

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

AUGUST 27, 2020

The McKinney Community Development Corporation met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on August 27, 2020 at 8:00 a.m.

Board Members Present: Chairman Jackie Brewer, Vice Chairman Rick Glew, Treasurer Angela Richardson-Woods and Board members David Kelly, John Mott and Deborah Bradford.

Absent: Secretary Mary Barnes-Tilley.

City Council Members Present: Councilman Scott Elliott and Councilman Frederick Frazier.

Staff Present: President Cindy Schneible, City Manager Paul Grimes, Financial Compliance Manager Chance Miller, Assistant Director of Parks and Recreation Ryan Mullins, Main Street/MPAC Director Amy Rosenthal, Visit McKinney Communications/Marketing Manager Beth Shumate, City Attorney Mark Houser and MCDC Administrative and Marketing Coordinator Linda Jones.

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 was “just because” day. She invited everyone to spend a moment reflecting on courage.

Chairman Brewer called for public comments on agenda items, and there were none.

20-0729 Chairman Brewer called for action on the minutes of the McKinney Community Development Corporation meeting of July 23, 2020. Board members unanimously approved a motion by Board member Mott, seconded by Board member McGill, to approve the minutes.

20-0730 Chairman Brewer called for action on the minutes of the McKinney Community Development Corporation Project Grant Subcommittee

meeting of August 3, 2020. Board members unanimously approved a motion by Board member Mott, seconded by Board member McGill, to approve the minutes.

20-0731 Chairman Brewer called for the Financial Report. Financial Compliance Manager Chance Miller stated that July showed a net profit of \$320,000, with revenues of \$1.3 million and expenditures of \$970,000. Included in the expenditures is approximately \$750,000 related to Parks projects, mostly Finch Park and Old Settlers renovation projects. July sales tax, which reflects May sales, showed an 18.2% increase over 2019. Mr. Miller noted that about \$120,000 was related to audit collections. He added that even when factoring out the \$120,000, the sales tax increase was 15%. The year-to-date sales tax revenue is about 12.8% above last year's collections, through July. Sales tax numbers for sister cities were down again for the month. Allen and Frisco both showed 7% decreases, while Plano showed a 17.4% decrease. Mr. Miller added that most of McKinney's increase is related to retail trade. He asked for questions. Board member Kelly inquired about the reason interest income is below budget, and Mr. Miller explained that interest income will likely not catch up because the treasury rate has decreased so much. Chairman Brewer asked for questions on the Checks Issued report, and there were none.

20-0732 Chairman Brewer called for Board and Liaison Updates. Chairman Brewer expressed interest in having the MCDC Board participate in the Parks and Recreation Adopt-A-Spot program and suggested the Board consider adopting Bonnie Wenk Park. Additionally, Chairman Brewer mentioned that Jason Hernandez is organizing a program called *ATLAST (Aspiring Texas Latinos Achieving Succeeding Together)* designed to provide high school students interested in local government with an opportunity to learn about how the city business is conducted. She suggested the Board consider offering students the opportunity to

come to MCDC Board meetings and for the Board to serve in a mentor-like capacity with students.

City of McKinney. City Manager Paul Grimes shared that the U.S. Census is ongoing, adding that the original deadline of August 31 for enumerators to send in counts had previously been extended to October 31, but has since been brought back to September 30. McKinney has successfully counted about 70% of the population so far compared to about 58% across Texas. Mr. Grimes shared that the annual budget workshop was August 14. The proposed budget includes no new revenue, which reflects a decreased tax rate and the levy is flat. The proposed total budget is \$641 million with \$159 million budgeted for the general fund. Public Hearings for the budget will take place September 1 and 15, and Council vote on approval of the budget will be scheduled for the September 15 meeting. Mr. Grimes shared that Collin County has approved \$15 million for small business recovery funding from the CARES Act and will include businesses in incorporated and unincorporated areas. Small businesses who already received CARES Act funding from the Tri-City grant can still apply, but there is a maximum total of \$25,000 per small business across all CARES Act funding programs. Mr. Grimes asked for questions. Chairman Brewer expressed her thanks to the County Commissioners and Judge Hill for the county-wide small business funding program and added that applications will open September 4.

Visit McKinney. Communications/Marketing Manager Beth Shumate stated that weddings are picking up and the sales team is working on other potential events. She stated that the YOLO Texas crew who aired a show in June highlighting McKinney, aired a second show featuring Goodies Texas in July. Their Board reviewed and approved their FY21 budget at the last meeting. Ms. Shumate thanked two of the Visit McKinney Board members, Connie Gibson and Vince Vittatoe, for acting

as judges for the Lucky 13 grant program. She added that McKinney will be hosting two more influencers/bloggers over Labor Day weekend. Ms. Shumate added that, even with reduced hours, the Visitor Center is still greeting guests and tracking visits via a new iPad login system. She asked the Board to watch for information coming soon regarding a walk-through Patriot's Day celebration. She asked for questions, and there were none.

McKinney Economic Development Corporation. Chairman Brewer directed Board members to the report attached to the agenda.

McKinney Main Street/MPAC. Director Amy Rosenthal thanked Chairman Brewer and Secretary Barnes-Tilley for serving as judges for the Lucky 13 small business grant program, admitting that the decisions were tough. Awards of \$13,000 from the t-shirt sales funds were made and Lucky Transformation donated another \$2,000 in grant funds. Ms. Rosenthal stated that while special events cannot currently be hosted at MPAC, the drive-in concert series has proven to be successful. She added that the Margarita Walk, in partnership with SBG, is September 12. Ms. Rosenthal announced that the Better Block in a Box will be delivered September 21. Additionally, Parktoberfest, a drive-in "Oktoberfest" festival, is scheduled for September 26 and will include music, keg tapping and steinholding competition. Main Street is working with SBG on an Oktober Bier Walk to take place October 3 and 4. She also shared that the McKinney Wine & Music Festival has now changed to a stroll event in Downtown. Ms. Rosenthal announced that the Monarchs of McKinney displays are being installed, and there are eight beautiful large butterfly designs throughout the Cultural District. She credited Jakia Brunell for the organization of the project. Ms. Rosenthal asked for questions, and there were none. Vice Chairman Glew complimented Ms. Rosenthal and her team on the creativity of the drive-

ins and encouraged Board members to attend these events. He also encouraged Ms. Rosenthal to continue with the drive-ins post-pandemic. McKinney Parks and Recreation. Assistant Director Ryan Mullins stated that this summer has presented challenges and opportunities to learn how to program virtually. Capacity and attendance are lower in all recreation centers. Some changes to programs that have proven to be successful include taking the Special Needs Dance virtual and requiring parents in the water with their child for swim lessons. The department is currently working on renovations to eight parks: Wattley, North, Murphy, Mary Will Craig, E.A. Randels, W.B. Finney, Katherine B. Winniford and Falcon Creek. Renovations include replacing aged playground equipment and overall design/purpose updates. New restroom facilities will be installed at Al Rauschhaupt and will be designed to alleviate issues that could arise from the flood plain location. Mr. Mullins announced that the new Parks and Rec bus is in and will start with a simple wrap, including MCDC messaging. Plans are underway to update the wrap with new Parks and Recreation branding that Marketing and Communications is developing as part of a total marketing plan. Mr. Mullins added that the Fall Recreation Guides are online this year to afford flexibility in scheduling that is necessary with COVID. Mr. Mullins asked for questions. Chairman Brewer asked if she described the Adopt-A-Spot program correctly, and Mr. Mullins said she did and agreed that Bonnie Wenk would be a great choice for the MCDC Board if they choose to move forward in adopting a location. Mr. Mullins added that they have explored several design options for digital kiosks, stressing that they are looking for something that has clarity when patrons are reading the signs up close. They have found a vendor that may work for the monument sign, which does not require the close-up clarity. Vice Chairman Glew thanked Mr. Mullins for involving him in the visit from the sign vendor. Mr.

Mullins added that they are focusing on signs with cooling mechanisms that can handle the Texas heat.

20-0733 Chairman Brewer called for the President's Report. President Cindy Schneible congratulated Chairman Brewer, Vice Chairman Glew, Treasurer Richardson-Woods and Board member McGill on their reappointments to the MCDC Board for another term. She stated that the COVID Small Business Recovery Grant payments were completed at the end of July, with 352 small businesses and 61 home-based businesses receiving a total of just under \$500,000. She expressed appreciation for the support this program received from City Manager's Office, Development Services, Finance, MPAC and Visit McKinney. She thanked Chairman Brewer and Secretary Barnes-Tilley for participating in Lucky 13 as judges. Ms. Schneible called attention to several new promotional items, including a webcam cover giveaway packaged to share the BUY MCKINNEY messaging. She thanked Parks and Recreation for their widespread efforts in incorporating the IT'S MY MCKINNEY campaign into their project messaging. Ms. Schneible directed the Board to the reports attached to the agenda, calling special attention to the social media metrics and Chestnut Square's final report on their project grant which allowed them to upgrade several of the buildings in the historic village. Ms. Schneible asked for questions, and there were none. Chairman Brewer thanked Chestnut Square for the great before and after pictures provided in their final report.

20-0734 Chairman Brewer called for consideration/discussion/action on a request from SBG Hospitality to amend Promotional and Community Event Grant (PC20-18) for reallocation of funds in the amount of \$3,000 for advertising, marketing and promotion of the McKinney Oktober Bier Walk. President Schneible clarified that this request allows SBG to redirect a portion of funds awarded for McKinney Wine and Music

Festival to promote the Oktober Bier Walk. Board member Kelly sought clarification on what the funds were originally awarded for, and Ms. Schneible stated they were originally awarded for the Wine and Music Festival. Vice Chairman Glew asked for an explanation of how the event will be designed. SBG's Andrew Stephan explained that the Bier Walk will be similar to the walks/strolls they've been hosting in Downtown during the pandemic. Merchants will have different beer samples to give to patrons and ticketholders will check in throughout Downtown at staggered times to support social distancing. He added that there will be German music and food throughout Downtown, and guests will be encouraged to dress in theme. Board member Kelly asked for clarity on the new format for the Wine and Music event, and Mr. Stephan stated that the format will be similar to the strolls with vendors set up throughout Mitchell Park and Downtown. Board members unanimously approved a motion by Treasurer Richardson-Woods, seconded by Board member Kelly, to approve the reallocation. Mr. Stephan thanked the Board for their consideration and support. Vice Chairman Glew requested that Board members make their motions out loud in addition to using the voting system.

20-0735 Chairman Brewer called for consideration/discussion/action on a request by TUPPS Brewery to extend the term on Promotional and Community Event Grant (PC #20-06) to June 8, 2021 to accommodate promotion of the McKinney Music Festival postponed to May 7-8, 2021. President Schneible reminded the Board that grant recipients have one year to use promotional grant funds from the date the award is made. An extension of the term is needed for TUPPS to be able to use the promotional funds for this event. Board members unanimously approved a motion by Treasurer Richardson-Woods, seconded by Board member Kelly, to approve the term extension.

20-0738 Chairman Brewer announced that the Retail Development Infrastructure Grant Application submitted by IDA Realty, LLC (RDIG 20-03) in an amount of up to \$25,000 for replacement and relocation of electrical services and installation of new water line at Bresnan Artisan Bakery, located at 110 West Virginia, McKinney, Texas was withdrawn, so no action will be taken on this item taken. Board member Kelly asked if the applicant is expected to reapply at a later date, and Ms. Schneible responded that she spoke to the applicant's representative and it is not known if an application will be submitted in the future.

Chairman Brewer recessed the meeting to Executive Session at 8:38 a.m. in accordance with the Texas Government Code. Items to be discussed under Section 551.087 regarding economic development matters were Project 18-05 HUB 121, Project 20-08 District 121, Project 20-09 TUPPS Brewery, Project 20-10 Heard Museum, Project 20-11 Sanchez Charities, Project 20-12 St. James CME Church, RDIG 20-02 Cadence Cyclery and RDIG 20-03 Bresnan Artisan Bakery.

Chairman Brewer reconvened the Board meeting back into regular session at 10:13 a.m.

20-0736 Chairman Brewer called for consideration/discussion/action on a request for a second amendment to Project #18-05 (HUB 121) to extend the required completion date from May 15, 2020 to March 15, 2021 and to increase the grant amount for the project from four hundred thousand and NO/100 dollars (\$400,000.00) to seven hundred thousand and NO/100 dollars (\$700,000.00) 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. Vice Chairman Glew shared that the discussion in Executive Session focused on supporting the request while fundamentally assuring the completion of the project prior to the 2021

Byron Nelson Golf Tournament. Chairman Brewer emphasized the importance of having the project complete, so that tournament patrons have the opportunity to BUY McKINNEY. Board members unanimously approved a motion by Board member Mott, seconded by Board member Kelly, to approve a second amendment to Project 18-05 to extend the required completion date to May 15, 2021 and to increase the grant amount from \$400,000 to \$700,000 subject to the following conditions: \$150,000 if a certificate of occupancy for shell structures is secured for buildings 1, 2, 3 and music pavilion by January 15, 2021; and \$150,000 if a certificate of occupancy is secured for three restaurants by May 1, 2021.

20-0737 Chairman Brewer stated that the 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 square feet of retail/restaurant space (29,725 sf Phase I; 8,000 sf Phase II) will be tabled until the next regularly-scheduled MCDC Board meeting on September 24, 2020 by request of the applicant.

20-0739 Chairman Brewer called for consideration/discussion/action on a request for funding submitted by Heard Natural Science Museum and Wildlife Sanctuary (Project #20-10) in the amount of forty thousand and NO/100

dollars (\$40,000.00) to upgrade trails and to improve accessibility at the facility located at 1 Nature Place, McKinney, Texas. Board members unanimously approved a motion by Board member Kelly, seconded by Board member Mott, to approve funding as requested.

20-0740 Chairman Brewer called for consideration/discussion/action on a request for funding submitted by Sanchez Charities, LLC (Project #20-11) in the amount of fifty thousand and NO/100 dollars (\$50,000.00) to locate a monument at the Mexican Cemetery located in Pecan Grove Cemetery at 1701 McDonald Street, McKinney, Texas. Vice Chairman Glew expressed the importance of signage at each entrance to direct visitors to the various cemeteries and inform them of the significance of each section. Board member McGill stated her appreciation for the work that has been done so far and shared that this project and the cemetery tour has inspired her to learn more about McKinney's history. She expressed that the potential additional collaboration among Pecan Grove partners is great. Board member Kelly encouraged the applicant to look at the project holistically as part of a bigger Pecan Grove, Potters, Ross and Mexican Cemetery project. Mr. Kelly thanked Board member Bradford for her comments during Executive Session which provided great insight and helped move the Board forward with this request. He expressed the need to see additional detail on the project budget. Chairman Brewer encouraged the applicant to continue the project beyond the currently defined scope. Treasurer Richardson-Woods thanked Jason Hernandez for the time he spent with Board members touring the cemetery and sharing some of the rich Mexican history of McKinney. Board members unanimously approved a motion by Board member Bradford, seconded by Vice Chairman Glew, to approve project funding in the amount of \$50,000 subject to the following conditions: a letter of support for the project is secured from the Pecan Grove Cemetery Board of Trustees

and a detailed budget for the project is provided to MCDC. Chairman Brewer thanked Board members for the level of discussion on this project during Executive Session.

20-0741 Chairman Brewer called for consideration/discussion/action on a request for funding submitted by St. James CME Church (Project #20-12) in the amount of one hundred fifty thousand and NO/100 dollars (\$150,000.00) for construction of eight low-income housing units on land parcels owned by the Church on McDonald Street, McKinney, Texas. Board members unanimously approved a motion by Treasurer Richardson-Woods, seconded by Board member Mott, to approve funding as requested.

20-0742 Chairman Brewer called for consideration/discussion/action on revised FY21 McKinney Community Development Corporation budget. President Schneible shared that the budget has been reviewed by City Manager's staff and by Council, and there are very few changes since the initial draft approved by the MCDC Board. She added that sales tax revenue has been increased slightly while interest revenue was decreased slightly. The overall impact to revenue for FY 21 is \$300,000 more than what was projected in the draft budget approved in May. There were minimal changes in expenditures. Areas impacted include an increase in personnel costs; additional funding for the promotion of the Texas Music Revolution, an event considering a move from Plano to McKinney; slight increase for Board recognition; increase in project costs to include an owner's representative for the TUPPS Brewery project; and additional funding for legal expenses related to projects funded by MCDC. The increase in expenses totals about \$300,000. Funding for grants remains the same at \$8.9 million, which includes \$5.5 million for Parks and Recreation projects. The amount budgeted to flow into fund balance for future projects is about \$2.5 million. Board member Kelly asked what the originally budgeted fund balance addition was, and Ms.

Schneible responded that it was just over \$3 million. Mr. Kelly also asked for clarification that the category of revenue reduced from the draft budget approved in May is from the adjustment in interest income. Ms. Schneible indicated that was correct. Board members unanimously approved a motion by Board member McGill, seconded by Vice Chairman Glew, to approve the revised budget as presented.

In response to action taken during the Executive Session, Chairman Brewer called for a motion to approve land purchase from the City of McKinney for TUPPS Brewery Project #20-09. Board members unanimously approved a motion by Treasurer Richardson-Woods, seconded by Board member Mott, for purchase of the land as discussed in Executive Session.

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

Chairman Brewer called for Board or Commissioner Comments. Treasurer Richardson-Woods expressed her gratitude for her reappointment to the Board and shared that she appreciates the passion, ideas and perspectives that each Board member brings to the table. She thanked staff for their work and support to continue the great work going forward.

Chairman Brewer called for a motion to adjourn. Board members unanimously approved a motion by Treasurer Richardson-Woods, seconded by Vice Chairman Glew, to adjourn. Chairman Brewer adjourned the meeting at 10:55 a.m.

MARY BARNES-TILLEY
Secretary