

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

NOVEMBER 20, 2014

The McKinney Community Development Corporation met in regular session in the Dowdy Board Room, 5900 S. Lake Forest Drive, McKinney, Texas, on November 20, 2014 at 8:00 a.m.

Board members present: Chairman Scott Elliott, Vice Chair Kurt Kuehn, David Clarke, David Myers, Hamilton Doak, and Rick Glew (alternate).

Absent: Secretary/Treasurer Colleen Smith, and Michelle Gamble.

Staff present: President Cindy Schneible; Administrative Assistant Deb Hass; Mayor Brian Loughmiller; Interim City Manager Tom Muehlenbeck; Director of Parks, Recreation, and Open Spaces Rhoda Savage; and MEDC President Jim Wehmeier.

There were four guests present.

Chairman Elliott called the meeting to order at 8:02 a.m. after determining a quorum was present. Chairman Elliott noted for the record alternate Board member Rick Clew was seated as a Board member due to the absence of Board member Gamble, and Secretary/Treasurer Smith.

14-1204 Minutes of the McKinney Community Development Corporation Meeting of October 23, 2014. Board members unanimously approved the motion by Vice Chair Kuehn, seconded by Board member Doak, to approve the Minutes of the McKinney Community Development Corporation Meeting of October 23, 2014.

14-1206 Board and Liaison Updates
McKinney Convention & Visitors Bureau (MCVB) – Vanessa Baggett, MCVB Tourism Services/Sales Representative updated the Board on the travel writers' visit to McKinney. Ms. Baggett reported MCVB has advertised in TourTexas.com, Tea in Texas, the McKinney magazine Business to Business Issue, Oxford American Music, TripInfo.com, TTIA, and McKinney Courier Gazette Home for the Holidays, Texas Monthly, Southern Living, and Martha Stewart. Ms. Baggett also reported there

were 227 walk in visitors at MCVB the month of October, 98 were out of state visitors, 18 were out of country visitors, 70 were Texas resident visitors, and 41 were McKinney resident visitors. Ms. Baggett stated 3628 leads were processed requesting more information about McKinney. The top five states requesting information were Texas, New Mexico, Louisiana, Oklahoma, and Arkansas. Ms. Baggett reported 36 total room nights were booked with total revenue of \$3560. Ms. Baggett reminded the Board not all booked rooms are captured due to rooms not identified as being part of a block for certain events. Ms. Baggett stated the MCVB Board met for their strategic planning session, and will be voting on recommendations made from the planning session at their next Board meeting. Vice Chair Kuehn asked Ms. Baggett if any of the MCVB visitors have been from Toyota. Ms. Baggett commented yes, MCVB has seen quite a few from Toyota, and from the Munzee Market Place.

Chamber of Commerce – McKinney Magazine Publisher Peggy Smolen stated the Chamber of Commerce will be having an Open House at their new location in downtown McKinney on December 4, 2014. Ms. Smolen reminded the board of the “Food for Friends” Leadership McKinney event being held at Adriatica to benefit the Community Food Pantry. Ms. Smolen reported the “State of the Community” event was a sold out event with over 500 in attendance. Ms. Smolen asked for any feedback about the event from the Board.

Main Street & MPAC - President Schneible reported on behalf of Main Street and MPAC. Ms. Schneible reminded the board of the “Home for the Holidays” event being held the weekend of November 28, 2014. FedEx is the title sponsor for the event. Ms. Schneible reported FedEx will offer shipping to people who will be shopping in downtown McKinney. This is a service that is debuting in McKinney. McKinney was chosen through a rigorous and competitive process because of the high percentage of independent businesses in the City. Ms. Schneible

reminded the board of the tree lighting ceremony being held on November 28, 2014 with a free concert by Emerald City following the ceremony. Ms. Schneible commented MPAC is very busy the month of December with all the performances, and holiday parties. Board member Doak reminded the Board of the Rotary Parade of Lights being held on the night of December 13, 2014.

McKinney Economic Development Corporation (MEDC) – President/CEO

Jim Wehmeier stated the new MEDC Board members are Randy Page, and Alternate Board member Joe Strub. Darrell Tate was elected MEDC new Board Chairman, Lance Lindsay as Vice Chairman, and Robbie Clark as Secretary/Treasurer. Mr. Wehmeier reported MEDC closed a small tech project that will create sixty new jobs. Mr. Wehmeier updated the Board on the Gateway project. Lincoln properties have been provided an MOU, and their attorneys are reviewing it. The goal is to have the MOU back sometime by the end of November.

Parks, Recreation & Open Spaces – Director of PROS Rhoda Savage

reported PROS is on a fast track to get construction plans drawn up to begin work on Bonnie Wenk Park Phase II, and Gray Branch park. Ms. Savage commented about the incredible natural beauty of the site where Gray Branch park will be constructed. Ms. Savage stated she is looking at the trail markers that have been placed and looking to see where gaps can be filled in. Ms. Savage reported PROS is looking for opportunities for land acquisition as the economy is still mending and the prices are still reasonable. Ms. Savage reported she, Ms. Schneible, and Patricia Jackson, Facilities Construction Manager, met with the Aquatics Center architect and construction team to work to align design features of the facility with the budget. Ms. Savage stated there was a plan to bring options to the City Council Work Session on December 15, 2014 for discussion. Board member Clarke asked Ms. Savage about the PROS five year master plan. Ms. Savage stated she has spoken with Interim

City Manager Muehlenbeck and Deputy City Manager Barry Shelton about creating an advisory committee to go forward with the updating of the PROS master plan. Ms. Savage commented the plan that is in effect right now was adopted in 2009, and those types of plans are generally only in effect for five to ten years. Ms. Savage would like to see the new plan reflect more of what the community needs are with respect to parks and open spaces. Ms. Savage commented she would like to have a couple of members from the MCDC Board on the advisory committee, along with a couple of City Council members, and a couple of Parks Board members. Ms. Savage stated developing a master plan will probably be a twelve month process.

14-1205 Financial Report. Chief Financial Officer Rodney Rhoades reported everything is trending correctly from sales tax revenues. Sister city revenues are also up. Mr. Rhoades stated he did not see any issues with the October MCDC financial statement. Chairman Elliott remarked how much he liked how the financial statement graphs were displayed. Mr. Rhoades asked the Board to please relay any comments or changes the Board might want to see in the financial report. Mr. Rhoades stated in future financial statements there will be a summary page added to the report.

14-1207 Report on Samaritan Inn (Project #14-06) - New, Expanded Facility at 1512 and 1514 N. McDonald Street to Support Individuals and Families Through Its Comprehensive Homeless Support Program in Collin County. Samaritan Inn Director of Business Operations, Jim Malatich provided an update on the plans for an expanded facility that will be built at 1512 and 1514 N. McDonald Street. Mr. Malatich shared a power point presentation that illustrated the design of the facility. He reported the first phase of the facility will cost approximately \$5.5 million dollars and that \$3.8 million of that amount has already been raised in less than a year. Mr. Malatich believes the remainder of the money will be raised at this

year's gala where President George Bush will be the speaker. Mr. Malatich stated 2016 is the target date for occupancy and thanked the Board for their support of the Samaritan Inn. Mr. Malatich commented November is homeless awareness month.

14-1208 Report from the McKinney Housing Authority (Projects #14-04 and #14-07) - Redevelopment of Newsome Home Properties into a Senior Housing Community. Roslyn Miller, Executive Director of the McKinney Housing Authority provided an update on the Newsome Home redevelopment project. Ms. Miller reported that City participation in the project was approved August 4, 2014 by City Council. Ms. Miller said her committee worked with the McKinney Housing Finance Corporation to issue the bonds for the project. The goal is to start demolition of the old Newsome Homes in March of 2015. Ms. Miller commented the Housing Authority is in conversation with the Samaritan Inn, and Habitat for Humanity for developing a revitalization program for the east side of McKinney in addition to what the City is doing. Ms. Miller stated the Housing Authority is also applying for various grants. Ms. Miller reported the Housing Authority has issued an RFQ with responses due December 10, 2014 for redevelopment of remaining McKinney Housing Authority properties. Ms. Miller shared with the Board a handout demonstrating the economic impact when redeveloping property. Ms. Miller shared with the Board the different educational, and job training opportunities the Housing Authority provides to its residents.

14-1209 Marketing Director's Report. Ms. Schneible gave the marketing report. Ms. Schneible stated Ms. Stein is at the Oklahoma Economic Development Institute for her second training course. Ms. Schneible commented the last Toyota Expo will be November 22, 2014 and thanked the Board for their support at the Expo. Ms. Schneible commented that it has been mentioned there could be as many as 60% of Toyota employees will be transferring to North Texas. The company had

originally anticipated only 40% would transfer. Ms. Schneible displayed a mockup of the pocket folder to be used with the My McKinney campaign. Ms. Schneible reminded the Board to check out the calendar on the website for all the local events being held in McKinney.

14-1210 Executive Director's Report. President Cindy Schneible reported she, Ms. Savage, and Ms. Jackson are working to schedule a joint Work Session with the MCDC board and City Council on December 15, 2015 to discuss the Aquatic Center. Ms. Schneible reported the firm pricing for the Aquatic Center is expected the week of November 24, 2014. The goal is to have ground breaking for the Aquatic Center to be during the first quarter of 2015. Ms. Schneible stated the second draw for PSA is being processed. The total amount drawn so far is approximately under \$2 million, with the total amount to be drawn expected to be \$2.7 million instead of the \$3.2 million that was approved. Ms. Schneible reported PSA will have their certificate of occupancy by the end of the current week, with the opening on December 1, 2014. Ms. Schneible reminded the Board to mark their calendars for PSA's grand opening celebration on December 4, 2014, at lunch time. PSA will be sending out the invitations. Ms. Schneible pointed out the aerial of the Sheraton progress. The builder is keeping the target date of completion to be February 19, 2014 and will begin booking rooms February 26, 2014. Board member Clarke questioned if the hotel was offering an introductory room rate. Ms. Schneible indicated she would inquire about the possibility and noted that Mr. Martinez the Sheraton sales director, shared there was a strong interest in booking the hotel for weddings in the spring. Ms. Schneible commented the Chamber Community Award Celebration will be held January 30, 2014. Ms. Schneible reminded the Board of the CDC Quality of Life Award given at the ceremony. Ms. Schneible reported Project Heat's agreement has been signed and executed. Chairman Elliott reminded the Board the incentive payments made in connection with

Project Heat will not be paid until 2022. Ms. Schneible stated she attended the International Council of Shopping Centers conference that was held in Dallas on November 13, 2014, and reminded the board that the City, MCDC, and MEDC the City, MCDC, and MEDC are working together with The Retail Coach to develop retail economic development plan for McKinney. The Retail Coach had a presence at the convention and invited Ms. Schneible to join them. Ms. Schneible stated many area cities had booths set up at the event and highlighted the areas available in their city for retail. Ms. Schneible indicated she would recommend that McKinney have a presence at the 2015 Dallas and Las Vegas events. The Las Vegas event is a huge opportunity for introducing McKinney to restaurants and retailers that McKinney doesn't already see. Ms. Schneible commented the parent company of La Madeline is opening a new restaurant concept in the Dallas area, and so is Zaxby's Chicken. Ms. Schneible commented staff is working on the CDC Christmas party, which will be held on Thursday, December 18, 2014.

Chairman Elliott welcomed Interim City Manager Tom Muehlenbeck. Mr. Muehlenbeck reported the Finance Department will be providing a monthly financial report at the City Council meetings starting December 1, 2014 with the October 2014 report. Mr. Muehlenbeck stated he is working with City Council in developing a ten year capital improvement program along with a ten year operating budget. Mr. Muehlenbeck stated as of right now the City has approximately \$60 million in projects already authorized by the citizens of McKinney, and approximately \$160 million in projects that have not yet been authorized by citizens. Mr. Muehlenbeck feels this will start the conversation for the need of a bond referendum.

14-1211 Consider/Discuss/Act on the Issuance of Obligations in Amount not to Exceed Twenty-Four Million Dollars (\$24,000,000) for the Design and Construction of Project #14-09 (McKinney Aquatic and Fitness Center) in Accordance with Article VI, Section 6 of the Sixth Amended Bylaws of the

McKinney Community Development Corporation; and to Appoint and Authorize the Chief Financial Officer of the City of McKinney to Act as Fiscal Agent. Mr. Rhoades and Ms. Schneible gave a brief explanation of the process. Board members unanimously approved the motion by Vice Chair Kurt Kuehn, seconded by Board member Clarke, to approve the issuance of obligations in an amount not to exceed \$24,000,000 for the design and construction of Project #14-09 in accordance with Article VI, Section 6, of the Sixth Amended Bylaws of the McKinney Community Development Corporation and to appoint and authorize the Interim City Manager and Chief Financial Officer of the City of McKinney to act as Fiscal Agents.

Chairman Elliott commented he has been asked several times by citizens of McKinney what his outlook is for the City, and why he wants to participate in the future of the City. Chairman Elliott's response to those questions are optimism for the future of McKinney, prudence in finances, and as a Board we are advocates for McKinney, and the great partnership the Board has with the City, City Council, and sister organization. Chairman Elliott asked for citizen comments, there were none.

Board members unanimously approved the motion by Vice Chair Kuehn, seconded by Board member Clarke, to adjourn. Chairman Elliott adjourned the meeting at 8:55 a.m.

SCOTT ELLIOTT
Chairman

ATTEST:

COLLEEN SMITH
Secretary/Treasurer