

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

MAY 24, 2018

The McKinney Community Development Corporation met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on Thursday, May 24, 2018 at 8:00 a.m.

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

City Council members Present: Councilwoman Tracy Rath

Staff Present: President Cindy Schneible; City Manager Paul Grimes; Assistant Director of Parks and Recreation Ryan Mullins; Chief Financial Officer Mark Holloway; MCVB Sales Manager Vanesa Rhodes; MEDC Interim President Abby Liu; City Secretary Sandy Hart; MEDC Operations and Compliance Administrator Melissa Dixon.

There were thirteen guests present.

Chairman Kuehn called the meeting to order at 8:02 a.m. after determining that a quorum was present.

- 18-438** Minutes of the Parks, Recreation and Open Space and McKinney Community Development Corporation Joint Meeting of April 12, 2018. Board members unanimously approved the motion by Board member Glew, seconded by Board member Gamble to approve the April 12, 2018 minutes.
- 18-439** Minutes of the McKinney Community Development Corporation Meeting of April 26, 2018. Board members unanimously approved the motion by Board member Glew, seconded by Board member Gamble to approve the April 26, 2018 minutes.
- 18-440** Chairman Kuehn called for the April Financial Report. Chief Financial Officer Mark Holloway reported the MCDCC sales tax revenue was above budget by 6% for February, which places year-to-date at 4.8% over last year. Year-to-date was budgeted at 5.2%. The largest portion of the expenses for the month of April were for projects.

18-441 City of McKinney – City Manager Paul Grimes reported that he, Mayor George Fuller, and Assistant to the City Manager Trevor Minyard went to Washington D.C. for a federal legislative visit and met with all of the members of the Texas Congressional delegation, including both Senators and Congressman Sam Johnson. The emphasis of the trip was to discuss federal funding for transportation. They also met with members of the DOT to discuss grant programs, including the Build program which is a re-creation of the former Tiger Grant program. Mr. Grimes believes that the City has several projects that qualify for Build funding. There was also discussion about the airport and funding sources from the FAA. The budget process is underway and on target for the August 12, 2018 presentation to City Council. The budget will be adopted mid-September for the start of the new fiscal year on October 1, 2018. The City of McKinney has received a new zip code from the U.S. Post Office. The new zip code will be 75072; it will be in effect on July 1, 2018. There is a zoning case before the City Council initiated by a developer who would like to build a hotel approximately across the street from Cockrell Middle School. The proposed project has had some negative feedback and concern expressed by residents. A compromise was agreed upon; the developer can build the hotel on several pad sites north of the location, removing the concern of having a hotel across the street from the school. Ross Cemetery, adjacent to Pecan Grove, will host a Memorial Day ceremony Saturday morning, at the same time as the ceremony at Veterans Memorial Park in Craig Ranch. City Leadership will be attending both ceremonies.

McKinney Convention and Visitors Bureau – MCVB Sales Manager Vanesa Rhodes reported that the Sheraton received an RFP for the Texas Folklore Society Conference to take place in April 2019. The event will host approximately 150 guests with 70-75 room nights. The MCVB is

partnering with the City of McKinney and McKinney ISD to bring the National Association of Intercollegiate Athletics Tournament to the new MISD stadium in December 2019. There are two new hotels under construction in McKinney. The Hilton Home 2 is scheduled to open on July 17th and the Marriott Springhill Suites is scheduled to open on September 15th. The MCVB is now fully-staffed and welcomes their new Administrative Assistant Courtney Marsh to their team. Bike the Bricks is tomorrow, Friday, May 25th, the Yellow Wood Music Festival is this Saturday, May 26th at Meyers Park, and the Smiles Charity Concert is on Sunday, May 27th at Adriatica. There will also be a ceremony on Monday, May 28th at Pecan Grove, as well as at the Veterans Memorial Park in Craig Ranch on Saturday, May 26th.

Chairman Kuehn commended the MCVB on a successful Historic Walk last week during National Tourism Week. He participated as a tourist and found it to be very informative.

McKinney Economic Development Corporation – MEDC Interim President Abby Liu reported that PACCAR's construction site is moving along and the project is more than 40% complete. Independent Bank has made a \$1billion acquisition. Prospect activity has been increasing both domestically and internationally. MEDC will be meeting today with a prospect from Asia.

MPAC/Main Street – MPAC/Main Street Director Amy Rosenthal was unable to attend; President Schneible spoke on her behalf. Ms. Rosenthal sent a reminder that Bike the Bricks is tomorrow, May 25th and encouraged the Board to attend. On June 8th, Jake Shimabukuro, the Jimmy Hendrix of the ukulele will be performing at MPAC.

McKinney Parks and Recreation – Assistant Director of Parks and Recreation Ryan Mullins updated the Board on several projects. The expansion of the tennis complex is going well and is looking at a February 2019 completion date. Bonnie Wenk Park's playground

installation is underway and completion for the entire park is anticipated for August, 2018. The George Webb Park's construction bid opens on May 30th; the Cottonwood Park's master plan has wrapped up the first round of public input; Grey Branch Park has a public input meeting on June 21st. The Fitzhugh Pavilion design plans are almost complete. Outdoor pools open this weekend. Tacos with Cops is scheduled for Tuesday, May 29th. Jammin' in June will be held at Bonnie Wenk Park. Several of the performers will be: Trey Allen Band on June 14th; Below the Radar Band on June 21st; and McKinney Community Band on June 28th. Chairman Kuehn requested an update on installation of cameras at Bonnie Wenk Park. Mr. Mullins reported that they met with a consultant from the Police Department, as well as the McKinney IT team. It is an expensive endeavor; they are working on getting cost options for cameras. There are cameras at all of the recreation centers; however, because cameras are not monitored at all times, residents are encouraged to still take precautions for their safety and belongings.

Chairman Kuehn recessed the meeting into Executive Session at 8:22 a.m. per Texas Government Code: Section 551.087. Deliberation Regarding Economic Development Matters as listed on the posted agenda. Chairman Kuehn reconvened the meeting to open session at 8:46 a.m.

18-442 Chairman Kuehn called for the President's Report. MCDC President Cindy Schneible reminded the board to review the documents in the packet regarding potential projects and status of grants awarded by the MCDC. The All Abilities Playground final report is included in the packet and includes very detailed information. The Rotary Foundation has since received a \$1,000 contribution for that project that will be credited against the MCDC grant and that amount will be returned to the MCDC. Thursday, May 31st is the deadline for applications for Promotional and Community Event grants; they will be presented to the Board in June. The last project grant cycle opens June 1st and closes on June 29th;

applications received will be presented in July.

18-443 Chairman Kuehn called for Consideration/Discussion/Action on a Project Grant Application Submitted by Boys and Girls Club of Collin County (#18-02) in the Amount of \$40,000.00 for Reimbursement of a Portion of Costs Incurred for Roof Repair at the McKinney Club; Total Project Cost was \$106,052.35; The Amount Requested Represents 38% of the Total Project Cost. Board members unanimously approved the motion by Board member Gamble, seconded by Board member Glew, to approve the Project Grant Application Submitted by Boys and Girls Club of Collin County (#18-02) in the Amount of \$40,000.00 for Reimbursement of a Portion of Costs Incurred for Roof Repair at the McKinney Club.

18-444 Chairman Kuehn called for Consideration/Discussion/Action on a Project Grant Application Submitted by Boys and Girls Club of Collin County (#18-03) in the Amount of \$30,000.00 for Refurbishment and Repair of Programming Rooms, Replacement of Damaged Recreational Equipment and Removal of Non-Functional A/C Unit; Total Estimated Project Cost is \$39,940.00; The Amount Requested Represents 76% of the Total Project Cost. Board members unanimously approved the motion by Treasurer Myers, seconded by Vice Chairman Clarke, to approve the Project Grant Application Submitted by Boys and Girls Club of Collin County (#18-03) in the Amount of \$30,000.00 for Refurbishment and Repair of Programming Rooms, Replacement of Damaged Recreational Equipment and Removal of Non-Functional A/C Unit.

18-445 Chairman Kuehn called for Consideration/Discussion/Action on a Project Grant Application Submitted by Collin County History Museum (#18-04) in the Amount of \$3,900.00 for the Purchase of UV and Solar Glass Coatings for Museum Windows to Protect Museum Assets and Collections; Total Estimated Project Cost is \$4,500.00; Amount Requested Represents 85% of the Total Project Cost. Board members

unanimously approved the motion by Secretary Doak, seconded by Board member Brewer, to approve the Project Grant Application Submitted by Collin County History Museum (#18-04) in the Amount of \$3,900.00 for the Purchase of UV and Solar Glass Coatings for Museum Windows to Protect Museum Assets and Collections.

18-446 Chairman Kuehn called for Consideration/Discussion/Action on a Project Grant Application Submitted by McKinney HUB 121, LLC (#18-05) in the Amount of \$400,000.00 (\$200,000 Grant; \$200,000 Type B Sales/Use Tax-based Grant from Revenue Generated by the Project) for the Construction of a Privately Owned, Public Access Pavilion that will Provide Landscaping, Shade Structures, Amphitheater, Electrical System, Sound System and Seating Areas for the HUB 121 Entertainment, Retail, Restaurant Mixed-Use Development in Craig Ranch; Total Estimated Cost for Pavilion Construction is \$724,946.00; Amount Requested Represents 56% of the Total Project Cost. Board members unanimously approved the motion by Vice Chairman Clarke, seconded by Treasurer Myers, to approve the Project Grant Application Submitted by McKinney HUB 121, LLC (#18-05) in the Amount of \$400,000.00 (\$200,000 Grant; \$200,000 Type B Sales/Use Tax-based Grant from Revenue Generated by the Project) for the Construction of a Privately Owned, Public Access Pavilion that will Provide Landscaping, Shade Structures, Amphitheater, Electrical System, Sound System and Seating Areas for the HUB 121 Entertainment, Retail, Restaurant Mixed-Use Development in Craig Ranch. Board Member Glew requested clarification from President Schneible that the Grant would be paid \$200,000 up front and \$200,000 based upon performance. Ms. Schneible confirmed the initial \$200,000 would be paid upon the project receiving a Certificate of Occupancy and the remaining \$200,000 would be paid out via a percentage of the Type B sales tax revenue generated from that specific development over the course of a maximum of four years.

18-447 Chairman Kuehn called for Consideration/Discussion/Action on a Project Grant Application Submitted by North Collin County Habitat for Humanity (#18-06) in the Amount of \$877,521.00 for Infrastructure Costs, Demolition of Vacant Structure and Lot Preparation, Professional Design, and Structural, Mechanical, Electrical and Plumbing Services for the Cotton Groves Community; Total Estimated Cost for Development and Construction of the Cotton Groves Community is \$4,759,830.00; Amount Requested Represents 19% of the Total Project Cost. Chairman Kuehn requested that Ms. Cox approach the dais. Secretary Doak asked for clarification on the funding of the project, particularly if the total \$4.7million is not received. Ms. Cox informed the Board that the Board for NCCHH had approved the Mission Advanced Professional (MAP) firm to run the capital campaign for this project. Their plan is to have the top 20% of donors either contacted or in a plan by September of 2018. A portion of the MCDC grant funds will be for the infrastructure; the infrastructure would be completed and as funding is made available, the project will progress. Board member Glew asked if the organization would return to the MCDC Board requesting more funds in the future for this project. Ms. Cox stated that they would not. Treasurer Meyers asked for an update on any of the other grants that NCCHH had applied for. Ms. Cox responded that they were not approved for EPA funding and that is the only grant they have heard back from at this point. Mr. Myers also asked if the MCDC grant funds for the infrastructure were a vital part to the capital campaign. Ms. Cox confirmed that the capital campaign would not be successful without the MCDC grant funds. Chairman Kuehn asked if it is the NCCHH's direction to be focusing on this project in McKinney for some time or will it take place along with the single family homes being built by NCCHH; Ms. Cox stated that they will continue with building the single family homes while working on this project and other projects in other communities. Treasurer Meyers asked if McKinney's

sister cities are as amenable to projects with Habitat for Humanity. Ms. Cox replied that none of the other cities have a project like this as of yet, however, the City of Plano does provide a large amount of funding through Home Funds for assistance for homes. The city of Princeton just gifted NCCHH with six lots, as well as several lots from the City of Wylie. Board members unanimously approved the motion by Secretary Doak, seconded by Board member Gamble, to approve the Project Grant Application Submitted by North Collin County Habitat for Humanity (#18-06) in the Amount of \$877,521.00 for Infrastructure Costs, Demolition of Vacant Structure and Lot Preparation, Professional Design, and Structural, Mechanical, Electrical and Plumbing Services for the Cotton Groves Community.

18-448 Chairman Kuehn called for Consideration/Discussion/Action on a Project Grant Application Submitted by Essentialz dba Elemental Essentialz (#18-07) in the Amount of \$40,000.00 for Water, Electric and Gas Utility Improvements for a Retail Market to be Located at 110 N. Tennessee Street, McKinney, Texas; Total Estimated Cost for Water, Electric and Gas Utility Improvements along with Equipment and Decorative Costs is \$80,000.00; Amount Requested Represents 50% of the Total Project Cost. Chairman Kuehn called Ms. Harris to approach the dais. Secretary Doak asked if the funds being requested would be 100% for internal or external improvements. Ms. Harris replied that most of the infrastructure is external, but some is internal. Mr. Doak asked if there is any benefit to any of the store's neighbors with the external infrastructure improvements. He stated that he had visited the back of this building and noticed that there seemed to be an issue with several units using the drainage system and creating a problem. He asked if there has been any attempt to have that fixed by the owners. Ms. Harris stated that they had cleaned up some of it, but there is still wiring and piping that needs to be removed. Secretary Doak asked for a description of the infrastructure

improvements exterior to the building versus inside the building. Ms. Harris responded that it would be any of the gas and water lines running into the building, as well as the amount of power, gas and electric running into the building that will need to be improved in the near future. Additionally, in order to operate as a restaurant and to meet code, the building needs to add a hood for the stove. Because of the design of the back of the building, the venting for the hood will have to be run up to the ceiling which requires additional costs. Secretary Doak requested disclosure of the exact terms proposed by the building owner for building improvement funding. Ms. Harris stated that the terms required both a loan and a percentage of the business, which is not financially feasible for the business. They have signed a three-year lease with the landlord, with option to renew and first right of refusal to purchase if he should desire to sell the building. Mr. Doak asked the purpose for refusing to take out a business loan for the infrastructure costs being requested; Ms. Harris replied that they did not want to start the business by having loan payments. Treasurer Myers inquired about the estimated percentage of grocery versus restaurant business. Ms. Harris responded she believes it to be approximately 50% for each portion of the business. Board member Glew asked what percentage of the business' square footage is taken up by the grocery store; Ms. Harris stated it to be about 60% of the space. Chairman Kuehn stated that he had received a forwarded email from Ms. Harris addressed to President Schneible that stated the business had received all the inspections and permits to be a grocery and restaurant, along with all employees having the required alcohol training. However, he had checked with the City and learned the business had received a temporary Certificate of Occupancy. Mr. Kuehn inquired why the business had not received the final CO. Ms. Harris responded that they are qualified as a restaurant, but they cannot use the gas stove because they do not have the hood installed. Mr. Kuehn also asked if they are

able to serve alcohol. Ms. Harris responded that that if Sandy Hart's supervisor speaks with her, he will share that requirements by TABC have been met and they will receive the permit from the City to serve alcohol on premises. Secretary Doak asked for clarification of the comment regarding Sandy Hart. Ms. Harris explained that she had been told yesterday morning by the City Secretary that the permit would be ready later that day; however, that afternoon she was told that the file had been put at the bottom of the Ms. Hart's priorities because the business was not ready to open. Ms. Harris said she then clarified with the Health Inspector and City Permitting that she could indeed open the business. She then went to the City Secretary's supervisor for assistance and was told the same. She is expecting the City alcohol permit today. Chairman Kuehn asked for clarification of the difference between the temporary CO and the final CO. Ms. Harris stated that the only difference is the temporary is for 30 days and can be renewed every 30 days. Chairman Kuehn stated that last month's presentation had indicated the gas stove was an integral part of the opening of the restaurant; however, this month it is being presented as not important to the opening of the restaurant. Vice Chairman Clarke shared that he needed more clarity on the cost worksheet and understanding of the difference between internal versus external infrastructure and the funds requested. Secretary Doak asked what was preventing the temporary CO from becoming a final CO. Ms. Harris stated that it was simply due to the hood for the gas stove not being installed. Board members unanimously approved the motion by Treasurer Myers, seconded by Secretary Doak, to deny approval of the Project Grant Application Submitted by Essentialz dba Elemental Essentialz (#18-07) in the Amount of \$40,000.00 for Water, Electric and Gas Utility Improvements for a Retail Market to be Located at 110 N. Tennessee Street, McKinney, Texas.

Chairman Kuehn shared the plaque received from the Habitat for Humanity for helping families and residents in the community with the Board and commented that it was a reminder of the impact MCDC grant funding has in the community.

Chairman Kuehn called for citizen comments. Mr. Wheat, Board President for the Crape Myrtle Trails Foundation thanked the MCDC Board for sponsoring the Crape Myrtle Trails Run, which allowed them to provide a Crape Myrtle plant to every fifth grade student in McKinney ISD for Mother's Day. Mike Simpson with the Boys and Girls Club of Collin County thanked the Board for approving both of their grants. In light of the 4.8% growth of the McKinney community in the last year, local non-profits like BGCCC will continue to need assistance and the MCDC Board is appreciated for their contribution. Chairman Kuehn called for Board member comments; there were none.

Board members unanimously approved the motion by Secretary Doak, seconded by Vice Chairman Clarke, to adjourn the meeting at 9:22 a.m.

KURT KUEHN
Chairman