

REINVESTMENT ZONE NUMBER ONE

MAY 17, 2016

The Reinvestment Zone Number One of the City of McKinney, Texas met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas on May 17, 2016 at 5:30 p.m.

Board members Present: Chairman Don Day, Board members: Chuck Branch, Bill Cox, Randy P. Pogue, Brian Loughmiller, Travis Ussery, Tracy Rath, and Rainey Rogers. Absent: Board member Chris Hill.

Staff Present: Interim City Manager Tom Muehlenbeck; City Attorney Mark Houser; City Secretary Sandy Hart; Planning Director Brian Lockley; Executive Director of Development Services Michael Quint; Director of Engineering Mark Hines; Director of Parks and Recreation Rhoda Savage; Assistant Director of Parks and Recreation Ryan Mullins; Planning Manager Samantha Pickett; Telecom Specialist Prince Adom; Community Services Administrator Shirletta Best; Investment and Treasury Manager Kelvin Bryant; Housing and Community Services Manager Janay Tieken; and IT Systems Analyst Richard Sewell.

There were six guests present.

Chairman Day called the meeting to order at 5:32 p.m. after determining a quorum present.

Board members unanimously approved the motion by Board member Ussery, seconded by Board member Rogers, to approve the following consent item:

- 16-506** Minutes of the Tax Increment Reinvestment Zone Number One Meeting of February 2, 2016.
- 16-507** Chairman Day called for Consideration/Discussion/Action on a Resolution Approving a Chapter 380 Economic Development Agreement with Alison Croft for the Façade Improvement Project at 106, 108 and 110 Tennessee Street. Planning Manager Samantha Pickett stated that the proposed agreement with Alison Croft and the City of McKinney is intended for the primary purpose of assisting with façade improvement costs. The redevelopment project, located at 106, 108 and 110

Tennessee Street, is a TIRZ-eligible project in the approved Project Plan of TIRZ No. 1. The project falls under the category of Vacant/Underutilized Sites and Buildings as defined in the TIRZ Project Plan. Under the policy governing allocation and/or awarding of TIRZ No. 1 funds for Vacant/Underutilized Sites and Buildings as defined by the approved Project Plan, reimbursement and/or grant requests are limited to a maximum of \$25,000 per qualifying project, with a maximum of \$100,000 awarded for qualifying vacant/underutilized sites and buildings during each fiscal year. Façade improvements consist of reconstructing the lintel, replacing the windows and doors, and restoring the brick façade to maintain the historic nature of the building. Ms. Alison Croft, 8101 Burleigh Street, Frisco, was available for questions. Board members unanimously approved the motion by Board member Loughmiller, seconded by Board member Pogue, to approve a Resolution approving a Chapter 380 Economic Development Agreement with Alison Croft for the Façade Improvement Project at 106, 108 and 110 Tennessee Street. Caption reads as follows:

RESOLUTION NO. 2016-05-004 (TR1R)

A RESOLUTION OF THE BOARD OF DIRECTORS OF REINVESTMENT ZONE NUMBER ONE, CITY OF MCKINNEY, TEXAS APPROVING A CHAPTER 380 ECONOMIC DEVELOPMENT AND PROJECT PLAN IMPLEMENTATION AGREEMENT WITH ALISON CROFT FOR THE 106, 108 AND 110 S. TENNESSEE STREET HISTORICAL FULL FACADE RECONSTRUCTION PROJECT

16-508

Chairman Day called for Consideration/Discussion on the Historic Flour Mill Redevelopment Project Chapter 380 Economic Development Agreement. Planning Manager Samantha Pickett stated that at the last board meeting, Staff was asked to contact the North Central Texas Council of Governments (NCTCOG) to assess their willingness to extend the sustainable grant awarded in association with the Flour Mill TIRZ agreement. NCTCOG were willing to extend the grant with a submittal of a project completion timeline. Ms. Pickett state that at the current time,

the Flour Mill is dealing with some issues and will probably not be moving forward with anything until July. Staff is requesting direction from the Board on the desire to renew or extend the expired agreement with the Flour Mill. Chairman Day stated that this is important that the NCTCOG grant for the \$1.7 million would cover doing all the streets in a square beginning at Highway 5 from Louisiana to Tennessee and over to Throckmorton, which would benefit the entire area. The current owner has had a dispute with his second lien holder and quit making loan payments last year. The second lien holder filed for foreclosure and then Mr. Kidwell filed bankruptcy under Chapter 13 Reorganization. The matter is going to court sometime in July. Mr. Day stated that he is not in favor of extending the agreement with Mr. Kidwell. Executive Director of Development Services Michael Quint stated that it would be difficult to ask them to extend the grant for two years when there is no mechanism in place to incentivize or mandate that the benchmarks leading to awarding that grant are met. If we let this grant go, we will have to reapply with a different developer. The agreement between the City and the Developer was done in 2010 and the grant awarded by NCTCOG was awarded in 2011 and lapsed in 2013. The City has set aside \$1.8 million that was the matching portion of the sustainable grant. The City also has CIP money to cover what NCTCOG would have paid to complete the project. The consensus of the Board was to not renew the agreement with Mr. Kidwell and the City will not request a two year extension with NCTCOG for the grant.

Board members unanimously approved the motion by Board member Ussery, seconded by Board member Pogue, to adjourn. Chairman Day adjourned the meeting at 5:50 p.m.

DON DAY
Chairman

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ATTEST:

Sandy Hart, TRMC, MMC
City Secretary

