

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

APRIL 28, 2022

The McKinney Community Development Corporation met in regular session in the City Hall Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on Thursday, April 28, 2022 at 8:00 a.m.

Board Members Present: Chair Angela Richardson-Woods, Secretary David Kelly, Board Members Rick Glew and Deborah Bradford, Board Alternate David Riche, and Ad Hoc Member Joy Booth.

Absent: Vice Chair Kathryn McGill, Treasurer Mary Barnes-Tilley and Board Member Jackie Brewer.

City Council Present: Mayor George Fuller and Councilman Patrick Cloutier.

Staff Present: President Cindy Schneible, City Manager Paul Grimes, Assistant City Manager Barry Shelton, Assistant City Manager Kim Flom, Financial Compliance Manager Chance Miller, Director of Parks and Recreation Michael Kowski, Main Street/MPAC Director Amy Rosenthal, Visit McKinney Interim Director Marie Woodard, MEDC President Peter Tokar and MCDC Administrative and Marketing Coordinator Linda Jones.

There were several guests present.

Chair Richardson-Woods called the meeting to order at 8:01 a.m. after determining a quorum was present. Pastor Bobby Broyles of Community North Baptist Church delivered the invocation that was followed by the Pledge of Allegiance.

Chair Richardson-Woods thanked Board Alternate David Riche for his participation on the dais today and acknowledged ad hoc member Joy Booth for her faithful attendance. She also thanked Councilman Patrick Cloutier for his attendance and participation.

Chair Richardson-Woods called for public comments on non-public hearing agenda items, and there were none.

Chair Richardson-Woods called for a motion on the consent items. Board members unanimously approved a motion by Secretary Kelly, seconded by Board Member Bradford, to approve the following consent items:

- 22-0371** Minutes of the McKinney Community Development Corporation Meeting of March 24, 2022.
- 22-0372** Minutes of the McKinney Community Development Corporation TUPPS Subcommittee Meeting of April 12, 2022.
- 22-0373** Chair Richardson-Woods called for the Financial Report. Financial Compliance Manager Chance Miller reviewed the March financials. Revenues for March were \$1.5 million. Expenses were \$2.4 million and included \$540,000 for community grants, \$1.5 million for parks projects and \$300,000 for TUPPS Brewery and Entertainment Destination. Sales tax for March represents January sales and showed a 17.3% increase over 2021, yielding a 17.8% increase year-to-date. He shared that the projected sales tax collections for the year are \$21.5 million which is about \$3.7 million more than budgeted. During the same time period, Allen saw an 11.8% increase, Frisco saw a 22.6% increase, and Plano saw a 15.4% increase. Mr. Miller asked for questions, and there were none. There were no questions on the Checks Issued report.
- 22-0374** Chair Richardson-Woods called for Board and Liaison Reports.
Board Chair. Chair Richardson-Woods, Secretary Kelly and Board Members Bradford and Glew shared appreciation for Linda Jones and her contributions to MCDC in her staff role. Chair Richardson-Woods thanked Board members for their participation in the community beyond regular and subcommittee meetings. Board members participated in a number of events this month including Arts in Bloom, Bar Wars, McKinney Education Foundation Trivia Night, East McKinney Community Conversations, Murder Mystery at Chestnut Square, Cornerstone Ranch fundraiser event, ManeGait LIVE and the Erwin Park skills course ribbon-cutting event. She added her appreciation for

attendance and discussion at the Joint Meeting with Parks and the MCDC Work Session last week.

City of McKinney. Assistant City Manager Barry Shelton shared that the East Side Community Conversations event on March 24 hosted about 200 residents. Tables were available for people to learn about the new City Hall, TUPPS Brewery and Entertainment Destination, Neighborhood Preservation, roadwork projects and the Highway 5 improvement project. Mr. Shelton reported that construction documents for the new municipal complex are at about 50%, and construction should be underway in September or October of this year. He noted that the TUPPS site is fenced in and site preparation is underway, adding that construction of the public parking lot adjacent to the TUPPS site has also begun. Mr. Shelton shared that the new FBO terminal is nearing completion with an anticipated move-in date of late June or early July. This FBO will serve as an impressive front door to McKinney for corporations who fly to TKI. He shared that both Fire and Building Inspections departments have been working for several months with the AT&T Byron Nelson construction team for permitting and inspections to ensure guest safety. City departments are all working towards a FY 23 budget that will support City Council goals and priorities for the year. Mr. Shelton shared that City Council and staff are considering three potential options for a Highway 5 roadway and park project that will connect the historic McKinney areas east and west of Highway 5. Options include an above road deck park, an inverted deck park and an enhanced road-level crossing. Board Member Bradford shared excitement for the project that will connect the Downtown area with the community east of Highway 5. She expressed appreciation that the East Side Conversations event was initiated by the City and congratulated all involved for the outstanding attendance. Mr. Shelton added that it is important to keep the community involved and that there is a major focus on neighborhood preservation. Secretary Kelly

asked about the feedback from residents who attended the event. Mr. Shelton shared that while there is concern that improvements will increase rents and taxes, it is the City's goal to hold both steady as much as possible. Additionally, residents seem to appreciate plans shared for a history exhibit in the new City Hall.

Visit McKinney. Interim Director Marie Woodard reported that the City hosted six groups in March that accounted for 184 total room nights and resulted in \$19,919 in HOT (Hotel Occupancy Tax) revenues. She shared that next week is National Travel and Tourism Week and encouraged all to stop by the Visit McKinney office to celebrate throughout the week. The AT&T Byron Nelson is May 12-15, and Visit McKinney appreciates the collaborative marketing and promotional efforts of MCDC, Main Street, the City and the Chamber of Commerce. For the month of March, HOT revenues were \$169,977, representing a 40.5% increase over 2021. Year-to-date HOT revenue is about \$1 million, an increase of 50.28% from 2021. The City is on target for achieving HOT revenue of \$2 million for 2022. Ms. Woodard asked for questions, and there were none.

McKinney Economic Development Corporation. President Peter Tokar shared that MEDC has invited nearly 400 people for their AT&T Byron Nelson red carpet site tour. The finale to the tour is a half or full day at the tournament. Mr. Tokar shared that he attended a technology conference in Florida focusing on start-up companies. He connected with several start-ups and will visit further with those businesses regarding MEDC's Innovation Fund. He shared that MEDC has a strong project pipeline. Mr. Tokar expressed his appreciation for the partnership with MCDC on potential and ongoing projects. Board Member Glew asked who is among the 400 invitees. Mr. Tokar shared that they will be hosting fifteen local and national brokers, site selectors and developers.

McKinney Main Street/MPAC. Director Amy Rosenthal reported that Arts in Bloom hosted about 5,000 more visitors to Downtown than in 2021, with Retail Coach reports showing about 60,000 visits from 50,000 individuals. She shared Main Street's appreciation for the collaborative efforts surrounding the AT&T Byron Nelson. MPAC has several events this month including Young Adults Guild performing *McBeth*, piano recitals, dance recitals and graduations (Cornerstone Ranch and Imagine Academy). On May 7, Lone Star Wine Cellars is hosting their Wine & Whiskey Walk with a Kentucky Derby theme and twenty drink stops. Ms. Rosenthal thanked the Parks Department for the digital kiosks, an MCDC-supported initiative, now installed in Downtown. Chair Richardson-Woods thanked Ms. Rosenthal for the love and compassion she shows to our community, adding appreciation for a letter she wrote honoring Tricia Scruggs who hosted food tours in Downtown McKinney.

McKinney Parks and Recreation. Director Michael Kowski announced that there was huge community support and Parks Advisory Board approval for renaming the aquatics center at Old Settlers Park in honor of former McKinney City Councilwoman Gilda Garza. He thanked the MCDC Board for their participation in the Joint Meeting with the Parks Advisory Board, adding that a recap will be forthcoming. Mr. Kowski shared that this is a summer of anniversaries to celebrate including the 20th anniversary of the Senior Recreation Center and the 10th anniversary of The Courts of McKinney. He thanked Joy Booth for participating in the official opening of the skills course at Erwin Park. A total of 2,000 volunteers mostly from DORBA and McKinney Parks Foundation kept the price for this \$100,000 project to only \$10,000. Chair Richardson-Woods shared her appreciation for the collaboration with Parks and for the creative format of the joint meeting and commented on the public support of renaming the aquatics center in honor of Gilda Garza. Board Member Glew commented that the skills course at Erwin

Park is an impressive major development project for the park, and he expressed his appreciation for the digital kiosks in Downtown. Board Member Riche asked about the pickleball tournament, and Mr. Kowski shared that the tournament is hosted for the next four days at The Courts of McKinney with 1,000 players from all over the country expected to participate. He added that Visit McKinney has a booth at the event to promote the city – restaurants, shopping and amenities - to event participants.

TUPPS Subcommittee. Board Member Glew reported that all development permits were issued in February, and SpawGlass mobilized onsite late February. SpawGlass is at 90% buyout for subcontractors, and the anticipated opening is November 2 of this year. He added that the building located on the north end of the site is currently being used as the construction trailer and will ultimately be used for Lelo's Coffee Company and serve as a front entrance amenity to the site. He shared appreciation for the positive ongoing partnership with TUPPS.

22-0375 Chair Richardson-Woods called for the President's Report. President Cindy Schneible encouraged Board members to review the reports attached to the agenda. She called attention to the Heard-Craig Center for the Arts newsletter and encouraged interested Board members to attend some of their upcoming exhibits and events. President Schneible shared some upcoming events supported by MCDC promotional grants including the Farm Fresh dinner this evening, the Collin County History Museum Fallen Warriors exhibit, Visit McKinney's tourism event on the morning of May 4, Adopt-a-Park clean-up day on May 7, MillHouse Foundation Art Fest on May 7 and 8 and Empty Bowls on May 12. She reminded the Board that the next Promotional Grant cycle opens on May 1 with presentations of applications received, at the June meeting. Ms. Schneible thanked the Board for their feedback regarding the 2021 AT&T

Byron Nelson activities, which was taken into consideration in developing plans for the 2022 tournament. The city marketing initiatives for this year are a collaborative effort with the City, Main Street, Visit McKinney and MCDC.

22-0376 Chair Richardson-Woods called for an update on AT&T Byron Nelson Marketing. Creative Services Manager Michelle Feldker shared information about the collaborative effort that has been underway with City Communications and Marketing, MCDC, Main Street and Visit McKinney since last July to plan marketing activities around the tournament. Building upon last year's marketing, this year's campaign theme is "*Beyond the course, McKinney is your 19th Hole.*" Other messaging includes "*McKinney Texas... the Best by Par*" and "*McKinney Texas... the Perfect Par 3. Shop. Dine. Unwind.*" Ms. Feldker shared that this year's campaign includes light pole banners installed in more than seventy locations around town including Craig Ranch, Eldorado Parkway, Alma Road and the Downtown Square. The goal is for tournament attendees to dine, shop and visit entertainment venues in McKinney before and after tournament activities. Rachel Tamez with Visit McKinney is working with local hotels to place elevator graphics, coasters in breakfast areas and rooms, table-top signage and pull-up banners in lobbies. Hotel signage and coasters have a QR code to promote the Visit McKinney app which will provide information on events and merchant discounts around town during the tournament. Additional promotional efforts will include graphics on the shuttle buses and signage at parking lots to promote the City. Ms. Feldker shared that there is weekend giveaway package to encourage visitors to return to McKinney at a later date that will also be promoted in all of these areas and at the onsite booth. The UN_QUE letters will be branded with the 19th Hole theme and will be onsite at the tournament as a photo opp. The

onsite booth will be branded 19th Hole and include other opportunities to win prizes. Booth highlights include a Prize Wheel and Plinko game for attendees to win various 19th Hole branded items including tripod stools, hats and koozies. Those who play Plinko will drop a 19th Hole ball marker and can keep the marker as a commemorative token. Additionally, booth staff will wear matching 19th Hole shirts. Brochures and signage promoting McKinney will be placed throughout the course. Ms. Feldker shared that about ten members of the Salesmanship Club came to McKinney for an executive tour event last week which included a food walk in Downtown. Ms. Feldker shared that the advertising campaign began in February and March with an awareness campaign targeted to golfers and golf enthusiasts within a four-hour drive from McKinney and included targeted email and social media. The 19th Hole campaign started in April and runs through the tournament targeting the same audience but also includes tournament ticket holders. Channels for the 19th Hole campaign include targeted emails, social media, geo-targeting at the tournament, in-app advertising and print. Additionally, the collaborative social media campaign includes several ticket giveaways. Secretary Kelly asked about the details of MCDC's ticket giveaway. Linda Jones shared that MCDC will be giving away two packages of four tickets each. The contest will require individuals to post a photo of themselves enjoying time with friends or family in McKinney. Photos should be posted in the comments section of the thread, and a winner will be selected randomly from those who enter. Ms. Jones shared that MCDC had about 30 entrants last year, but we are anticipating more this year since our giveaway is not limited to families only as it was last year. Each collaborative entity had ticket giveaways as part of the overall social media campaign. Ms. Feldker noted that the City has been promoting McKinney to tournament workers who have been living here for the last few months building the site to encourage them to shop, dine

and unwind in McKinney. Additionally, Rachel Tamez has coordinated onsite food trucks at the tournament for workers. Chair Richardson-Woods and Board Member Glew complimented the marketing team on the campaign. Ms. Feldker stated that the team is excited about the campaign, adding that it has performed very well thus far.

Chair Richardson-Woods reminded project grant applicants that their presentations should be no longer than five minutes. She stated that today is for presentations and questions and answers, and the Board will act on the grants at the May meeting.

22-0377 Chair Richardson-Woods called for a Public Hearing and consideration/discussion/action on a request submitted by District 121, LLC to amend the loan agreement for Project #20-08 to increase the grant amount by eight hundred fifty-seven thousand six hundred forty-three and NO/100 dollars (\$857,643.00) to bring total project cost to two million eight hundred ninety-seven thousand eight hundred ninety-three and NO/100 Dollars (\$2,897,893.00). Additional project expenses reported due to increased material costs and expanded project scope that includes increased size of park, installation of artificial turf and restrooms at The Commons at District 121. Extension on the term of the loan from September 24, 2022 to August 31, 2023 is requested. David Craig of Craig International shared his appreciation for the recognition of Gilda Garza and thanked the City for its efforts in supporting of the AT&T Byron Nelson, which will likely exceed all previous years in revenue generated by the tournament and will host the best player field ever. Miles Prestemon of District 121, LLC shared that the zoning of the District 121 land prior to their purchasing it was for gas stations, fast food and straight-line retail, but their vision was far greater. A highlight of District 121 is the .72 park surrounded by 38,000 square feet retail and

restaurants. The site is under construction with pads in place and piers already drilled, the parking garage is complete, and the office has been roofed. The vision for the complex is artsy featuring murals by local and regional artists that will be changed out frequently. The sunken park is surrounded by 22' wide covered patios. Additionally, Mi Cocina will have a second-floor patio bar overlooking the park which will add substantially to the revenue generated. The main stage for live entertainment boasts a 16' by 9' LED screen. David Craig added that each restaurant is investing about \$500 per square foot in finish-out, totaling about \$3 million per restaurant. District 121 promises to be a popular gathering spot for years to come. The overall vision includes a 200,000 square foot office building, a five-story parking garage, four separate retail/restaurant buildings and a hotel. Two additional office buildings will be added later and provide 150,000 to 200,000 square feet of office space each. Mr. Prestemon shared that signed restaurants include Mi Cocina, 400 Gradi, Bob's Steak and Chophouse and Common Table. He added that approximately 6,000 people will be living within two blocks of District 121. They are asking for an increase of just over \$857,000 from their original awarded grant, which is a 40% increase. About 27% of the increase is due to inflation. About 14% is due to the expanded scope of the park to include restrooms, turf and a larger park. Mr. Craig added that the overall project increased about \$2.5 million, which will be funded through the partnership. Board Member Glew asked for clarification on the specific changes leading to the additional request. Mr. Prestemon replied that the original grant awarded was for \$2,040,250, and this request brings the total to \$2,897,893. Original cost for the remainder of the project was about \$19 million, which has now increased by \$2.5 million. Mayor Fuller added that the park budget was completed prior to any impacts from COVID, but the retail budgets were finalized after some impact from COVID. President Schneible responded to a question regarding the

timeframe for original consideration of the grant request, indicating the original grant request was presented to the Board in May 2020. Mr. Prestemon shared that his assumptions in the financial model presented today are very conservative. Board Member Riche asked if this new number is firm, and Mr. Prestemon replied that these numbers are locked in, and there would not be a request for another increase. Mr. Craig shared that he founded the company in 1980 and has been working on Craig Ranch for twenty-two years, adding that they landed the Byron Nelson. He stated that District 121 will be home to MCDC, MEDC and the Chamber, and it should be something that McKinney can be proud of. Board Member Glew sought clarification on improvements to the park. President Schneible reminded the Board that the park area will now be artificial turf, restrooms were added, and the park is slightly larger. Mr. Prestemon added that the project components have increased overall from a 160,000 square foot six-story office building to one with 200,000 square feet and eight stories. And, because of demand, retail will be built out in a single phase versus two phases as originally anticipated. As a result, the anticipated sales tax revenue will be more immediate. Additionally, the scale of restaurants signed will produce more sales tax revenue than originally budgeted. Board Member Glew asked about the status of the two future office buildings. Mr. Prestemon stated that they are not currently in development but are flexible in design. Secretary Kelly asked President Schneible about possible areas of the grant request that MCDC cannot legally fund. Ms. Schneible stated that the board may want to question the public art and club car components, but they are relatively small compared to the overall budget. Board Member Glew asked about the size of the digital billboards, and Mr. Prestemon said that they are working on a plan within TXDOT guidelines and requirements and will then begin design. President Schneible stated that TXDOT regulations presented issues with the signage on the garage, so

they will be considering signage alternatives including a monument in front of the hotel. Board members unanimously approved a motion by Secretary Kelly, seconded by Board Member Riche, to close the public hearing.

22-0378 Chair Richardson-Woods called for a Public Hearing and consideration/discussion/action on a Project Grant application submitted by Hugs Cafe (#22-08) in the amount of fourteen thousand one hundred fifty-eight and 93/100 dollars (\$14,158.93) for upgrades to a greenhouse structure to include benchtops and irrigation to accommodate increased wholesale business, expand propagation inventory and improve driveway and grounds. Amount represents 100% of total project cost. Hugs Café, Inc. Director of Development Lauren Smith shared that Hugs Greenhouse is the second social enterprise of Hugs Café, Inc., and their mission is to enhance the lives of adults with intellectual and developmental disabilities through training and meaningful employment. Their sales location is in McKinney just north of the Trinity Falls development. They are open for the season from 9:00 a.m. to 2:00 p.m. Tuesdays through Saturdays, and they are at the McKinney Farmers Market on Saturdays. She invited Board members to come out to the greenhouse now while it is in full bloom. She encouraged Board members to acknowledge the valuable work of their employees when they see them at the greenhouse or at Farmers Market. Ms. Smith shared that the scope of this grant request includes additional misting equipment to increase the density in a second greenhouse, additional planting tables (benchtops) for the second greenhouse and gravel to improve issues with road erosion and access safety. The project budget includes metal and wood needed for the planting tables at just over \$4,300, irrigation supplies at about \$5,800, gravel for the road at \$3,000, and itemized incidentals at \$1,000. Potential impact of this grant includes 1,400 more poinsettias grown and

\$13,500 in annual revenue. She reminded Board members that this opportunity lends a vote of confidence and source of pride for employees. Ms. Smith reminded the Board that the initial MCDC grant of \$13,324.90 supported their initial investment into irrigation, heating for both greenhouses and benchtops. With that investment, they grew 1,750 poinsettias and generated \$15,259 in revenue. This grant will allow Hugs Greenhouse to continue to grow their wholesale business. This initiative will allow Hugs to take on new wholesale orders for McKinney Boyd High School and others and will allow for additional hiring. Ms. Smith introduced Bill Crump, Hugs Greenhouse Manager, and Reagan Reese, Assistant Greenhouse Manager. Ms. Smith added that Hugs Café will be a caterer for the AT&T Byron Nelson and a lunch provider for the Salesmanship Club. Board Member Glew asked if his introduction to an HOA representative has helped in expanding Hugs Greenhouse business, and Ms. Smith acknowledged that it has, and they are growing their HOA client base overall. Secretary Kelly asked if they would solicit local stores for donation of items needed for the project. Ms. Smith shared that they would make donation requests, and if awarded, the project will come in under budget. Board members unanimously approved a motion by Board Member Glew, seconded by Secretary Kelly, to close the public hearing.

22-0379 Chair Richardson-Woods called for a Public Hearing and consideration/discussion/action on a Project Grant application submitted by Archstreet McKinney (#22-09) in the amount of two hundred fifty thousand and NO/100 dollars (\$250,000.00) for infrastructure costs related to construction of a select service hotel located in District 121. Michael Mueller and Jeff Cohen presented a potential hotel concept for District 121. The property will be an independent, boutique hotel unique to McKinney. The select service hotel is planned as a four-story, 50,000

square foot hotel with 102 rooms. It will feature premium suites, a fitness center, and a lobby bar with outdoor patio and second-floor terrace overlooking the District 121 park. About 13% of the room inventory will be premium signature suites, some with all glass façade overlooking the park and retail development. The select service format will encourage dining and shopping in District 121. The hotel will be located just east of Bob's Steak and Chophouse. Additionally, hotel guests will be able to use co-working space in the office building. The hotel will feature walkability to restaurants, shops, parks and offices. There is no affiliation with a national brand or flag, which affords the developer flexibility to be creative using local artists and vendors for hotel décor. The hotel will fill a need for rooms in McKinney without infringing on the business of the District 121 shops and restaurants or the goals of the full-service hotel planned at Craig Ranch. The economic impact of the hotel is about \$3.5 million over 10 years and \$8.5 million over 20 years. Eligible infrastructure costs are approximately \$1 million, and the request is for \$250,000. Secretary Kelly asked what specific elements this grant will fund if awarded. Mr. Mueller said this request would specifically cover the patio and water feature of the public space. Chair Richardson-Woods shared that MCDC will evaluate the request to determine whether each element qualifies. Additionally, she asked about the reliability of the numbers presented. Mr. Mueller shared that, if anything, the cost as presented has increased. They are currently in concept design phase, and they will have site development pricing in about five weeks. While they are anticipating budget increases, Mr. Mueller stated that their grant request is firm, and they will not return for a larger request. Board Member Glew asked if the hotel has a pool, and Mr. Mueller verified it does not. Mr. Glew asked about their timeline for securing financing, and Mr. Mueller shared that they have equity secured and will be reaching out for debt financing in June. He explained that it is still difficult to secure

debt financing for hotels in a post-COVID environment. Mr. Mueller added that, since the time of application, they have now finalized purchase of the land. Secretary Kelly asked about their relationship with Craig Ranch and District 121. Mr. Mueller shared that they purchased the site from District 121, LLC, and their agreement states they must receive approval for architectural design, site plan and landscape plan. Additionally, they have some cross-easement relationships, and they have granted District 121 approval for a monument sign if approved by TXDOT. Additionally, the property has a deed restriction that states they cannot have a restaurant in the hotel. Board Member Riche asked if they were looking into delivery relationships with the restaurants. Mr. Mueller shared that they are working on options to provide room deliveries directly from the restaurants. Chair Richardson-Woods asked if this grant request is necessary for the project to move forward. Mr. Mueller explained that this grant will determine how nice they can make the public areas. Board Member Glew verified that it is a completely independent hotel. He reminded everyone that the hotel was part of the initial plan for District 121. Secretary Kelly asked about their background in hotel development. Mr. Mueller explained that he and Jeff Cohen have been partners for seven years and their backgrounds include experience with Starwood Hotels, W Hotels and private endeavors developing, owning and operating hotels. Chair Richardson-Woods excused herself from the meeting due to a work conflict. Board members unanimously approved a motion by Board Member Riche, seconded by Board Member Bradford, to close the public hearing.

22-0380 Secretary Kelly called for a Public Hearing and consideration/discussion/action on a Project Grant application submitted by Habitat for Humanity of Collin County (#22-10) in the amount of seven hundred thousand and NO/100 dollars (\$700,000.00) to include: \$400,000 for the

purchase of land for new affordable home sites; and \$300,000 to fund critical home repairs for low-income residents in McKinney, Texas. Amount represents 100% of total project cost. Doug Fair was joined by Celeste Cox and shared an update on the Cotton Groves development. There are some shipping containers in place, and they are at the flooring stage of the amenity center. Mr. Fair shared that they are requesting a total of \$700,000, \$400,000 for land acquisition and \$300,000 for the Home Repair Program. They are making substantial changes to the structure of the home repair program. Measurable goals for the Home Repair Program are to repair forty homes in Collin County through on-time and under-budget projects. The MCDC grant request is intended to assist with repairs for eleven homes in McKinney. The goal for McKinney is for five home repairs with a budget of up to \$10,000 (Level 4), three home repairs with a budget of \$10,000 to \$25,000 (Level 3), two home repairs with a budget of \$25,000 to \$50,000 (Level 2), and one home repair with a budget over \$50,000 and up to \$75,000 (Level 1). This new restructuring allows Habitat to make decisions on repair projects quicker while still managing smaller repair projects in McKinney that can be funded through volunteer and sponsor groups, thus maximizing the overall impact to older McKinney neighborhoods. In 2021, Habitat repaired more than a dozen homes. Mr. Fair shared before and after photos of some of the homes and shared a story of how the program impacted one homeowner very personally, whose story led to the program's structural changes. Ms. Cox reminded the Board that the City of McKinney is working towards establishing a community land trust for the purpose of expanding affordable housing within the City's boundaries. Top housing needs identified in the City's housing research include additional and affordable rentals and starter homes priced near or below \$200,000, and Habitat's goals align with the latter. Ms. Cox noted that appraisal values for Habitat properties have increased 20% in

the past year, from \$228,000 to \$281,800. Additionally, land costs have increased 46% from \$46,000 to \$85,000 in the past two years for a single 5,000 square foot lot. Habitat is currently buying twelve to fifteen lots per year, so now is the time to purchase land. She announced that Habitat International has contracted with Grounded Solutions Networks to establish a resource center for Habitat affiliates looking for land trusts. There is also discussion about a Texas Habitat housing trust fund, and they are in the process of fulfilling required documentation. The purpose of a land trust is so the land remains as a lease, which allows the home buyer to pay only for the improvement on the land which keeps home costs down. Board Member Glew asked if this is the first time Habitat has come to MCDC for a land request, and Ms. Cox shared that MCDC paid for the Cotton Groves land. Additionally, lots are periodically purchased through MCDC funding. Ms. Cox explained that Habitat has right of first refusal for homes they've built, and they have used MCDC funding for those purchases as well. She added that a restrictive covenant allows the home resale to increase only up to 1.5% per year. The goal is to extend that restrictive covenant from 45 years to 99 years. Board Member Riche asked if the \$400,000 is firm, and Ms. Cox shared that it is. Secretary Kelly asked if they have targeted lots in mind, and Ms. Cox shared that they are negotiating for land for 33 lots. She added that Cotton Groves has 35 townhomes on 2.75 acres. They are building higher density to serve more families. Board Member Riche asked about time limits for homeowners to remain in the homes after repairs, and Ms. Cox that they place a five-year lien on each home. She also clarified that the homeowners are financially invested in the repairs at a percentage determined by a formula based on homeowner's income. Board Member Bradford asked for clarification about the long-term land lease. Ms. Cox explained that a land trust holds the land in perpetuity then leases it to buyers for 99 years, so homeowners are able to purchase the home at a

lower cost, because the land and infrastructure cost is not included in the price of the home. Additionally, homeowners need to repair any land damage prior to a sale, then the next buyer assumes the land lease. Secretary Kelly verified that it is Habitat's expectation to always exercise their right of first refusal. Board Member Glew commended Habitat on their new structure and strategy. Secretary Kelly asked if they have requested funding from other resources. Ms. Cox clarified that Habitat will financially contribute to each home built on the land. Regarding the home repair program, Habitat has many partners that will contribute to the home repairs as well. Secretary Kelly asked if there were opportunities for some collaboration with the City's Housing and Community Development department. Ms. Cox shared that they have ongoing communication with the City's Housing and Code Services departments to determine the best way to complete projects. Secretary Kelly expressed that he would like to see a formal collaborative program that essentially provides a one-stop-shop for low-income households needing assistance with home repairs on the east side of McKinney. Board members unanimously approved a motion by Board Member Riche, seconded by Board Member Glew, to close the public hearing.

22-0266 Secretary Kelly called for consideration/ discussion/action on MCDC Strategic Priorities for FY 23. Board Member Glew summarized the results from the work session on April 22nd. The top six priorities identified in that meeting are low-income housing; multi-use/mixed-use/destination entertainment projects; historical cultural district support and east side development; parks and open space development, including the preservation of open space and natural areas; community gathering facility and/or programming; and collaborative projects with community partners such as the City, MEDC, and nonprofits. President Schneible asked the Board to carefully consider whether these priorities

reflect the discussion from the work session. Secretary Kelly commended the Board on their work results from last week's meeting. Board members unanimously approved a motion by Board Member Bradford, seconded by Board Member Riche, to approve the strategic priorities as presented.

Secretary Kelly called for public comments on matters not on the agenda, and there were none.

Secretary Kelly called for Board comments. Board Member Riche expressed appreciation for the Cornerstone Ranch fundraiser, and Secretary Kelly thanked David Craig for his sponsorship of that event. Board Member Glew shared that the ManeGait LIVE event was outstanding.

Secretary Kelly recessed the meeting into Executive Session at 10:16 a.m. in accordance with the Texas Government Code. Items to be discussed regarding economic development matters include Project 20-08 (District 121, LLC Request to Amend), Project 22-08 (Hugs Greenhouse), Project 22-09 (Archstreet McKinney, District 121 Hotel), Project 22-10 (Habitat for Humanity), Project Bluesky, and Project 20-09 (TUPPS Brewery & Entertainment Destination).

Chair Richardson-Woods reconvened the meeting of McKinney Community Development Corporation back into regular session at 10:55 a.m.

Chair Richardson-Woods called for a motion to adjourn. Board members unanimously approved a motion by Board Member Glew, seconded by Secretary Kelly, to adjourn. Chair Richardson-Woods adjourned the meeting at 10:56 a.m.

A video recording of this meeting is available through the City of McKinney meeting archive.

These minutes approved by the MCDC members on: _____

ANGELA RICHARDSON-WOODS
Chairman

DAVID KELLY
Secretary