting of July 24, 2014. Board members unanimously approved the motion by Board member Puhl, seconded by Board member Elliott, to approve the Minutes of the McKinney Community Development Corporation Meeting of July 24, 2014.

14-804 Financial Report. Accounting Manager Trudy Mathis reported that sales tax revenues are up 13.3% compared to July of 2013. Sales tax revenues versus 2013 are up 1.5 percent. Finance did an analysis in July and reported that there were 100 more reporting entities than in July of 2013 with an overall increase of \$100,000.

14-805 Board and Liaison Updates

Chamber of Commerce – Chamber of Commerce Communications Director/Managing Editor Peggy Smolen reported that the Chamber is expanding the Magazine with a Business to Business publication that will be published this fall. The McKinney Leadership class has started, and the McKinney Experience starts in September. The September issue of *McKinney Magazine* goes to press this week which will be featuring the PSA and Athletic Facilities in the City. The State of the Community will be held November 6, 2014. The Chamber of Commerce Board conducted six interviews last week for President. The Chamber will be moving to downtown McKinney to the old Oncor building in November.

City of McKinney – Interim City Manager Tom Muehlenbeck reported that City Council is in the middle of FY 2015 budget preparation and review. City Council has recommended a quarter of a cent decrease on the tax rate. Valuations have increased \$1.5 billion, \$500 million is in new growth, and \$1 billion came in as a result of reassessments. City Council will hold its first public hearing on the budget on September 2nd and will have a second public hearing September 16th.

Main Street & MPAC – MPAC Director Amy Rosenthal reported that Friday night, August 22, 2014 Friday Night Flicks will be showing “Back to the Future.” Ms. Rosenthal also stated that Saturday night, August 23, 2014 MPAC will host Dailey and Vincent, the Rock Stars of Blue Grass. Monday, August 25, 2014 the Junior League of Collin County will be visiting downtown McKinney and Wednesday August 27, 2014 MPAC will host Clint Black with a sold out performance. After a busy week MPAC & Main Street will be going in to full gear for the planning of Oktoberfest and the holidays.

McKinney Economic Development Corporation (MEDC) – Marketing Director Cayti Stein gave a brief update. MEDC continues to see a lot of volume in projects. MEDC is in final negotiations on several projects with announcements expected soon. Ms. Stein reported that there would be a

news release today at 9:00 a.m.

Parks, Recreation & Open Spaces – Interim Parks, Recreation, and Open Space Director Ryan Mullins provided an update on Finch Park jogging trails. The City has started negotiations with Teague, Nall, and Perkins for the design of the trails. The City has asked the firm to put the Finch Park jogging trails on hold so that they can finish the park site at Sonntag Elementary before the school year starts. City Council approved the Bonnie Wink Phase II project with la terra studios. Mr. Mullins reported that sidewalks will be poured on Friday at the Frisco park adjacent to Scott Elementary School. The City has put a hold on the Craig Ranch Community Park Master Plan to do the plan in-house in order to reduce fees. Mr. Mullins displayed the way finding signage that will be trail markers to give direction to the City's trail system. The signs are to be installed in September.

14-806 Marketing Director's Report – Marketing Director Cayti Stein reminded the Board that she had sent them a link to the aerial video that has been done to showcase McKinney. Ms. Stein reported that Toyota was in town August 10th through August 14th. Ms. Stein thanked the Board members that were able to participate in events that week. Quality of life was a very important aspect of Toyota's tour. Mayor Loughmiller and Ms. Schneible led the bus tour of the city. Ms. Stein reported that Toyota was very impressed with McKinney. Ms. Stein stated that Toyota employees will be touring Collin County twice a week until March of 2015. MCDC will have the month of November to be available to answer questions about McKinney. Toyota has anticipated there will be over 11,000 employees visiting Collin County during that time.

14-808 to Chairman Fuller called for Consideration/Discussion/Action on the
14-313 recommendation for funding Promotional and Community Events Grants as provided by the Promotional and Community Events Grant Committee

as follows:

Request from St. Peter's Episcopal Church in the Amount of \$4,569.50 to Promote "Empty Bowls" an Event Benefiting Community Lifeline. Amount recommended \$4,570.

Request by Collin County Historical Society for \$5,000 to Promote "The Vietnam Syndrome" Exhibit. Amount recommended: \$4,500.

Request from Crape Myrtle Trails of McKinney in the Amount of \$8,000 to Promote "Run the Trails and More." Amount recommended: \$8,000.

Request from Especially Needed in the Amount of \$10,000 to Promote the First Annual "Celebrating Our Differences" Family Fun Community Event. Amount recommended: \$10,000.

Request from McKinney Main Street in the Amount of \$15,000 to promote Oktoberfest. Amount recommended: \$15,000.

Request from McKinney Rotary Foundation in the Amount of \$3,500 to Promote the 2014 Rotary Parade of Lights. Amount recommended \$3,500. Board members unanimously approved the funding recommendations made by the Promotional and Community Event Grant Committee.

14-815 Chairman Fuller called for a Public Hearing to Consider/Discuss/Act on Project #14-09, Project Approval and Funding in the Amount of \$24,000,000 for the Design and Construction of the McKinney Aquatic and Fitness Center in Gabe Nesbitt Park. Chair Fuller opened the public hearing. Facilities Construction Manager Patricia Jackson began the discussion by thanking the City Council and MCDC for their continued support. Dwayne Brinkley from Brinkley Sargent Architects presented the Board with a PowerPoint presentation explaining the proposed design plan, and schedule for the McKinney Aquatic and Fitness Center. The facility will showcase an indoor competition pool, indoor leisure pool, and an outdoor leisure pool. The facility will be approximately 78,000 square feet. The goal for the project is to be finished in late spring of 2016.

Board member Clarke questioned if solar energy had been considered. Mr. Brinkley stated that unless funding is available from grants solar energy is not cost effective at this time. Ms. Schneible stated that the total estimated cost of the project is \$32,858,000 and with the Boards approval of \$24,000,000, the cost of the project would be covered through a combination of City bond funds, park land fund and MCDC financing. Chairman Fuller asked for public comment on the project. No comments were offered. Board members unanimously approved the motion by Board member Puhl, seconded by Board member Kuehn, to approve project #14-09 McKinney Aquatic and Fitness Center in Gabe Nesbitt Park with funding up to amount of \$24,000,000 from MCDC for Design and Construction of the facility.

Chairman Fuller recessed the meeting into executive session at 8:55 a.m. per Texas Government Code Section 551.071 (2) Consultation with Attorney on any Work Session, Special or Regular Session agenda item requiring confidential, attorney/client advice necessitated by the deliberation or discussion of said items (as needed), Section 551.072 Discuss Real Property, and Section 551.087 Discuss Economic Development Matter as listed on the posted agenda. Chairman Fuller reconvened the open session at 9:10 a.m.

14-814 Chairman Fuller called for Consideration/Discussion/Action on Project #14-08 as Submitted by the City of McKinney and McKinney National Airport Requesting \$1,500,000 for the Construction of a Transient Hangar at McKinney National Airport. The Board members unanimously approved the motion by Board member Smith, seconded by Board member Elliott, to approve project #14-08 as submitted by the City of McKinney and McKinney National Airport requesting \$1,500,000 for the construction of a transient hanger at McKinney National Airport.

14-816 Chairman Fuller called for a Public Hearing to Consider/Discuss/Act on Project #14-10 as Submitted by the City of McKinney Parks, Recreation

and Open Space Department Requesting FY 2015 Funding in the Amount of \$394,500.00 for PROS Capital Purchases. Ms. Schneible informed the Board that Mr. Mullins would be presenting for agenda items 14-816 and 14-817. Mr. Mullins presented a PowerPoint providing an update on project funding with completed projects and approved projects. The project funding request for park land acquisition, construction and improvements includes \$65,333 for Gray Branch Community Park, \$250,000 for PROS Master Plan, \$250,000 for parks accessibility, \$800,000 for Comegys Creek Trail, and \$912,852 for land acquisition. Mr. Mullins answered the Board's questions on the impact the US 75 construction has had on its parks and recreation centers. Board member Elliot questioned if the City had budgeted a fund for equipment replacement. Interim City Manager Muehlenbeck replied that the City has started equipment replacement in some departments, but has not established in all departments at this time. Mr. Mullins gave an update on equipment that needs to be replaced and new equipment that needs to be purchased. Chairman Fuller asked for public comment on the request by Parks, Recreation and Open Spaces purchases. No comments were offered. Board members unanimously approved the motion by Board member Kuehn, seconded by Board member Clarke to approve project # 14-10 as submitted by the City of McKinney Parks, Recreation and Open Space department requesting FY 2015 funding in the amount of \$394,500 for PROS Capital purchases.

14-817 Chairman Fuller called for a Public Hearing to Consider/Discuss/Act on Project # 14-11 as Submitted by the City of McKinney Parks, Recreation and Open Spaces Department Requesting FY 2015 Funding in an Amount Not to Exceed \$2,278,185 for Park Land Acquisition, Construction and Improvements. Chairman Fuller asked for public comment on the project. No comments were offered. Board members unanimously approved the motion by Board member Clarke, seconded

by Board member Smith to approve project #14-11 as submitted by the City of McKinney Parks, Recreation and Open Spaces department requesting FY 2015 funding in an amount not to exceed \$2,278,185 for park land acquisition, construction and improvements.

14-818 Chairman Fuller called for Consideration/Discussion/Action on FY 2014-2015 MCDC Annual Budget. Ms. Schneible began the discussion by addressing the administrative fee that MCDC pays to the City. Finance commissioned an audit of support services provided by the City to MCDC and determined that MCDC's administrative fee for services provided to MCDC should be increased from \$78,000 to \$100,000. Ms. Schneible also stated that the breakdown of services is valued at \$169,986. Ms. Schneible explained that MCDC also has an IT improvement fund which funds hardware/software equipment from the City's IT department. Ms. Schneible reported that the overall revenue was adjusted downward slightly by \$7,320, personnel costs were refined and decreased by \$1,530. Ms. Schneible also reported that the discretionary allocation was reduced by \$5,790 to balance the budget. Board member Kuehn asked Ms. Schneible if in the future the cost of administrative fees will be raised to \$169,986 for City services. Ms. Schneible replied that the City will reevaluate each year the cost of services that MCDC receives. Board members unanimously approved the motion by Board member Puhl, seconded by Board member Clarke, to approve FY 2014-2015 annual budget.

14-819 Chairman Fuller called for a Public Hearing to Consider/Discuss Project #14-12 as Submitted by Texoma Area Paratransit System, Inc. (TAPS) Requesting \$303,500 to Improve Public Transportation in the City of McKinney with Site Improvements at Davis Street and State Highway 5 to Establish a Multi-Model Transit Center; Installation of Bus Shelters, Bus Stop Seating, Signage, and Bike Racks. Director of Grants and Planning Corey Young spoke on behalf of TAPS. Mr. Young stated that as of now

TAPS runs seven fixed routes, 71 stops throughout McKinney with heavy usage in the downtown McKinney area and the East side of McKinney. The budget proposed to MCDC is only for capital costs. TAPS is requesting funds for site alterations at the "day labor" site in downtown McKinney. This site will be a major transfer point for the fixed route system. Mr. Young also stated TAPS was requesting funds for bus shelter, signage, bus stop seating, and all amenities with the fixed route system. Mr. Young reported that TAPS is approaching 650 demand response trips in Collin County alone. Mr. Young stated that because of the high use of demand response it is more cost effective to switch to a fixed route system so that TAPS might also reach out to small communities outside McKinney. Mr. Young stated that TAPS is most excited about implementing real time signage so that passengers can see how long it will be for their bus to arrive. Benefits of the project would be to improve mobility for all especially the east side of McKinney, facilitate business development and retention, alleviate congestion in downtown McKinney, and to connect McKinney to the DART system in Plano. Mr. Patton, COO of TAPS, stated that TAPS has spoken with the City Council in regards to their wishes of what City Council wants to do with the City owned day labor site since the site is City owned. Mr. Patton stated that City Council wishes to eliminate the site as a day labor site since the purpose of the site was to bring day laborers to one site, but this has not been effective. Mr. Patton said TAPS was approached about the use of that site, it's a good location, and takes minimal modification. Mr. Patton stated that one thing TAPS did not consider is the ability to move people from the Gateway project to downtown McKinney. Chairman Fuller commented that if the current day labor site was to change to a bus stop it would be proactive on the City's part to make sure that the day laborers move to another site. Chairman Fuller stated that it might be a negative impact if the site was to stay as a day labor site and

a bus stop site. Chairman Fuller asked for public comment on the project. No comments from the public were offered.

14-820 Chairman Fuller called for a Public Hearing to Consider/Discuss Project #14-13 as Submitted by North Collin County Habitat for Humanity Requesting \$188,870 for Neighborhood Revitalization Initiative Projects, Land Acquisition and Lot Preparation for Construction of Affordable Housing and Evaluation Program. Executive Director Celeste Cox, North Collin County Habitat for Humanity, began her presentation by providing background on the neighborhood revitalization program. Ms. Cox stated that the City of McKinney, several years ago, committed to a program with the Cities of Service called Together We Serve. The program has been a partnership between 3E, Volunteer McKinney, and North Collin County Habitat for Humanity. Ms. Cox stated that since then the program has expanded to include numerous volunteer groups volunteering their services on the east side of McKinney. NCC Habitat is now serving only as the lead agency. The goal of the program was for citizens of McKinney to do the projects, not for the projects to be contracted out. The neighborhoods that are targeted are the P.R.I.D.E neighborhoods in east McKinney. Ms. Cox stated that most of the families that are serviced are earning less than 20% of median household income; most are earning less than \$17,000 per year. All work that is done on the homes is done on the exterior of the homes. No work is done inside the home. This year the program completed its analysis of the Rockwall neighborhood with a major clean up initiative, and a resident survey. Ms. Cox reported that the program had thirteen projects in Rockwall, seven done by outside agencies, six in La Loma, one church, and six other projects in other P.R.I.D.E neighborhoods. This year Habitat built five new homes in the neighborhood where fourteen previous homes were built. Habitat also worked with local builders to construct three additional homes. Habitat is requesting funding for six lots for affordable housing

\$10,000 to \$12,000 each. Habitat builds ten new homes a year so they have to retain ten lots in queue every year. Habitat is also requesting funds for twenty-seven exterior home repairs. Repairs are averaging \$3,250 each depending on the type of repairs. Habitat is able to serve twenty seven families with \$87,000. Ms. Cox stated that the City has a rehab program but their program focuses on the inside of homes and the City only does ten projects a year. Ms. Cox closed by stating sixty-six families have been serviced through the revitalization program. Board member Elliot asked Ms. Cox how large the homes are that are built. Ms. Cox replied that the homes are 1,200 square feet, three bedrooms, two baths and very energy efficient. The resident's total payment with taxes and insurance is \$500 a month. Habitat is servicing seventy-eight twenty year mortgages with zero percent at this time. Board member Kuehn asked why in the information provided by Habitat the cost of a project is \$20,000 on the east side of McKinney but the budget reflects only \$10,000 - \$12,000 per project. He asked how Habitat is going to reduce costs by \$8,000 to \$10,000 of market price. Ms. Cox stated that some lots are donated, some are purchased from the City for back taxes owed, and Habitat received \$10,000 from their CDBG grant funds to purchase lots. All projects funded by the City are done in McKinney. Habitat did receive a grant from Collin County to do rehabs on homes in rural areas. Chairman Fuller asked for public comment on the project. No public comments were offered.

14-821 Chairman Fuller called for a Public Hearing to Consider/Discuss Project #14-14 as Submitted by Heritage Guild of Collin County Requesting an Amount Not to Exceed \$48,511 for Improvements to the Dulaney House for Conversion to a Bed and Breakfast that include: Asbestos Abatement; Installation of a Sprinkler; Electrical Upgrade; ADA Compliance; Architectural Drawings. Collin County Heritage Guild was represented by Facilities Chairman of Heritage Guild Chestnut Square James West. Mr.

West stated that the requirements for the Bed and Breakfast have been updated to view the Dulaney house not as a traditional Bed and Breakfast but as a commercial project. Mr. West thanked MCDC for funds that helped to address the asbestos abatement. Mr. West stated that the Guild has sought out other sources of funding to move forward. Mr. West stated that this is an important project and should move forward because of its attraction to visitors that come to McKinney for weddings. Mr. West stated that the Dulaney house will be a jewel in the overall development of Chestnut Square and the goal is to have all the Chestnut Square buildings income producing. The Guild has found that their cost for the project is an additional \$71,261 to the original budget due to the commercial permits, and procedures the Guild is required to meet in updating the house in order to convert to a bed and breakfast. Ms. Schneible stated that MCDC has awarded the Guild \$150,000 in September, 2013 for the project. Chairman Fuller commented that due to the Dulaney house not being grandfathered; the City has required the Guild to bring the house up to commercial code resulting in higher costs than the Guild expected. The City, per the Guild's application, thought that the house would fall under residential ordinance but because the residence has not been occupied for some time it is considered commercial. Ms. Schneible stated that Cindy Johnson had relayed to her that they have applied to several other entities for funding. McKinney Alliance has voted to award a \$10,000 grant to the Guild. The Guild has submitted an application to the TIRZ Board and the request will be heard on September 3, 2014. The Guild's need for support from MCDC could decrease depending on the result of the TIRZ grant request. Ms. Schneible also stated that the Guild has done a significant amount of fundraising to narrow the gap in needed funding. Mr. West stated that many residents have made donations including Encore that has donated \$10,000. Mr. West stated the Guild is hoping for the project to be

finished the first of December. Mr. West stated that there will be three top rate Bed and Breakfast rooms with bathrooms and a care taker room as well. Chairman Fuller asked for public comment on the project. No public comments were offered.

14-822 Chairman Fuller called a Public Hearing to Consider/Discuss Project #14-15 as Submitted by Heard Natural Science Museum and Wildlife Sanctuary Requesting \$17,108 for Construction of a Retaining Wall, Installation of Railing and Installation of Lighting. Chairman Fuller requested that this agenda item be tabled because no one from the Heard Natural Science Museum was able to be present for the public hearing.

14-807 Executive Director's Report. Ms. Schneible directed board members to the Grants Awarded, and Prospective Projects information in the board binder. Ms. Schneible reported that the Interim City Manager Tom Muehlenbeck had asked her and Jim Wehmeier to consider participating in a development of retail strategy plan for the City. Ms. Schneible stated that they have reviewed a final proposal from The Retail Coach for data collection and analysis, development of a strategic plan, email campaign to attract retail development and mentoring. A cost for a one-year commitment will be \$50,000. Ms. Schneible commented that MCDC is able to fund \$25,000 of the cost from professional services line item for the current year. Those dollars were originally budgeted for a follow-up survey on the quality of life survey conducted in 2013. Ms. Schneible asked the Board's support to move forward with the \$25,000 for this effort. No objections were stated. The City and MCDC will fund the balance. Ms. Schneible reported that City Council supports construction of a parking garage in downtown McKinney and that the Board may be approached for help in funding that project. The estimated cost for the garage on the site that has been recommended is approximately \$8.6 million. Ms. Schneible reminded the Board that when last year's quality

of life survey was done, outside of parks and recreation facilities, the top items of concern expressed by citizens were additional retail development and downtown parking.

Board members unanimously approved the motion by Board member Elliot, seconded by Board member Clarke, to adjourn. Chairman Fuller adjourned the meeting at 10:10 a.m.

GEORGE FULLER
Chairman