

## APPLICATION

### ORGANIZATION INFORMATION

Name: The Heritage Guild of Collin County

Federal Tax I.D.: 75-1602150

Incorporation Date: 1973

Mailing Address: P.O. Box 583

City McKinney

ST: TX

Zip: 75069

Phone: 972-562-8790

Fax: N/A

Email: cindyjohnson@chestnutsquare.org

Website: chestnutsquare.org

### Check One:

Nonprofit – 501(c) Attach a copy of IRS Determination Letter

Governmental entity

For profit corporation

Other

Professional affiliations and organizations to which your organization belongs: Center for Non-Profit Management, Collin County Historical Commission, Go Texan, American Association of Museums, Texas Association of Museums

### REPRESENTATIVE COMPLETING APPLICATION:

Name: Cindy Johnson

Title: Executive Director

Mailing Address: P.O. Box 583

City: McKinney

ST: TX

Zip: 75069

Phone: 972-562-8790

Fax: N/A

Email: cindyjohnson@chestnutsquare.org

**CONTACT FOR COMMUNICATIONS BETWEEN MCDC AND ORGANIZATION:**

Name: Cindy Johnson

Title: Executive Director

Mailing Address: P.O. Box 583

City: McKinney

ST: TX

Zip: 75069

Phone 972-562-8790

Fax: N/A

Email: cindyjohnson@Chestnutsquare.org

**FUNDING**

Total amount requested: \$48,511

**PROJECT/PROMOTION/COMMUNITY EVENT**

Start Date: 10/15/2014

Completion Date: 02/15/2015

**BOARD OF DIRECTORS** *(may be included as an attachment)*

**See Attachment**

**LEADERSHIP STAFF** *(may be included as an attachment)*

**See Attachment**

**Using the outline below, provide a written narrative no longer than 7 pages in length:**

## **I. Applying Organization**

The mission of The Heritage Guild of Collin County is: "Celebrate Community. Preserve History. Inspire the Future." The Heritage Guild was organized 41 years ago and exists to support Chestnut Square Historic Village. Chestnut Square has grown from two houses to seven houses, a general store, a school house and a chapel. These ten historic buildings span a century from 1854 to 1930. Chestnut Square now covers 2.5 acres on two city blocks.

Chestnut Square has become a significant ingredient in the quality of life for the citizens of Collin County and a tremendous draw for tourists from across North Texas and southern Oklahoma. Events such as the Historic McKinney Farmers Market, Civil War Days, Old Fashioned Ice-Cream Festival Featuring the Killis Melton Ice Cream Crank-Off, The Legends of McKinney Ghost Walk and the Holiday Tour of Homes bring people to McKinney to shop, eat and stay at our local hotels and bed and breakfasts. The Historic McKinney Farmers Market at Chestnut Square and Adriatica are popular weekly markets from April through November. The Historic McKinney Farmers Market at Chestnut Square was voted the #1 market in Texas and #7 in the country in 2012. In 2007, Chestnut Square stepped forward to provide a home for the Doc & Clyde's Ice Cream Freezer Exhibit which is a part of McKinney's heritage and was cited in the Guinness Book of World Records as the largest ice cream freezer exhibit in the world.

Chestnut Square Historic Village is open to the public 9:00 – 3:00 Tuesday through Friday and 8:00 – 12:00 on Saturdays, with guided tours of the homes provided on Tuesdays, Thursdays and Saturdays at 11:00 a.m. Group tours may be scheduled daily Tuesday through Saturday by reservation. Chestnut Square began offering trolley tours of McKinney's Historic District in 2011 on the second and fourth Saturday of each month. The trolley tour was created with grant funding from the Collin County Historical Commission.

Living History Days are offered select weekends during the year. All structures are open to the public and entertainment and educational programs are held around the monthly theme. Members of the Living History Group, an organization created to support historical programs at Chestnut Square, provide craft demonstrations in historically appropriate costumes throughout the village. Different organizations provide re-enactments, musical presentations and storytelling. Organizations that have performed in the past include the Collin County Civil War Living Historians, the Collin County Storytelling Guild, the Trinity River Desperados and the Hogwallow Boys.

In October 2008, Chestnut Square launched the first annual Legends of McKinney Ghost Walk. Storytellers share legends and the history of haunted sites around downtown McKinney and Chestnut Square. The 2008 Ghost Walk drew over 1,000 people. In 2009 the Ghost Walk was expanded to two nights and the 2009 and 2010 Ghost Walks drew over 1,500 people each year from throughout the Metroplex.

School groups tour the village during the school year with a focus on elementary students in grades 1-3. During the summer, a very popular Prairie Adventure Camp is held for children ages 7-12. During this 9 hour camp students "de-modernize" and learn how people lived in the 19<sup>th</sup> century through history classes in the one-room school house and hands on demonstrations in the various houses. The camp has drawn children from Oklahoma, Louisiana, Houston and Austin.

Our annual Historic Home Tour is always extremely popular, drawing visitors from throughout North Texas to tour the holiday decorations throughout Chestnut Square and in 4-6 historic homes throughout McKinney. The Home Tour is not only a key fundraiser for Chestnut Square, but introduces hundreds of visitors from other parts of Collin County and North Texas to McKinney's downtown square, Chestnut Square and McKinney's Historic District. In 2009, the tour drew over 1,800 people.

Chestnut Square is also a popular venue for weddings. The Chapel at Chestnut Square (formerly the Foote Baptist Church located in Stonebridge Ranch) can accommodate up to 150 guests for an intimate, historically

charming wedding service. The grounds and the Bevel Reception House (circa: 1930) can host over 150 for wedding receptions. During 2010 Chestnut Square hosted over 130 events including 100 weddings and receptions.

All told, the programs at Chestnut Square bring over 45,000 visitors annually to the Square to experience over 150 years of McKinney history. Current staff consists of an Executive Director, part-time office manager, part-time bookkeeper, part-time wedding manager and part-time curator.

## II. **Project or Promotion/Community Event (whichever is applicable)**

In 2012 MCDC granted The Heritage Guild of Collin County \$150,000 toward renovations of the Dulaney House to create a bed and breakfast. The budget for the project was based on meetings with the City of McKinney Planning Department that indicated that the project would not be considered a commercial project.

Construction was started on the project and when a building permit was requested the City of McKinney stated that the construction would be considered commercial and must include studies of the following

- o Asbestos
- o Fire suppression
- o Electrical
- o Need for a commercial kitchen
- o ADA Compliance

Studies revealed the need for asbestos abatement, a sprinkler system, electrical upgrades and ADA compliance. Bids were solicited for these improvements and fund raising efforts were initiated. No commercial kitchen was required.

### **Project Grants – please complete the section below:**

- |                             |   |  |
|-----------------------------|---|--|
| • An expansion/improvement? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            |
| • A replacement/repair?     | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| • A multi-phase project?    | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| • A new project?            | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |

**Has a feasibility study or market analysis been completed for this proposed project?** *If so, please attach a copy of the Executive Summary.*

**Yes. See attached.**

**Provide specific information to illustrate how this Project/Promotion/Event will enhance quality of life and further business and economic development in the City of McKinney, and support one or more of MCDC's goals: Please see 2012 Grant Request.**

**Has a request for funding, for this Project/Promotion/Community Event, been submitted to MCDC in the past?**

- Yes                       No



### III. Financial

See attached.

What is the estimated total cost for this Project/Promotion/Community Event?

\$303,761

*(Please include a budget for the proposed Project/Promotion/Community Event.)*

What percentage of Project/Promotion/Community Event funding will be provided by the Applicant? 35%

Are Matching Funds available?  Yes  No

Cash \$75,000

Source TIF, Donors, Operations % of Total 25%

In-Kind \$30,000

Source Contractors, Donations % of Total 10%

Are other sources of funding available? *McKinney Alliance, Encore Wire, City of McKinney TIF funds, Go Fund Me, Private Donations, Operating Revenues*

Have any other federal, state, or municipal entities or foundations been approached for funding? *City of McKinney*

### IV. Marketing and Outreach

We will fund the bed and breakfast as part of our wedding marketing through brochures, Wedding Wire, our website and Facebook.

### V. Metrics to Evaluate Success

We will measure the B&B success by occupancy rate. 40% if breakeven. Our initial goal is 60% with a goal of 80% after three years. We will also measure customer satisfaction. Our goal is 4.5 stars and above.

### Acknowledgements

*If funding is approved by the MCDC board of directors, Applicant will assure:*

- The Project/Promotion/Community Event for which financial assistance is sought will be administered by or under the supervision of the applying organization;
- All funds awarded will be used exclusively for the purpose described in this application;

### Acknowledgements - continued

- MCDC will be recognized in all marketing, outreach, advertising and public relations as a funder of the Project/Promotion/Community Event. Specifics to be agreed upon by applicant and MCDC and included in an executed performance agreement;
- Organization's officials who have signed the application are authorized by the organization to submit the application;
- Applicant will comply with the MCDC Grant Guidelines in executing the Project/Promotion/Community Event for which funds were received.
- A final report detailing the success of the Project/Promotion/Community Event, as measured against identified metrics, will be provided to MCDC no later than 30 days following the completion

- of the Project/Promotion/Community Event.
- Up to 80% of the approved grant may be provided, on a reimbursement basis, prior to conclusion of the Project/Promotion/Community Event with submission of invoices/receipts to MCDC. The final 20% will be paid following MCDC's receipt of unpaid invoices/receipts; documentation of fulfillment of obligations to MCDC; and final report on the Project/Promotion/Community Event.
  - The required performance agreement will contain a provision certifying that the applicant does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. Further, should the applicant be convicted of a violation under 8 U.S.C. § 1324a(f), the applicant will be required to repay the amount of the public subsidy provided under the agreement plus interest, at an agreed to interest rate, not later than the 120<sup>th</sup> day after the date the MCDC notifies the applicant of the violation.

**We certify that all figures, facts and representations made in this application, including attachments, are true and correct to the best of our knowledge.**

**Chief Executive Officer**



Signature

Cynthia D. Johnson

Printed Name

7/31/14

Date

**Representative Completing Application**



Signature

Printed Name

7/31/14

Date

***INCOMPLETE APPLICATIONS, OR THOSE RECEIVED AFTER THE DEADLINE, WILL NOT BE CONSIDERED.***

Internal Revenue Service

Department of the Treasury

District  
Director

Heritage Guild of Collin County Texas  
909 West Howell  
McKinney, TX 75069

Person to Contact,  
ECMF Tax Examiner  
Telephone Number

214-767-1766  
Refer Reply to

RM:CS8:1200 DAL

Date NOV 20 1985

EIN: 75-1602150

Gentlemen:

Our records show that Heritage Guild of Collin County Texas is exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code. This exemption was granted September, 1979, and remains in full force and effect. Contributions to your organization are deductible in the manner and to the extent provided by Section 170 of the Code.

We have classified your organization as one that is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code because you are an organization as described in Section 170(b)(1)(A)(vi).

If we may be of further assistance, please contact the person whose name and telephone number are shown above.

Sincerely yours,



Tax Examiner



# CHESTNUT SQUARE

HISTORIC VILLAGE

## Chestnut Square Staff

Staff Member	Title
L.C. Tobey	Bookkeeper
Cindy Johnson	Executive Director
Jamie Spence	Education Director
Alice Yeager	Memberships and Volunteers
Kim Ducote	Weddings and Facilities Rental
Leisha Phipps	Curator

## Chestnut Square Board of Directors

Board	Board Title	Profession	City of Residence
Pat Rodgers	Chairman	Community Volunteer	McKinney
Kathy Moore	Secretary	Community Volunteer	McKinney
Rick Scuzillo	Treasurer	Accountant	McKinney
James West	Vice-Chairman	Architect	McKinney
Hamilton Doak	Finance Committee	Business Owner	McKinney
Guy Giersch	Facilities Committee	Historic Preservation	McKinney
Joe Joplin	Legal/Facilities Comm.	Attorney	McKinney
Wayne Hill	Finance Committee	Bank Vice President	McKinney
Tim Baker	Dev Committee	Consultant	McKinney
Edna Brown	Event Committee	Community Volunteer	McKinney
George Lodge	Marketing Committee	Retired Publisher	McKinney
Matthew Sneed	Facilities Committee	Engineer	McKinney

Chestnut Square Board of Directors Meets the Second Thursday of January, March, May, July, September, and November. Board Committees meet on alternate months.



## Facilities Committee: Commercial Permit Costs

### Asbestos Abatement – Asbestos Inspectors, Inc., Team Enterprise, DFW Environmental

- Testing	\$ 818
- Consulting, Project Design & Specifications	\$ 2,750
- DSHS Notification Fee	\$ 800
- Abatement	\$12,952

**Total Asbestos Abatement Expense** **\$17,320**

### Sprinkler System – JKP Plumbing (External), City of McKinney (External), Mutual Sprinklers (Internal)

- Design	Donated by James West
- Tap Meter	\$2,833
- Run 1 ½ line to house	\$1,500
- Fire Sprinkler System	\$13,923
- Fire Alarm Monitoring	\$ 6,325
- Ongoing Monitoring	\$ 360

**Total Sprinkler System Expense** **\$24,941**

### Electrical Upgrades \* (Still estimates....waiting on final proposal)

- Wire	Donated by Encore Wire
- Panel Boxes	\$3,000
- Inside rewiring	\$3,000
- Put external wiring underground	\$3,000

**Total Electrical Upgrades Expense** **\$ 9,000**

### ADA Compliance\* (Still estimates....waiting on final proposal)

- Porch Decking	\$15,000
- ADA compliant caretaker bathroom	\$ 5,000

**Total ADA Compliance Expense** **\$20,000**

**Total Cost of Commercial Permit** **\$71,261**

## Funding Sources

Cash	Raised	Potential	Fund Avail	Confidence
Go Fund Me	\$ 750	\$ 5,000	\$750 Now/Aug	Med
Encore Wire	\$5,000	\$ 10,000	\$5,000 Now/Aug	Med-Hi
Bike the Bricks Fundraiser	\$2,500		\$2,500 Now	N/A
McKinney Alliance		\$ 10,000	September	Med-Hi
TIF Funding		\$ 42,151	September	Med
MCDC	\$15,000	\$ 40,000	October	Med
Development Committee Sponsorships		\$ 83,000	August-December	Low
<b>Total Cash Funding</b>	<b>\$22,750</b>	<b>\$190,151</b>		

In-Kind	Raised To-Date	Potential
Architectural Drawings (James West)	\$15,000	\$25,000
Wire (Encore)	\$10,000	\$10,000

**Total In-Kind Funding**

**\$7,750**

**\$35,000**

	2014 Budget	Assumptions
<b>INCOME</b>		
Donations	\$30,000	Sponsorship, donation plan and committee work.
Investments	\$25	
Grants	\$250,000	\$215,000 from MCDC grants.
Weddings	\$170,000	
Rentals	\$20,000	
Bed and Breakfast	\$30,000	
Events	\$100,000	Better weather! Focused SOTC. More sponsorships.
Store	\$25,000	
Farmers Market	\$50,000	Sponsorships
Other Income	\$500	
Arcadia Royalties	\$100	
Membership Dues	\$3,000	
Tours	\$15,000	
Education	\$30,000	Adult education, scout program growth, Farmers Market programs
<b>TOTAL INCOME</b>	<b>\$723,625</b>	
<b>TOTAL INCOME W/O GRANTS</b>	<b>\$473,625</b>	
<b>EXPENSES</b>		
Volunteer Relations	\$3,000	
Staff & Board Relations	\$3,000	
Registration Fees	\$250	
Marketing	\$20,000	
Marketing - Grant	\$25,000	Go Texan Promotional Money and MCDC money
Tours	\$5,000	
Weddings	\$30,000	
Rentals	\$500	
Bed and Breakfast	\$17,500	Salary in Salaries, Insurance in insurance
Events	\$45,000	

Education	\$15,000	Carry salary under salaries
Store	\$15,000	
Farmers Market	\$17,500	
Fundraising	\$3,000	New fundraising materials
Accounting Fees and Contract	\$3,000	990 preparation and misc. contract services
Yard	\$5,000	
Structures - Grant	\$190,000	MCDC Grants
Structures - Other	\$7,500	
Building/Equip Maint	\$7,500	
Curation	\$15,000	\$10,000 MCDC Grant for storage of Dulaney House items
Property Insurance	\$2,500	
Utilities	\$30,000	Bed and Breakfast
Subscriptions	\$500	
Postage	\$1,500	
Printing/Copying	\$15,000	
Supplies	\$1,500	Bed and Breakfast
Telephone/Telecom	\$5,000	Bed and Breakfast
IT	\$7,500	\$5000 Go Texan Grant for website rewrite.
ED Reimbursement	\$1,200	
Insurance - Liab, D&O	\$13,500	Bed and Breakfast
Credit Card Fees	\$6,500	
Finance Charges	\$400	
Other/Interest	\$1,000	
Salaries	\$140,000	Bed and Breakfast
Payroll Taxes	\$37,500	
Payroll Expenses	\$2,000	
Reconciliation	\$0	
Travel & Meetings	\$1,000	
<b>TOTAL EXPENSES</b>	<b>\$694,350</b>	
<b>TOTAL EXPENSES W/O GRANTS</b>	<b>\$464,350</b>	
<b>NET INCOME</b>	<b>\$9,275</b>	<b>Operating Income</b>



NET GRANTS

-20,000

**Dulaney House Inn  
3Q 2014 through 2017  
Assumes 10/1/14 Open Date**

	2014 @ 40%	2014 @ 80%	2015 @ 60%	2015 @ 80%	2016 @ 60%	2016 @ 85%	2017 @ 70%	2017 @ 90%	Assumptions
<b>Revenue</b>									
Suite Rentals	\$7,000	\$15,000	\$40,000	\$54,000	\$40,000	\$57,000	\$52,000	\$67,000	Double Occupancy: \$179 in 2014-16. Each addtl person up to six total: \$25 person. \$199 in 2017 and \$30 person.
Room Rentals	\$10,119	\$20,238	\$60,882	\$81,176	\$60,882	\$111,070	\$81,249	\$104,463	Double Occupancy: \$139 2014-2016, \$159 in 2017. Based on current pricing of \$400 and current demand. 33% growth in demand per year.
Reh Dinners	\$1,000	\$1,600	\$5,320	\$5,320	\$7,076	\$7,076	\$9,198	\$9,198	
<b>Total Rev</b>	\$18,119	\$36,838	\$106,202	\$140,496	\$107,958	\$175,146	\$142,447	\$180,661	
<b>Expenses</b>									
Utilities	\$5,000	\$7,500	\$17,000	\$24,000	\$18,500	\$26,000	\$20,000	\$28,000	Current Dulaney House utilities run an average of \$125/month. Estimate includes security system monitoring.
Food	\$5,000	\$10,000	\$28,000	\$36,000	\$28,000	\$38,500	\$32,000	\$42,000	\$20/day per guest.
Caretaker	\$5,000	\$5,000	\$15,000	\$15,000	\$18,000	\$18,000	\$20,000	\$20,000	This is salary. Will also include free apartment and utilities.
Sales Ex	\$900	\$2,000	\$5,500	\$7,000	\$5,500	\$9,000	\$7,500	\$10,000	5% commission on sales and annual bonuses. Manages bookings.

Adv & Mtg	\$3,000	\$5,000	\$7,500	\$10,000	\$9,000	\$10,000	\$10,000	\$10,000	\$10,000	Will leverage wedding business.
Supplies	\$500	\$1,000	\$4,000	\$1,500	\$4,200	\$1,500	\$1,500	\$1,500	\$2,000	Currently \$500/year
Repairs	\$500	\$500	\$1,500	\$2,000	\$2,500	\$3,000	\$3,000	\$3,000	\$4,000	Currently \$1,000/year
Insurance	\$750	\$750	\$2,500	\$2,750	\$2,500	\$2,750	\$3,000	\$3,000	\$3,000	Currently pay \$1,000 insurance on Dulaney House.
<b>Total Exp</b>	<b>\$20,650</b>	<b>\$31,750</b>	<b>\$78,000</b>	<b>\$98,250</b>	<b>\$85,200</b>	<b>\$108,750</b>	<b>\$97,000</b>	<b>\$119,000</b>		
<b>Net Inc (Conservative)</b>	<b>(\$2,531)</b>		<b>\$28,202</b>		<b>\$22,758</b>		<b>\$45,447</b>			
<b>Net Inc (Aggressive)</b>		<b>\$5,088</b>		<b>\$42,246</b>		<b>\$66,396</b>		<b>\$61,661</b>		
<b>Cash Flow (Conservative)</b>	<b>(\$3,781)</b>		<b>\$25,671</b>		<b>\$48,429</b>		<b>\$93,876</b>			
<b>Cash Flow (Aggressive)</b>		<b>\$5,088</b>		<b>\$47,334</b>		<b>\$108,642</b>		<b>\$170,303</b>		

Proposed Projects  
 MCDC Grant Cycle - Spring 2011

MCDC Project Grant Request - Dulaney Inn  
 The Heritage Guild of Collin County  
 June 17, 2014

Deliverables	Budget Estimate	MCDC Funding	Planned Complete	Status	Actual	Grant	Donation	Donated by	Donation Notes
<b>Dulaney House Bed and Breakfast</b>									
Empty DH and store items	\$20,000	\$10,000	1/30/2014	In Work	\$6,866	\$6,866			
HVAC for upstairs	\$20,000	\$20,000	4/30/2014	In Work	\$10,230	\$10,230			
Complete Foundation work	\$10,000	\$10,000	1/30/2014	Complete	\$10,000	\$10,000	\$0		
Make first floor office into apt.	\$20,000	\$10,000	3/31/2014	In Work	\$10,000	\$10,000			
Redo downstairs public 1/2 bath	\$2,500	\$1,000	3/31/2014	In Work	\$1,000	\$1,000			
Restore original hardwoods throughout	\$20,000	\$15,000	2/28/2014						
Upgrade kitchen for catering	\$15,000	\$10,000	3/31/2014	In Work	\$10,000	\$10,000			
Fix plaster and re-paint interior	\$30,000	\$15,000	2/28/2014	In Work	\$4,346	\$4,487			
Window coverings downstairs	\$5,000	\$2,500	5/15/2014						
Restore upstairs bathroom	\$7,500	\$4,000	5/15/2014	In Work	5302	4000			
Add suite room	\$15,000	\$7,500	5/15/2014	In Work	\$6,678	\$6,678			
Furnish bedroom 1	\$10,000	\$5,000	5/15/2014						
Furnish bedroom 2	\$10,000	\$5,000	5/15/2014						
Furnish suite	\$15,000	\$10,000	6/1/2014						
Furnish common area	\$12,500	\$7,500	6/1/2014						
Furnish porch	\$5,000	\$2,500	6/1/2014						
Install security system	\$10,000	\$10,000	5/15/2014	In Work	\$1,000	\$1,000			



Proposed Projects

MCDC Grant Cycle - Spring 2011

Redo front landscape	\$5,000	3/31/2014	
<b>Total for Dulaney House</b>	<b>\$232,500</b>		<b>\$65,422</b>
			<b>\$64,261</b>