

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

SEPTEMBER 24, 2020

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The McKinney Community Development Corporation met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on September 24, 2020 at 8:00 a.m.

Board members Present: Chairman Jackie Brewer, Vice Chairman Rick Glew, Secretary Mary Barnes-Tilley, Treasurer Angela Richardson-Woods and Board Members Kathryn McGill, John Mott and Deborah Bradford.

Absent: Board Member David Kelly.

City Council Members Present: Councilman Scott Elliott.

Staff Present: President Cindy Schneible, City Manager Paul Grimes, Financial Compliance Manager Chance Miller, Director of Parks and Recreation Michael Kowski, Main Street/MPAC Director Amy Rosenthal, Visit McKinney Sales Manager Vanesa Rhodes, MEDC President Peter Tokar and Environmental Education Coordinator Martha Cavazos-Fipps.

There were several guests present.

Chairman Brewer called the meeting to order at 8:02 a.m. after determining a quorum was present. She invited attendees to stand and join in the United States Pledge of Allegiance. Ms. Brewer announced that today is National Punctuation Day. She invited everyone to spend a moment reflecting on community.

Chairman Brewer called for Public Comments, and there were none.

Chairman Brewer called for a motion on the Consent Items. Board members unanimously approved a motion by Board member Mott, seconded by Treasurer Richardson-Woods, to approve the following consent items:

- 20-0825** Minutes of the McKinney Community Development Corporation Meeting of August 27, 2020.
- 20-0826** Minutes of the McKinney Community Development Corporation Project Grant Subcommittee Meeting of August 24, 2020.
- 20-0827** Minutes of the McKinney Community Development Corporation Project Grant Subcommittee Meeting of September 10, 2020.
- 20-0828** Chairman Brewer called for the Financial Report. Financial Compliance Manager Chance Miller stated that \$38,000 in community grants were paid in August along with \$700,000 in Parks projects and \$1.5 million in debt service. August showed a net decrease of \$665,000, but MCDC still shows a net gain of \$5.6 million for the fiscal year. August sales tax, which reflects June sales, showed a 15.7% increase over 2019, bringing the year-to-date sales tax revenue to about 13.1% above 2019. A sales tax revenue comparison for August 2019 to August 2020 for sister cities showed an 8.9% increase for Allen, a 9.7% increase for Frisco and 1% increase for Plano. Mr. Miller asked for questions, and there were none. Chairman Brewer asked for questions on the Checks Issued Report, and there were none.
- 20-0829** Chairman Brewer called for Board and Liaison Updates.
- Board Chair. Chairman Brewer suggested that the Board participate in the Adopt-A-Spot program by adopting Bonnie Wenk Park, and reminded the Board that this would require a commitment of time. Treasurer Richardson-Woods asked about the required frequency of clean-up. Michael Kowski, Director of Parks and Recreation responded that there is no minimum requirement and that clean-up is performed as needed. Treasurer Richardson-Woods asked if there were any designated workdays throughout the year, and Mr. Kowski stated that Parks hosts an event every year. Chairman Brewer also suggested that

the Board could possibly work alongside McKinney Parks Foundation at times. Treasurer Richardson-Woods suggested that we have a calendar of dates. MCDC Administrative and Marketing Coordinator Linda Jones stated that she would coordinate the program for the Board and set a calendar in advance. There was consensus to move forward with adopting Bonnie Wenk Park for participation in the Adopt-a-Spot program.

City of McKinney. City Manager Paul Grimes announced that the FY21 budget was adopted on September 15. The fiscal year starts on October 1, 2020 and runs through September 30, 2021. The budget is \$640 million for all funds with \$159 million for the general fund. Mr. Grimes added that there are several development projects in early stages. Mr. Grimes also reminded board members the Byron Nelson Golf Tournament will be held in McKinney in May 2020. Information was shared regarding the selection of a new ERP (Enterprise Resource Planning) system and that integration throughout the City will begin in October. Mr. Grimes stated that City Council had authorized up to \$5.6 million of Federal CARES Act funding for small businesses with a limit of up to \$25,000 per business. The City partnered with Frisco and Allen for the program administered by the National Development Council. About 187 grants will be awarded totaling approximately \$4.2 million. He emphasized that the need is still great for small businesses and added that Collin County has allocated \$15 million for small businesses and may be adding another \$10 million to their grant program. Mr. Grimes asked for questions. Chairman Brewer shared her appreciation for the City and County working together to award the grants. Mr. Grimes shared that the intergovernmental cooperation between Federal, States, Counties and Municipalities has been showcased positively in this program, as all parties moved quickly to qualify eligible applicants and disburse grant money. He complimented the County on its leadership of

the program. Treasurer Richardson-Woods inquired about checks and balances for the grant program regarding how funds awarded were used. Mr. Grimes stated that there was a prequalification process, but no restriction on how the grant is used as long as it is to support the business. He added that the program was designed to get money to small businesses quickly while still being able to withstand the scrutiny of an audit. Mr. Grimes stated that the Federal grants were intended for smaller businesses. Vice Chairman Glew complimented Mr. Grimes and the City team on the professionalism, detail and care they take as they do their jobs.

Visit McKinney. Sales Manager Vanesa Rhodes shared that the Texas Travel Alliance is preparing for the 87th legislative session and is focusing on promoting travel, economic growth, workforce development, transportation infrastructure, safety and security, and accessibility. She thanked the Chamber and Leadership McKinney Alumni for partnering with Visit McKinney to sponsor the 9/11 Patriot's Day walking memorial tribute at Mitchell Park. She thanked Mayor George Fuller and Maylee Thomas Fuller, Chief Kistner, Chief Conley and Chief Taylor for their assistance with the program. The Visit McKinney promotional grant deadline has been extended to October 19. Applications can be found at VisitMcKinney.com. Ms. Rhodes encouraged everyone to follow @mycurlyadventures on Instagram, a travel blogger with over 80,000 followers who will be in McKinney over the weekend and will be highlighting her visit. She thanked the Neathery Estate and The Grand for hosting them.

McKinney Economic Development Corporation. President Peter Tokar stated that MEDC has many projects in the pipeline. He announced an agreement with Kaizen Development to build a 200,000 square foot speculative office building at District 121. He also shared that RPMX will be building new corporate headquarters at Craig Ranch Corporate

Center. The building will be about 90,000 square feet, with about half available for commercial lease. Mr. Tokar stated that even with the pandemic, the MEDC's project portfolio has grown exponentially. He added that they are seeing great success with the Innovation Fund, which is designed to support smaller technology companies who have a viable product, have secured funding and are in early stages of growth. The goal is to develop an innovation economy in McKinney. Mr. Tokar shared that MEDC held a strategic planning session with an outside facilitator to review organizational strategy and KPIs. They have adopted 2021 KPIs, and the overarching goal is to transition the organization's efforts to the current and future needs of McKinney, focusing on corporate headquarters, advanced manufacturing, technology and innovation, and mixed-use destination development. Mr. Tokar asked for questions. Vice Chairman Glew asked about the status of technology incubators in McKinney. Mr. Tokar clarified that Tech Culture McKinney is a technology co-working space that provides opportunities for technology companies to collaborate with like-minded businesses. He stated that MEDC's goal is provide similar opportunities to include mentoring and access to capital. Mr. Glew specifically asked about MEDC's plans to build an actual incubator, and Mr. Tokar stated they are currently working on a plan for the Kaizen building. Board member McGill inquired whether there is a component for educational training in the IT and STEM sector, and Mr. Tokar stated that the Innovation Fund includes a skills development fund for training and cyber security clearance certification. Board member McGill added that there are some fast track educational programs for veterans and non-college bound students.

McKinney Main Street/MPAC. Director Amy Rosenthal announced that Parktoberfest is Saturday at the Cotton Mill and will feature Maylee Thomas Band, keg tapping with TUPPS, a stein holding competition with

McKinney fire and police personnel, food trucks and polka music performed by Brave Combo. Better Block in a Box will be delivered Monday, September 28. It will be parked on Kentucky Street, and an artist will be painting a mural on the exterior. Saturday, October 3, downtown events include the Oktober Bier Walk and a Bavarian Bier Garden with a menu created by Harvest. Ms. Rosenthal shared that the strolls and walks that have been coordinated by SBG have attracted many visitors to the area and have helped boost sales for businesses. She added that the McKinney Wine Walk is scheduled for October 17-18. On October 30, Main Street is hosting an outdoor screening of Rocky Horror Picture Show at the Sheraton McKinney hotel. Board members McGill and Richardson-Woods expressed thanks to the Main Street team for their creativity and enthusiasm during COVID. Ms. Rosenthal credited her entire staff and the MCDC Board for their teamwork. Secretary Barnes-Tilley shared appreciation for the number of smaller events that have been created in absence of the big events. Vice Chairman Glew shared that he was able to accompany Ms. Rosenthal on visits with store owners during SBG's Margarita Stroll. He was encouraged to hear that shop owners appreciate the events and that they have seen an increase in patrons and sales because of these events. Treasurer Richardson-Woods also shared that she was impressed by the organization and energy of the Margarita Stroll and would encourage SBG to consider extending the times.

McKinney Parks and Recreation. Director Michael Kowski shared that Cottonwood Park, Finch Park, Senior Recreation Center renovations and Old Settlers renovations projects will all be complete in the next few months. He added that they are planning to host the annual tour of parks and facilities projects and information regarding date and plans will be forthcoming. Mr. Kowski shared that the McKinney Kiwanis Triathlon took place over the past weekend at Apex Centre with 300 athletes. It

was a high-energy event, people were glad to be outside exercising, and feedback was all positive. Mr. Kowski announced that Parks is hoping to introduce more outdoor events and classes. He added that the Fitness Court has been one of the best additions to the Parks system. Mr. Kowski took an informal survey of Fitness Court users and learned that bicycle racks and shade would be welcome additions. Parks is adding a shade structure over the pad this weekend. They are also adding shade structures to the All-abilities Playground. He credited the Parks team for continually striving to be better. Mr. Kowski stated that he and other executive staff worked alongside McKinney Parks Foundation for cleanup at McKinney Greens. He thanked the Board for their support of the Foundation. Mr. Kowski shared that Tim White, Parks Maintenance Superintendent, is retiring after 30 years with the City. He expressed appreciation to Mr. White for his years of service, and shared that McKinney had a population of just over 20,000 when Mr. White started with the City, and his contribution to Parks has been tremendous. They have started the search for a new superintendent and have received over 90 applications from all over the U.S., a testament to McKinney's reputation. Mr. Kowski asked for questions. Chairman Brewer asked if there were plans for a second Fitness Court. Mr. Kowski shared that grants had been secured for two more Fitness Courts that will be installed within the next year or so. He also shared that the National Fitness Campaign has highlighted McKinney on their website as a national level city partner. Treasurer Richardson-Woods complimented Parks on the City's immaculate parks and thanked Mr. Kowski for being a leader who encourages staff to be their best.

20-0830 Chairman Brewer called for the President's Report. President Cindy Schneible called attention to the social media metrics and credited Linda Jones for her continued focus on social media outreach that has resulted

in an increasing number of friends and followers for MCDC. She directed the Board to the Heritage Guild final report, which included great photos of events funded through the grant. Ms. Schneible shared MCDC strategic priorities for projects and asked the Board to be prepared to discuss those next month. Included in the priorities was the BUY McKINNEY campaign created and launched in late 2019. The city's communications and marketing team will provide an update on the impact of that initiative at the October meeting. Another item on the agenda for October is the annual Type B training and refresher course. Ms. Schneible added that an Open Government training is being offered tonight for any Board members who would like to attend. Ms. Schneible shared that the Chamber State of the City event will be a virtual event on November 5. In November, we will be accepting applications for Promotional Grants and Quality of Life nominations. She asked the Board to be considering who they may want to nominate for Quality of Life. She reminded the Board that members reappointed to a new term will be sworn in at the October meeting and that election of officers will also take place that day. Ms. Schneible asked for questions. Vice Chairman Glew asked about the next Project Grant cycle, and she responded that applications will be accepted December 1 through 30 and presentations will be made to the board in January.

20-0737 Chairman Brewer called for a Public Hearing and consideration/discussion/action on an Amendment to Project #20-08, submitted by District 121, LLC in the amount of two million forty thousand two hundred fifty and No/100 dollars (\$2,040,250.00) for the development and construction of The Commons at District 121, a minimum .65 acre privately owned and maintained, publicly accessible open space and landscaped area, including but not limited to a stage with LED screen, outdoor rooms defined with floor pavers/stamped concrete, cushioned seating, tables and umbrellas, outdoor fire pits, children's play area, lighting, sound systems and seating for the District 121 office, entertainment, retail and restaurant mixed-use development in Craig Ranch that will include a minimum of 37,725 sf of retail/restaurant space (29,725 sf Phase I; 8,000 sf Phase II). Miles Prestemon with Craig International provided an update on the project including Kaizen's announcement of their office building to be located at District 121 in partnership with MEDC and the City. Additionally, District 121 held a kickoff meeting with City staff and Kaizen on August 26 which laid out a process and roadmap for Kaizen's building and permitting process. Mr. Prestemon thanked all City departments who participated in the meeting. It was a great introduction to the City for Kaizen partners. Based on direction from that meeting, District 121 submitted a site plan to the City on September 8 and began work on the infrastructure engineering design. They expect to submit the infrastructure design and final plat to the City for approval in early October. Mr. Prestemon added that RPMX is secured for a 4.431-acre site, Van Trust is secured for a 115,000 square foot building and Independent Bank is beginning its second phase. He reiterated that the Kaizen and RPMX buildings will both provide some speculative office space. He presented the current site plan and discussed progress as follows: Parkside is finishing its fifth phase, Cole Park has completed its first phase of urban residential,

Axiom at HUB 121 has been open for about three months and is nearing completion of frontage retail, steel is going up on HUB 121, and SRS is opening its 100,000 square foot building in a few weeks. Mr. Prestemon compared the original and current site plans, stating that the main change was to square off the parking garage design. The new plan reduces the size of the garage, eliminates wasted space and reduces costs by about \$2 million. He added that they are still concentrating on the retail surrounding the park. The new design reduces the retail square footage by about 27% but provides more frontage around The Commons than the prior design. Office space and space for a hotel has been maintained. Mr. Prestemon added that the core of the development is still the retail area, and the office/hotel space provides some flexibility to adapt to the market. Included in Phase 1 will be infrastructure for sewer and storm water coming in from the southeast corner, roads including deceleration lanes and entrance lanes, fire lanes, the park and at least three of the retail buildings. Vice Chairman Glew asked about the flexibility of the space if market data shows that a hotel is not viable. Mr. Prestemon shared that the space allocated for a hotel could be redesigned for viable retail and/or office space, especially since it provides frontage to 121. He added that Kaizen would like to have a hotel on the site. He shared renderings of the eight-story Kaizen building, the overall development, and the retail-surrounded park/Commons area. Mr. Prestemon added that The Commons will include a grass area, LED screen for events and background videos, kiosks, outdoor rooms with cushioned seating and fire pits. He speculated that the Better Block in a Box could potentially be used for small events. One of the plans for the site is a digital board along 121 to promote District 121 and City events. Vice Chairman Glew asked about the possibility of use of the digital board, on a pro bono basis, for large and small events sponsored by MCDC. Mr. Prestemon agreed that it would be a great use of advertising.

Mr. Prestemon showed a few photos depicting a vision for McKinney Station from similar-type developments. He added that McKinney Station is still an idea under discussion that would include entrance monuments, special lighting, landscaping and art that could help define the area as an entertainment district and enhance the intersection at Alma and Henneman Way. He reminded the Board that District 121 is a pedestrian area with about 6,000 people living close to District 121 and HUB 121, adding that a ten-foot wide hike and bike trail currently exists along Henneman Way. There are plans to build a linear park through the corporate center. Other hike and bike trails are under construction to link the district to the soccer complex and the Compass Pavilion recently completed by Craig Ranch. Mr. Prestemon asked for questions. Vice Chairman Glew asked about the project completion by year two of the Byron Nelson, and Mr. Prestemon stated that the goal is to be open for business by May 2022 and for construction to be well underway before the 2021 Byron Nelson. Chairman Brewer asked if the Kaizen building and The Commons will be under construction at the same time. Mr. Prestemon clarified that The Commons build out is about four to six months shorter than the Kaizen building, so construction will be timed for completion of all of Phase 1 at about the same time. He added that infrastructure should begin in December 2020 or January 2021. Vice Chairman Glew asked President Schneible to explain the square footage differences to the Board. President Schneible stated that the reason the project was brought back to the Board is two-fold. First, The Commons area was reduced slightly from .7 to .65 acre. Second, the square footage of total retail space was reduced by about 27%. The retail area around the park area was also reduced from the plans presented with the project grant application, but by a smaller percentage. Chairman Brewer called for public comments, and there were none. Board members unanimously approved a motion by Treasurer Richardson-Woods, seconded by Vice

Chairman Glew, to close the Public Hearing. Board members unanimously approved a motion by Chairman Brewer, seconded by Board member McGill, to approve amended Project #20-08, submitted by District 121, LLC in the amount of two million forty thousand two hundred fifty and No/100 dollars (\$2,040,250.00) for the development and construction of The Commons at District 121, a minimum .65 acre privately owned and maintained, publicly accessible open space and landscaped area, including but not limited to a stage with LED screen, outdoor rooms defined with floor pavers/stamped concrete, cushioned seating, tables and umbrellas, outdoor fire pits, children's play area, lighting, sound systems and seating for the District 121 office, entertainment, retail and restaurant mixed-use development adjacent to Craig Ranch that will include a minimum of 36,725 sf of retail/restaurant space (29,725 sf Phase I; 7,000 sf Phase II).

20-0831 Chairman Brewer called for consideration/discussion/action on a request from Boys & Girls Club of Collin County to extend the term of the Loan Agreement, executed with McKinney Community Development Corporation for Project #19-12, effective August 22, 2019 from October 31, 2020 to February 28, 2021. President Schneible explained that this project was on target to be completed on time, prior to COVID. But when the project was put on hold due to the pandemic, some of the bids for components of the project expired and had to be re-bid. The original completion date was October 31 of this year. Boys & Girls Club is asking for an extension to February 28, 2021 for completion of the approved

project. Board members unanimously approved a motion by Vice Chairman Glew, seconded by Treasurer Richardson-Woods, to approve the extension.

20-0832 Chairman Brewer called for an update on the McKinney Monarch Initiative. Martha Cavazos-Fipps, Environmental Education Coordinator, introduced herself and explained that her position is housed within the Public Works Department and her main responsibility is water conservation, watershed protection, litter abatement, beautification and recycling. She thanked the Board for their support of the Newcomer Event, which is tailored to area newcomers. Attendee data showed that new residents came from 48 states and 27 countries. Ms. Cavazos-Fipps is hopeful that they will be able to host the event in 2021. She shared the goals of the Monarch Initiative which include raising awareness of the decline in monarchs, educating residents about creating habitats for monarchs and improving the monarchs' corridor through North Texas. Monarchs migrate about 2,500 miles annually to Mexico and California. Monarchs weigh about the same as a paperclip, and their lifespan is about two to six weeks during breeding season. The monarch is a Texas State Insect. Monarchs are an indicative species, that demonstrate a balanced ecosystem when they are doing well. She shared that the eastern migration monarch population has declined over 90% in the last twenty years, while the western migration has declined 99%. Chairman Brewer asked if there is a known reason for the monarch population's rise in 2003 and 2004, and Ms. Cavazos-Fipps replied that weather is the biggest factor. She explained that the National Wildlife Federation's Mayors Monarch Pledge program provides municipalities an opportunity to commit to helping the monarch's plight through education and habitat creation. McKinney became part of the program in 2018. Ms. Cavazos-Fipps discussed one reason for monarch decline is that while landscapes

rich in organic material and species of flowers that attract pollinating insects support monarchs, conventional home landscaping includes mostly evergreen non-flowering plants. Additionally, roadsides are mowed, concrete roads are expanding, and insecticides are used more widely. City of McKinney initiatives include an educational brochure in English and Spanish, an educational website that includes a garden checklist, a newsletter, educational seminars, organization presentations and partnerships with Collin County Master Gardeners and the Heard Museum plant sales. Additionally, a partnership with Texas A&M AgriLife makes UPlantIt garden boxes available. There are now over 100 UPlantIt gardens throughout McKinney. This year's Adopt-A-Plant program provided plants grown by Hugs Greenhouse to more than 100 residents. The Monarchs of McKinney Public Art Program is a partnership with Main Street, the Texas Commission for the Arts, the McKinney Arts Commission and the City of McKinney. The program received 50 applications, and eight butterfly sculptures have been installed throughout the Cultural District. The Public Art Program website links each sculpture to its location and the story behind the artwork. Plans are to add monarch facts to each sculpture pole with a QR code that leads to the website for more information. Ms. Cavazos-Fipps stated that they also participate in citizen-science efforts including one that tags butterflies and traces their migration. She announced that they will be hosting a hummingbird gardening seminar on September 29. She encouraged the Board to subscribe to the Green McKinney newsletter. Ms. Cavazos-Fipps shared that residents will approach her booth at events because of the butterfly promotions, which opens the door to educate them about water conservation, watershed protection and recycling. She asked for questions. Vice Chairman Glew asked about the makeup of the UPlantIt box, and Ms. Cavazos-Fipps stated that the box is comprised of perennials. Vice Chairman Glew shared information

about butterfly benches he saw at the Ladybird Johnson Wildflower Center, and Ms. Cavazos-Fipps agreed that the benches could be a beautiful addition to the project initiatives. She added that the City of McKinney is in the Leader Circle of the National Wildlife Federation program, and the goal is to become a Champion City. As of now, there are only three Champion Cities in the country, and all three are in Texas. Board member McGill complimented Ms. Cavazos-Fipps on the overall program and asked if they are reaching out to homeowners' associations. Ms. Cavazos-Fipps agreed that it would be great to get HOAs involved, and she is working with Dana Riley in Neighborhood Services to educate residents and HOAs. She credited resident involvement, interest and leadership to the success of the initiative thus far. Chairman Brewer encouraged Board members to share what they've learned with their HOAs. Treasurer Richardson-Woods complimented Ms. Cavazos on her presentation, and Ms. Cavazos reminded Board members that it's not too late to purchase a UPlantIt garden box.

Chairman Brewer recessed the meeting into Executive Session at 9:52 a.m. in accordance with the Texas Government Code. Items to be discussed under Section 551.087 regarding economic developments were Project FPS, Project 20-08 District 121, Project 20-09 TUPPS Brewery and Project 18-05 HUB 121.

Chairman Brewer reconvened the Board meeting back into regular session at 11:30 a.m.

Board members unanimously approved a motion by Chairman Brewer, seconded by Treasurer Richardson-Woods, to approve the lease by and between the MCDC and TUPPS and authorize the execution thereof, including any related documents.

Board members unanimously approved a motion by Treasurer Richardson-Woods, seconded by Board member Mott, to adjourn. Chairman Brewer adjourned the meeting at 11:36 a.m.

MARY BARNES-TILLEY
Secretary