

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

SEPTEMBER 28, 2017

The McKinney Community Development Corporation met in regular session at the John and Judy Gay Library, 6861 Eldorado Parkway, McKinney, Texas, on September 28, 2017 at 8:00 a.m.

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

City Council members Present: Councilman Chuck Branch and Councilwoman Tracy Rath

Staff Present: President Cindy Schneible

City Staff Present: City Manager Paul Grimes, Deputy City Manager Jose Madrigal, Assistant to the City Manager Trevor Minyard, Director of Parks and Recreation Mike Kowski, Assistant Director of Parks and Recreation Ryan Mullins, Chief Financial Officer Mark Holloway, Senior Financial Analyst Eric Corder, MPAC/Main Street Director Amy Rosenthal, MEDC President Darrell Auterson, MCVB Sales Manager Vanesa Rhodes, Video Production Technician Joey Barr, Temporary Administrative Assistant Sterrett Coleman and MEDC Operations and Compliance Administrator Sheri Van Slycke.

There were three guests present.

Chairman Kuehn called the meeting to order at 8:00 a.m. after determining a quorum was present. Chairman Kuehn called for action on the minutes.

17-943 Minutes of the McKinney Community Development Corporation Meeting of August 24, 2017. Board members unanimously approved the motion by Board member Gamble, seconded by Vice Chairman Clarke, to approve the August 24, 2017 minutes.

17-944 Chairman Kuehn called for the August Financial Report. Chief Financial Officer Mark Holloway reported revenue is above budget YTD by 19.28%. Sales tax figures came in 9.9% above last year's collection through August. Expenditures are below budget in total. The

expenditures are currently less than 50% of the total budget. There were no notable expenditures outside of normal operations for the month of August. Project expenditures for this month were Parks Land Acquisition, \$1,375 and Apex Centre, \$4,114.

17-945 Chairman Kuehn called for the Board and Liaison Updates.

City of McKinney – City Manager Paul Grimes reported the City of McKinney budget was adopted by City Council on September 19th and includes an operating budget of \$137 million, and a total budget of \$405 million. Mr. Grimes recognized CFO Mark Holloway and the Finance team for their hard work on the FY18 budget. City of McKinney is sponsoring a prescription drug take back event on October 28th, please check the City website for more details. And, in conclusion, the Communications Department received a Savvy Award in the Best Electronic Newsletter category.

McKinney Convention and Visitors Bureau - MCVB Sales Manager Vanesa Rhodes updated the Board with the recent advertising contracts the MCVB has executed, which includes Southern Living Travel. Ms. Rhodes shared a special story that epitomizes the hospitality of McKinney citizens, as well as how McKinney truly is Unique by Nature. Chairman Kuehn noted the MCVB Board will be considering grants, with a yearly budget of \$20,000, on a bi-annual basis and commented that requests which may not qualify for MCDC grants may be able to utilize the MCVB grant opportunities.

McKinney Economic Development Corporation - MEDC President Darrell Auterson reported the MEDC Board approved the Airport grant request for \$4 million and understands that the MCDC Board will consider the request at today's meeting. Mr. Auterson recently returned from an extended and productive trade mission in Europe in partnership with the Dallas Regional Chamber that was immediately capped off by an Economic Development Conference in Toronto. The International

Economic Development Council awarded the MEDC a Bronze Award for Innovation in Economic Development Week 2017. The final agreements with Hunt Southwest for the light industrial initiative have been hammered out, which will generate over 400,000 new square feet of available space in McKinney. The marketing plans for Southgate McKinney are being formulated in partnership with KDC, as well as the final details of the master development agreement. MEDC has welcomed the new Marketing and Research Director, Geneva Aragon.

MPAC/Main Street - MPAC/Main Street Director Amy Rosenthal thanked everyone for their support of Oktoberfest 2017. MPAC sold a record number of tickets and 388 kegs of beer this year. DASH shuttled 121 riders in four hours. Ms. Rosenthal shared upcoming events, including the Jack Ingram concert on September 30th with sold out attendance. On October 6th the Mayor and Maylee free concert will take place. Ms. Rosenthal stated McKinney is one of 25 cities across the country competing for a \$150,000 grant, which if awarded, will be used to improve the exterior of the MPAC building. She requested all within earshot to vote for McKinney's Main Street at www.voteyourmainstreet.org.

Parks and Recreation - Director of Parks and Recreation Mike Kowski reported Bonnie Wenk Park Phase II is underway, which includes the restrooms, ball field lights and the elements for the All Abilities Playground. Parks Department is working to re-imagine the signage for some park locations, including exterior wall signage on the Apex Centre, digital signage at some key parks, as well as some intersections and kiosks. Upon City Council approval, Mr. George Webb will be celebrated with a park named in his honor.

17-946 Chairman Kuehn called for the President's Report. President Schneible reported the Quality of Life survey has been on the City's website is open through September 30th. So far, there have been 490 responses. CDC

will soon be sending out information to select the next Quality of Life award recipient. The events coming up next month that the CDC provided grants for are Mission Regan golf tournament, The Legends of McKinney Ghost Walk and Habitat for Humanity's Monster Mash and Birthday Bash. The October 19th Board meeting will include a presentation on the Craig Ranch Resort Hotel and Conference Center, election of officers, liaison assignments, and sales tax training provided by Jeff Moore. Board member Gamble mentioned the Heard Wildlife Museum is celebrating their anniversary with an open air concert at 2:00 p.m. on Sunday, October 1st. In addition, October 21st is the annual Halloween event hosted by the Heard Museum.

17-542 Chairman Kuehn 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. President Schneible reported the due diligence is moving forward and a presentation will be provided to the Board at the October 19th meeting. Board members unanimously approved the motion by Chamber Kuehn, seconded by Board member Gamble, to table this item until the President receives sufficient documentation from the applicant to enable the Board to act on Project #17-04.

17-947 Chairman Kuehn called for Consideration/Discussion/Action on Project Grant #17-10, Submitted by the City of McKinney/McKinney Air Center in the Amount of Four Million Dollars (\$4,000,000) for Construction of a New Fixed Base Operator Terminal, Expanded Parking, Upgraded U.S. Customs Facility, 40,000 Square Foot Common Hangar. Amount Requested Represents 25% of Total Estimated Project Cost. Deputy

City Manager Jose Madrigal reported the MEDC approved this same grant request on September 19th. Mr. Madrigal assured the Board that the request before the Board today is sufficient to complete the necessary project. There may be a possibility of a loan request brought to the MCDC Board in the near future which would be a tool to reduce the interest expense, by about \$360,000, on a loan that could be secured with an outside entity. Secretary Doak raised questions about timing of the project and need for improvements to the FBO versus construction of a 40,000 square foot hangar. Mr. Madrigal explained that both elements of the project are important in keeping McKinney National competitive. Construction of the 40,000 square foot hangar would be undertaken first, and would provide capacity to serve the corporate aviation community for four to five years. He went on to explain that they wanted to ensure demand could be met, but that over-development and construction would be avoided. Additionally, airport improvements are seen as a way to spur private development. Treasurer Myers questioned whether the proposed 40,000 square foot hangar was large enough to meet demand. Mr. Madrigal explained the decision to construct a 40,000 square foot hangar rather than a larger one. Vice Chairman Clarke requested clarification on proposed parking improvements. Mr. Madrigal shared that the funding would provide an additional 88 spaces. There was additional discussion about the potential additional request for a \$2 million loan. Mr. Glew shared his perspective that before an additional commitment is made, it would be beneficial for the MCDC Board to meet with City Council to discuss additional, potential project investment requests that would be presented to MCDC. Board members unanimously approved the motion by Secretary Doak, seconded by Treasurer Myers, to approve the grant request for Project #17-10.

17-948 Chairman Kuehn called for Consideration/Discussion/Action on Ratifying the McKinney Community Development Corporation FY 2018 Amended

Budget Adopted by the City Council. President Schneible explained City Council approved a budget that had been adjusted after the CDC Board had adopted the budget in August. The budget presented today includes an adjustment of an additional \$78,336 in the operations subsidy to the Apex Centre to accommodate an increase in customer service staff. Today's vote is to ratify the final budget as approved by City Council. Board members unanimously approved the motion by Board member Glew, seconded by Board member Gamble, to approve ratifying the McKinney Community Development Corporation FY 2018 budget as adopted by City Council.

17-949 Chairman Kuehn called for Consideration/Discussion/Action on Approving the Eighth Amended and Restated Bylaws of McKinney Community Development Corporation. Chairman Kuehn stated the restated bylaws reflect the same terms as the other boards in the City of McKinney which states the President reports to the Board instead of the City Manager. During discussion it was affirmed that hiring or termination of the President would require prior notice and consultation with City Council. Board members unanimously approved the motion by Board member Glew, seconded by Treasurer Myers, to approve the eighth amended and restated bylaws of McKinney Community Development Corporation. Ratification by City Council will be required. It is anticipated the amended bylaws will be presented to Council at the October 17th meeting.

Chairman Kuehn called for citizen comments. Chairman Kuehn called for Board comments. Board member Glew asked when the next joint meeting with City Council will be held with the CDC Board. That date has not been determined at this time. Ms. Schneible will work with Mr. Grimes to schedule a joint meeting. Chairman Kuehn stated he was very impressed with the MCDC Board video posted on the MCDC website. Vice Chairman Clarke thanked City Manager Grimes for his State of the City presentation he provided to the Leadership McKinney alumni.

Board members unanimously approved the motion by Vice Chairman Clarke, seconded by Secretary Doak, to adjourn. Chairman Kuehn adjourned the meeting at 9:00 a.m.

KURT KUEHN
Chairman