

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

SEPTEMBER 26, 2013

The McKinney Community Development Corporation met in regular session in the Dowdy Board Room, 5900 S. Lake Forest Drive, Suite 110, McKinney, Texas, on September 26 at 8:00 a.m.

Chairman George Fuller called the meeting to order at 8:04 a.m.

Board members present: George Fuller, Jason Burress, Kevin Griffin, Michael Puhl, Scott Elliott, and Colleen Smith.

Staff present: Executive Director Cindy Schneible, Administrative Assistant Connie Gibson and Marketing & Research Specialist Cayti Huston.

There were several guests present.

- 13-988** Minutes of the McKinney Community Development Corporation Board Meeting of August 22, 2013. Scott Elliott made a motion to approve the minutes. The motion was seconded by Colleen Smith. The motion was voted on and passed.
- 13-989** Minutes of the McKinney Community Development Corporation and McKinney City Council Joint Meeting of September 4, 2013. Michael Puhl made a motion, seconded by Kevin Griffin, to approve the minutes. The motion was voted on and passed.
- 13-990** August 2013 Financial Report. Trudy Mathis, Senior Financial Services Manager for the City of McKinney presented the financial report. The sales tax receipts continue to come in higher than projected. The projected year-end revenues for fiscal year 2013 are \$9.37 million.
- 13-991** Checks Issued August 2013. There were no questions on checks issued.
- 13-992** Board and Liaison Updates

Chamber of Commerce

- The October issue of McKinney magazine will be delivered the week of September 30th. The “Best of...” winners will be featured in the magazine.
- The “State of the Community” luncheon will be November 7th. The luncheon will have a focus on economic development.
- The Government & Legislative Issues committee will meet Friday, October 4th. Topics of discussion will include the nine constitutional amendments on the ballot in November.
- A North Texas rally for the Prop 6 water initiative was attended by Chamber President Jodi Ann LaFreniere Ray and Mayor Loughmiller on September 25th. The rally received good media coverage. Throughout the next month initiatives locally and across the state will be rolled out to inform people of the importance of water conservation.

City of McKinney

- City Councilman Travis Ussery thanked the three outgoing board

members for their service, honesty and integrity.

- City Councilman Roger Harris thanked the board and echoed Mr. Ussery's comments.
- The closing on the financing with the private developer for the Gateway hotel and event center is targeted for September 26th.
- The City will complete purchase of the Collin County Regional Airport on November 1st.
- Development activity throughout the city continues to increase. Residential permits are up 30% over last year.

Main Street & MPAC

- The annual Oktoberfest event is scheduled for September 27-28.

McKinney Convention & Visitor's Bureau

- The MCVB office has been working with the Commemorative Air Force to promote their AirPower Expo October 3-6 at Collin County Regional Airport.
- Walk-in traffic in the MCVB office continues to increase. There were 289 recorded visitors to the MCVB office this past month with 26 coming from other countries, and 98 coming from out of state.
- The MCVB staff assisted with 359 room stays in the month of August
- Advertising space has been secured with D Magazine, USA Today, and TourTexas.com

McKinney Economic Development Corporation

- MEDC is working to develop a master plan for the 50 acres on the Gateway site that is owned by MEDC.
- The Collide Center at The Cotton Mill has done exceptionally well in the short time the program has been implemented. There are currently 18 companies working out of the building.
- Construction on the corporate center at Craig Ranch is progressing. The building is a 120,000 square foot spec office building.

Parks, Recreation & Open Spaces

- The PROS budget for FY 2013-14 was approved. The budget includes three new maintenance personnel, and equipment funded by MCDC.

13-993

Marketing Report

- The E-newsletter was sent to 208 people this past month. The next issue will be sent out in late September/early October.
- Cayti Huston has been working with the City IT department to create a GIS map that will show MCDC projects and city parks. The program will be accessible on iPads or Smartphones.

13-994

Executive Director's Report

- September 26th is the scheduled closing date for the private developer with the Gateway hotel/conference center project.
- The Sheraton hotel franchise has been approved for the hotel project.
- The Parks, Recreation and Open Space update that was presented to City Council was given to the MCDC board.

- MCDC sponsorship opportunities: Volunteer McKinney Make a Difference Day.
- MCDC will run ads in McKinney magazine promoting “Home for the Holidays” and Believe! 2013 run.

13-995 Conduct a Public Hearing to Consider/Discuss/Act on Project #13-16 as requested by City of McKinney Parks, Recreation and Open Spaces requesting \$46,780 for expenses related to hike and bike trail signage. Lemuel Randolph presented the application to the board. Jason Burress made a motion to close the public hearing and approve the project application. Michael Puhl seconded the motion. The motion was voted on and passed.

13-996 Consider/Discuss/Act on Project #13-09 as submitted by North Collin County Habitat for Humanity requesting \$174,419.75 for ReStore improvements, software, and Neighborhood Revitalization Initiative. Cindy Schneible stated that based on information provided by MCDC’s legal counsel, \$144,820 of the total requested was eligible for consideration for funding by the board. The purchase of a truck did not qualify. Jason Burress expressed concern over using taxpayer funds for home repair. Celeste Cox, Executive Director of NCCHH reported that the ReStore operation is paying for not quite 100% of operation costs for the North Collin County Habitat for Humanity. Jason Burress asked the amount that MCDC has funded Habitat. The figure totals roughly \$650,000 since 2005. Kevin Griffin stated he would like to see the program weaned off of MCDC support. He made a motion to approve funding the project \$144,820. The motion was seconded by Michael Puhl. The motion was voted on and passed (5-1) with Jason Burress opposing.

13-997 Consider/Discuss/Act on Project #13-10 as submitted by Heard Natural Science Museum requesting \$20,969.41 for landscaping and other costs related to the relocation of a Pioneer Village from the Dallas Arboretum to the Museum. Executive Director Sy Shahid addressed the board. The Pioneer Village has been relocated and has been very well received. There have been many volunteers dedicated to the relocation and set up of the village. Kevin Griffin made a motion to fund the project \$20,969.41. Jason Burress seconded the motion. The motion was voted on and passed unanimously.

13-998 Consider/Discuss/Act on Project #13-11 as submitted by Heritage Guild

of Collin County requesting \$250,000 for repairs and renovations to Chestnut Square properties. Cindy Johnson, Executive Director reported that she had sent the financial information requested at MCDC's August board meeting to all board members. George Fuller commented that The Heritage Guild funding is a recurring request. Kevin Griffin stated that Chestnut Square was consistently operating in the red before Cindy Johnson took over as Executive Director. The proposed conversion of The Dulaney House to a bed and breakfast will provide a revenue stream for Heritage Guild and help wean them off of MCDC funding. Cindy Johnson commented if The Heritage Guild continues to request funds from MCDC it will be in order to take the organization to the next level through potential funding opportunities. The bed and breakfast conversion is a unique opportunity. Scott Elliott asked what the net income projections would be after plugging in George Fuller's figures. Cindy Johnson stated approximately \$60,000-\$70,000. George Fuller made a motion to approve the funding. Colleen Smith seconded the motion. Michael Puhl stated he applauds the efforts made by Cindy Johnson, her board, and staff. The motion was voted on and passed unanimously.

13-999 Consider/Discuss/Act on Project #13-13 as Submitted by ManeGait Therapeutic Horsemanship requesting \$50,000 for road resurfacing covered waiting area, signage, and ramp rehab. Kevin Griffin reported that the ManeGait land is now owned by the organization. He made a motion to approve the funding request. Jason Burress commented that he is very pleased with how ManeGait staff has managed the organization especially with respect to administrative and fundraising costs and the percentage of revenue dedicated to delivering program services. The motion was seconded by Scott Elliott and voted on. The motion passed.

13-1000 Consider/Discuss/Act on Project #13-08 as submitted by McKinney Sports Connection requesting \$11.9 million for construction of an indoor multi-sport facility for recreational youth sports in McKinney; \$250,000 in operating capital for first year; \$500,000 funds for short-term operating shortfall in years 1-3, and 9 acres of land for initial construction. George Fuller suggested that the request be tabled, as the applicant had indicated a desire to submit an amended application and it had not yet been received. Additionally, if the application is amended, another public hearing will need to be scheduled. Colleen Smith made a motion to table

the request. Scott Elliott seconded the motion. The motion to table was voted on and passed unanimously.

- 13-1001** Consider/Discuss/Act on Project #13-14 as submitted by Plano Sports Authority (PSA) for the construction of an indoor, youth multisport facility that included a request for an equity loan in the amount \$3,200,000. Don Blackwood, General Manager and Bill Wadley, Board Chair with PSA addressed the board and showed a slideshow of the construction of PSA Murphy. The construction on this facility began in January 2013 and it is expected to open October 15th. George Fuller commented that he felt PSA has demonstrated a proven track record in the design, construction and operation of multisport facilities in the region. And, while McKinney Sports Authority has done a great job with the resources available to them, he does not believe that organization has the resources or capacity to build and operate the type of facility needed in McKinney. Michael Puhl stated that this type facility is long overdue. PSA has the capabilities to create the facility needed. George commented on the PSA name. Bill Wadley stated PSA has become a brand. There has been talk of changing the name. George Fuller agreed that PSA is a recognized brand. Kevin Griffin asked about the total scope and cost of the project. The answer was approximately \$9.7 million. Kevin then asked if the requested amount of \$3.2 million in equity loan funding would be enough. Mr. Wadley stated PSA's equity investment in buildings constructed to date has been 33% of the cost for construction of the buildings. Don Blackwood clarified, for the board that the \$3.2 million loan will be repaid to MCDC. Kevin Griffin made a motion to approve the application made by PSA for construction of PSA McKinney and to provide an equity loan in the amount of \$3.2 million from MCDC with the following conditions: the term of the loan is to be four years with no interest charged if repaid within the first three years; there would be no penalty for early repayment; the loan amount would be secured with a second lien, subject to the bank coming in with first lien. Funding the loan will provide PSA the equity needed to go ahead and start the project. Michael Puhl seconded the motion. The motion was voted on and passed unanimously.

- 13-1002** Consider/Discuss/Act on proposed amendments to McKinney Community Development Corporation bylaws. City Council has voted to change board and commission policies and the proposed changes will ensure that MCDC's bylaws conform to revised City policy. Changes include

requiring candidates for board appointment to be registered voters, and increasing the possible length of time for a board service to three, two-year terms. Additionally, a waiting period of one year is no longer required between service on MCDC or other City boards and appointment to another board. George Fuller made a motion to approve the MCDC amended bylaws. Kevin Griffin seconded the motion. The motion was voted on and passed.

- 13-1003** Consider/Discuss financing for aquatic facility and RFQ / RFP process. Cindy Schneible stated the board has the option to go through an RFQ process to qualify design and construction firms for the proposed aquatic facility, or to move forward with the Brinkley Sargent/Councilman Hunsaker team that was qualified and selected as a result of an RFQ process completed in 2009. George Fuller stated he was in favor of initiating a new RFQ process, as the project currently envisioned is different from the one originally approved in 2009. City Manager Jason Gray agreed. Michael Puhl made a motion to conduct a new RFQ process. Scott Elliott seconded the motion. The motion was voted on and passed.

The financing options for the aquatic facility were discussed. The MCDC finance committee reported they would like the board to provide a more concrete plan to take back to City Council. City Manager Gray stated the finance department has developed scenarios for debt service payments that would be required for bond financing in the amounts of \$12, \$18, and \$24 million dollars. The finance committee recommendation was to keep a reserve of between \$5-10 million dollars (with \$5 million a minimum) for other projects and opportunities that may be presented to the MCDC board for consideration. The city will provide \$9-9.5 million on the aquatic facility project, and their funds will be first in on the project. Cindy Schneible stated that a vote was not needed. The board consensus is enough to share with City Council.

Roger Harris suggested MCDC board and staff discuss possible announcements concerning the potential PSA sports facility. The project will still need to go to City Council for approval.

Kevin Griffin made a motion to adjourn the meeting, and Jason Burrese seconded the motion. The motion was voted on and passed.

The meeting was adjourned at 9:30 a.m.

GEORGE FULLER
Chairman