

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

FEBRUARY 28, 2019

The McKinney Community Development Corporation met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on February 28, 2019 at 8:00 a.m.

Board members Present: Chairman Kurt Kuehn, Vice Chairman David Clarke, Secretary Jackie Brewer, Treasurer Rick Glew, Board Members Kathryn McGill and Angela Richardson-Woods.

Absent: Board Member Mary Barnes-Tilley.

City Council Members Present: Mayor Pro-tem Tracy Rath.

Staff Present: MCDC President Cindy Schneible; City Manager Paul Grimes; Assistant City Manager Barry Shelton; Director of Parks and Recreation Michael Kowski; Chief Financial Officer Mark Holloway; MEDC President Peter Tokar; MPAC Marketing and Development Specialist Jakia Dudley-Faine; and MCDC Administrative and Marketing Coordinator Linda Jones.

There were several guests present.

Chairman Kuehn called the meeting to order at 8:00 a.m. after determining a quorum of the Board was present.

19-0164 Chairman Kuehn called for action on the Minutes of the McKinney Community Development Corporation Meeting of January 24, 2019. Board members unanimously approved the motion by Board Secretary Jackie Brewer and seconded by Board member Angela Richardson-Woods to approve the January 24, 2019 minutes of the McKinney Community Development Corporation Meeting.

19-0165 Chairman Kuehn called for the Financial Reports presentation. Mark Holloway, City of McKinney Chief Financial Officer, called attention to the January financials. January had revenues of about \$1.1 million and expenses of \$154,000. Sales tax for November were down about 1%

from 2018, but December tax collections were up about 3.6% for the year. Mr. Holloway anticipates that we will be well within our 4.4% forecast over last year. Mr. Holloway asked for questions, and there were none.

19-0166 Chairman Kuehn called for Board and Liaison Updates.

City of McKinney. City Manager Paul Grimes reviewed the Citizens Survey. The two-part survey is complete and the National Research Center is preparing a report that will be shared in the Spring. Budget guidelines were adopted at the last City Council meeting, and the budget process is underway. Department directors have started preparing budget requests. There will be a public input session in April, and the budget will be adopted in mid-September. The May election has three categories: the Bond has five propositions, City Council has three seats up for election, and there will be a City Charter amendment. Mayor Fuller has been in Austin for state legislative deliberations, where he testified on House Bill #2, revenue cap legislation, which is a fundamental issue for McKinney and other Texas local governments.

McKinney Convention and Visitors Bureau. Vanesa Rhodes, Sales Manager for the MCVB, reported that the Night of Artists and Chefs had more than 275 attendees. She thanked Taylor Rause from Rye, Chef Aaron Thomas from Éclair Bistro, and Chef Jason Ferraro from Sugarbacon. She also thanked Anne Royer for her leadership with the artists who participated: Melissa Patrello, Kim Guthrie, James and Barbara Mason, Teresa Krieger, and Leo Malbeouf. The MCVB is currently working on niche itineraries to sell as packages. They are working with Kincaid Coaches (formerly Red Carpet Bus Tours) to make McKinney a stopover or focal point for various bus tours including girlfriend getaways, romantic getaways, family vacations, and a three-city heritage shopping tour. The guided walking tours have been very

popular, and they have created an app-like browser interactive map for people to take a tour on their own. Revenue for the NCAA Division II Championship Football Game was approximately \$157,000 for McKinney and \$315,000 for the region. They are currently working on a contract to host again next year. MCVB Director DeeDee Guerra and Ms. Rhodes spoke to Texas House and Senate members regarding three tourism issues: supporting the current levels of marketing funds, opposing tax bills expanding the eligible use of hotel taxes to include general infrastructure, and supporting summer for Texas families by making the school year September through May.

McKinney Economic Development Corporation. President Peter Tokar shared with the Board the news regarding the resignation of the MEDC Board Chair. City Council will appoint a new MEDC Board member on March 4, and MEDC Board will meet on March 5 to elect a new chair and discuss the 2019 Key Performance Indicators. MEDC is excited about the possible opportunity with Starlight Entertainment to work on a performing arts theater and entertainment venue in McKinney. This project is still in its early stage, and MEDC is looking at potential sites and developing a support package for the project. The MEDC is making forward progress on several other big projects as well.

McKinney Main Street/MPAC. Jakia Dudley-Faine, MPAC Marketing and Development Specialist, presented March MPAC programming which includes the musical Dirty Rotten Scoundrels, the Krewe of Barkus event at the new Chestnut parking garage, Goitse, Four Funny Females, Buster Keaton, Young Actors Guild's Antony and Cleopatra, and the Janoska Ensemble's Beatles Tribute. The artist continues to work on the mosaic on the Chestnut Commons parking garage as weather permits. The Cultural District is establishing a website, and businesses are utilizing the new Cultural District calendar. Ms. Dudley-Faine thanked the MCDC for its support.

McKinney Parks and Recreation. Michael Kowski, Director of Parks and Recreation, announced the release of the new Spring/Summer Activity Guide in a new magazine format which aligns well with the new Parks and Recreation website. The graphics on the stage that was funded MCDC are being rewrapped. The Dream Parks campaign has seen about 180 responses and about 20% of the ideas can be immediately implemented. Parks and Recreation has been trying to secure private partners for some capital improvement projects. They have about \$1 million for soccer field enhancements, another \$1 million in written commitments, and another \$1.3 million in verbal negotiations that may help offset operations in addition to capital enhancements. About \$15 million of funding provided by MCDC will be utilized in the next few months. Mr. Kuehn asked for an update on the All Abilities Playground. Mr. Kowski reported that the skywalk is being installed soon, and they are planning an all-day grand opening event in early June.

19-0167 Chairman Kuehn called for the President's Report. President Cindy Schneible called attention to the various attachments including the Rotary Parade of Lights final report. The MEDC is sponsoring a Bisnow event next week which will highlight development along 121, 380 and 75. There are several events coming up that are supported by the MCDC through Promotional and Community Event Grants including the Historic McKinney Farmers Market which returns to Chestnut Square on March 2, and the St. Patrick's Day Festival and Run on March 16. Ms. Schneible complimented Collin County History Museum's *Then and Now* exhibit and their creative use of technology. Ms. Schneible reminded the Board that the next Project Grant cycle opens tomorrow, March 1, and runs through March 29.

19-0168 Chairman Kuehn called for the 2019 City of McKinney General Obligation

Bond Election presentation. Mr. Kuehn asked for clarification on how the current Senate Bill #2 will impact the bond if a tax cap were to go into effect. Paul Grimes, City Manager, responded that while a tax cap would not directly affect the bond, it would have an indirect impact. If we are constrained by a tax cap, the city would need to borrow more money to pay for some capital projects.

Proposition A: Public Safety Facilities

The city proposes \$75 million for improvements and expansion of McKinney's Public Safety facilities. The funds will be used for the design and construction of facilities, the acquisition of land if required, and off-site improvements of Public Safety facilities. Funds will also be used for additional facilities to prepare for the projected growth of both police and fire administration, land acquisition for future fire stations, and improvements to current fire stations. The current Public Safety Building was occupied in 2006 by McKinney Police Department and Fire Department Administration. A Public Safety Support Building was constructed on the site and occupied in 2018. More than 400 employees use the buildings daily, and about 150 employees office there full-time. Building operations include Fire and Police Department Administration, criminal investigations, Emergency Operations Center, 911 dispatch, Fire Department Training Division, Logistics and Prevention, as well as meeting and training space. Since opening the current facility, McKinney has doubled in population, so expanding these facilities addresses this growth. In addition, a new multi-level parking garage will accommodate the city's expanding police and fire fleet. Security upgrades and other improvements to existing fire station facilities will ensure the safety and enhance the operational needs of fire personnel and equipment. Land purchases for future public safety uses as well as fire station development will ensure maintaining certifications and an industry-

leading ISO Rating of 1. Fire station #10 is already being built and we own the land for #11. Going forward, we will need at least four or five more stations, so land acquisition is required. Mr. Grimes asked for questions or comments on Proposition A, and there were none.

Proposition B: Municipal Community Complex

The city proposes \$50 million to be used in the design and construction of a new McKinney Municipal Community Complex, which would function as a City Hall and a Community Civic Center. The bond committee did research and consider how other cities use their city hall buildings. The proposed complex will include public and community spaces for City Council and citizens, as well as city departments including City Manager, City Secretary, Communications and Marketing, Development Services, Financial Services, Housing and Community Development, Human Resources, Information Technology, and Parks and Recreation Administration. McKinney's current City Hall was built in the 1950s and houses only three of the city's nine departments that would ultimately reside in a new cohesive facility. The remaining six departments currently reside in leased facilities. The proposed Municipal Community Complex will allow for more streamlined city services. Currently, the nine departments intended to be housed within a new facility are as far as eight miles from each other. The city pays about \$650,000 annually to lease office space for the delivery of core services, an expense that will virtually be eliminated with the construction of the proposed new facility. The city has completed a space and needs study to identify the square footage requirements, acreage requirements and facility functionality requirements that will serve the community for years to come. The Municipal Community Complex will be designed to accommodate the city's growth for the next generation. City staff and City Council are considering several locations throughout McKinney. The \$50 million will

serve as a significant source of funding, but it will not cover the entire cost. The city is confident this funding can leverage additional public-private partnership opportunities that will help share some of the project costs and risks, as well as utilize innovative finance options that are available to the private sector. Mr. Grimes asked for questions or comments on Proposition B. Board member Jackie Brewer asked about how the current City Hall would be repurposed. Mr. Grimes responded that the current facilities could be repurposed, sold, and redeveloped and put back on the tax rolls. These policy recommendations would be brought to City Council and it would be their choice as to how to handle the property. Chairman Kuehn asked for clarification about the possible location of the new City Hall, and Mr. Grimes stated that they are pursuing various locations throughout the City, all of which would be a catalyst for development in the surrounding area.

Proposition C: Parks and Recreation Facilities

The city proposes \$91 million for the enhancement and expansion of the community's parks system. The city's parks system features nearly 3,000 acres of parks and open space, six unique recreation facilities and more than 40 parks, with some park areas dating back more than 100 years. Our current parks represent about half the required parks, facilities and open space needed to serve the community at the city's build-out. The 2017 Parks and Recreation Master Plan sets a standard target level of service (LOS) based upon national and regional metrics for both neighborhood and community parks to meet the recreational needs of residents. In McKinney, the target LOS for neighborhood parks is two acres for every 1,000 residents. McKinney currently has 1.4 acres per 1,000 residents. For community parks, McKinney's target LOS is six acres for every 1,000 residents, and the city currently has 6.2 acres per 1,000 residents. This proposition includes the renovation or expansion of

existing parks, sports fields and facilities, the construction of new parks and the acquisition of property for future parks development. The proposition also includes expansion of the Senior Recreation Center. In 2002, the 16,000-square-foot Senior Recreation Center and Senior Pool opened to accommodate 75-100 annual members age 50 and older, and it now has more than 3,200 annual members and is expected to rise to 3,500 members by the end of the year. Over time, every room in the Senior Recreation Center has become a multipurpose room due to a lack of space. The new Senior Recreation Facility would include potential amenities such as a gymnasium, indoor track, aquatic center, fitness area, game and billiards room, indoor and outdoor lounges, kitchen, and multipurpose spaces for classes, meetings and events. The location of the facility will be based upon a variety of factors such as the building program, site area requirements and timeline of other parks development projects. The location for a new Senior Center would be near where it is today. This proposition also includes the replacement of aging playground equipment and splash pads. Many of our parks have equipment that is more than 20 years old. Funds will be used for new or renovated restrooms and pavilions, the addition and widening of trails, updates to lighting, expanding and refreshing parking lots, adding general amenities and landscape enhancements. This proposition includes the complete renovation of all baseball, softball and soccer fields. The city will refresh spectator areas, provide additional amenities, upgrade lighting, and add and renovate pavilions and restrooms at each of the complexes in the parks system. The 2017 Parks and Recreation Master Plan requires the city to acquire at least 416 acres of new park land by 2022 and another 456 acres by 2027. Funds will also be used to begin improvements to other vacant land currently owned by the city to create more park space in the community. The Parks and Recreation Department currently receives \$5.5 million each year for parks

construction projects from the McKinney Community Development Corporation's Type B half-cent sales tax. Other funding sources include grants, parkland dedication fees paid by developers and private contributions. Mr. Grimes asked for questions and comments on Proposition C, and there were none.

Proposition D: Public Works Facilities

The city proposes \$34 million to be used in the design and construction of new Public Works facilities, land acquisition and off-site improvements needed to accommodate the Public Works Department located at 1550 S. College Street. The new complex would allow the department to meet the needs of the city's growing population. McKinney's current Public Works facilities were built in 1993 when the city had a population of approximately 25,000 citizens. A Fleet Maintenance facility was added in 1995, a Water and Wastewater building was constructed in 1998, and a Purchasing, Parks and Warehouse facility was added in 2000. Additional facilities would provide Public Works services for the existing 190,000 residents of McKinney as well as the ability to maintain a city fleet of more than 800 vehicles and meet future needs due to continued growth. This proposition would provide for a new multi-bay facility with a maintenance area for heavy equipment and fire apparatus, a new fuel station with multiple storage tanks and pumps for both gasoline and diesel fuel, a tracking system for the city's fuel usage to provide efficiencies in the fueling of city vehicles and equipment, and a multi-bay vehicle wash and mud removal facility for city vehicles and equipment. This facility would include offices, meeting and training rooms, spaces to accommodate the needs of the Public Works office and field staff, as well as warehouse space for the inventory of maintenance materials and parts. Mr. Grimes asked for questions and comments on Proposition D, and there were none.

Proposition E: Street Improvements

The city proposes \$100 million for the construction or reconstruction of transportation projects that will improve mobility and safety, reduce congestion and address aging infrastructure. Funds requested could have been much higher as far as needs, but they have to balance how much can actually be accomplished in a reasonable timeframe. Funds are set aside on a yearly basis to address project needs as they arise. These include projects like intersection turn lanes and safety improvements, traffic signals, street pavement repairs and pedestrian accessibility improvements. Additional projects that will be addressed include roadway capacity improvement projects, new roadway construction, town center roadway improvements and Intelligent Transportation Systems. To best leverage bond funds, the proposed \$100 million is intended to be combined with other funding sources including federal grants, state grants, roadway impact fees and other miscellaneous sources. Because of the high likelihood that outside funding will be secured for multiple transportation projects, the potential projects listed could fluctuate. Mr. Grimes asked for questions and comments on Proposition E, and there were none.

Bond Committee:

Mr. Grimes presented the process of how these bond proposals were established. A 35-member Bond Committee was made up of citizens appointed by the City Council. Mr. Grimes thanked Chairman Kuehn, Vice Chairman Clarke and Secretary Brewer for their service on the Bond Committee. The full Bond Committee met four times over the last few months. The Bond Committee was presented with more than \$450 million in capital improvement projects. The Bond Committee vetted the various projects for which funding was proposed and recommended the final \$350 million and five propositions to the City Council. City Council

approved the Bond Committee's recommendation for inclusion on the May election ballot. Board Treasurer Glew asked for clarification regarding how the propositions will appear on the ballot. Mr. Grimes shared that each of the five propositions are required to be voted on separately. Mr. Glew then asked how the communications plan for this bond will differ from the bond election of four years ago to assure that citizens fully understand each proposition. Mr. Grimes stated that the plan is already ahead of where we were for past bond elections. While staff must remain neutral, the website is updated with Fast Facts for each proposition, videos are being created, and staff will be presenting to community groups. A Political Action Committee has been established by the Chamber. Although city staff must remain neutral, the PAC can advocate for the bond proposals. Chairman Kuehn remarked that the \$350 million could have been much higher and still would not have required a tax increase. He stated that the city issues debt strategically and over time. Mr. Grimes added that the city currently has about \$220 million in debt with more than \$22 billion of taxable value in the community. Even with a \$350 million bond, the city would be carrying a very small debt. Mr. Grimes reminded the Board that policy control always remains with City Council, and staff is required to come before the City Council every time there is a proposal to issue debt. Chairman Kuehn asked how much of the \$350 million is land acquisition. Mr. Grimes stated he didn't have those exact numbers, but estimated that the total is probably around \$30-\$50 million on the high side. Vice Chairman Clarke commented that voters would benefit from an understanding that money from a bond is the least costly to the city. Mr. Grimes elaborated on two policy reasons to issue bonds. First, cost of money is low because the risk is low. Second, bonds are typically being paid over multiple generations, so the burden doesn't fall to one generation. Board Treasurer Glew also suggested the importance of making sure citizens

understand how proactive this bond is and the importance of planning and preparing for the next 20-40 years. Board Secretary Brewer suggested that communications to citizens be very clear on the difference between this bond versus school bonds or county bonds that have been on the ballot recently. Mr. Grimes reminded the Board that details regarding the bond and how tax dollars are spent are easily found on the mckinneytexas.org website. Only 22% of property taxes go to the City of McKinney to fund vital services like public safety, streets and parks, while 67% goes to McKinney ISD, 8% goes to Collin County and the remaining 3% goes to Collin College.

19-0169 Chairman Kuehn called for Consideration/Discussion/Action on a Project Grant Application Submitted by Habitat for Humanity of Collin County (#19-01) in the Amount of \$80,000 for Critical Home Repair in McKinney for Low Income Families. Amount Requested Represents 25% of Total Project Cost. Mr. Kuehn congratulated Celeste Cox on the approval of the training facility for the Cotton Groves development. Board member Angela Richardson-Woods recused herself from the discussion of Agenda Item #19-0169. Board members unanimously approved the motion by Vice-Chairman Clarke and seconded by Board Secretary Brewer to approve the Habitat for Humanity of Collin County Project Grant (#19-01) in the Amount of \$80,000 for Critical Home Repair in McKinney for Low Income Families. Board member Angela Richardson-Woods returned to the dais following the discussion and vote.

19-0170 Chairman Kuehn called for Consideration/Discussion/Action on a Project Grant Application Submitted by the City of McKinney Apex Centre (#19-02) in the Amount of \$200,000 for Funds to Hire an Architect to Develop Plans for Future Expansion of Apex Centre. Amount Requested Represents 100% of Total Cost. Board members unanimously approved the motion by Board Secretary Brewer and seconded by Board Vice-

Chairman Clarke to approve the City of McKinney Apex Centre Project Grant (#19-02) in the Amount of \$150,000 for Funds to Hire an Architect to Develop Plans for Future Expansion of Apex Centre.

19-0171 Chairman Kuehn called for Consideration/Discussion/Action on a Project Grant Application Submitted by McKinney Parks Foundation (#19-03) in the Amount of \$2,000 to Purchase and Install Ten Picnic Tables and Two Concrete Benches in Locations Along the Natural Surface Trail at the McKinney Community Center. Amount Requested Represents 100% of Total Project Cost. Board members unanimously approved the motion by Board Treasurer Glew and seconded by Board member Richardson-Woods to approve the McKinney Parks Foundation Project Grant (#19-03) in the Amount of \$2,000 to Purchase and Install Ten Picnic Tables and Two Concrete Benches in Locations Along the Natural Surface Trail at the McKinney Community Center.

19-0172 Chairman Kuehn called for Consideration/Discussion/Action on a Project Grant Application Submitted by Collin County History Museum (#19-04) in the Amount of \$4,007 to Purchase Photo boards for Window Displays in the Foyer and Gallery of the Museum. Amount Requested Represents 88% of Total Project Cost. Board members unanimously approved the motion by Board Vice-Chairman Clarke and seconded by Board Secretary Brewer to approve the Collin County History Museum Project Grant (#19-04) in the Amount of \$4,007 to Purchase Photo boards for Window Displays in the Foyer and Gallery of the Museum.

19-0173 Chairman Kuehn called for Consideration/Discussion/Action on a Project Grant Application Submitted by Heard Craig (Project #19-05) in the Amount of \$12,790 for Upgrades to the Carriage House. Amount Requested Represents 100% of Total Project Cost. Board members unanimously approved the motion by Board Treasurer Glew and

seconded by Board member McGill to approve the Heard Craig Project Grant (#19-05) in the Amount of \$12,790 for Upgrades to the Carriage House.

19-0174 Chairman Kuehn called for a Public Hearing and Consideration/Discussion/Action on a Retail Development Infrastructure Grant Application Submitted by Local Yocal Farm to Market (RDIG 19-01) for Reimbursement of Expenses Related to Infrastructure Improvements at Local Yocal BBQ and Grill, 350 E. Louisiana Street, McKinney, Texas. Matt Hamilton, President of Local Yocal, presented Local Yocal's growth from a 900 square foot local retail market to adding a restaurant in a 14,000 square foot building. Local Yocal strives to supply healthy, delicious, sustainably raised meats and artisan food products, while supporting local growers in an upscale retail market. They are currently planning to expand to fill the space they have. Mr. Hamilton stated that Local Yocal is a catalyst for east of Highway 5, bringing nearly 8,000 people per month to its storefront. With a heart and eye for the past, Local Yocal supports the business and residential development in the downtown area. Local Yocal is requesting \$7,768.82 for infrastructure expenditures including removing a grease trap and updating and increasing both water and sewer capacity to prepare the back portion of their space for retail space. Structural work and improvements have already been completed. Chairman Kuehn reminded everyone that the new Retail Development Infrastructure matches 50% of what the business expends up to \$25,000. Board members unanimously approved the motion by Board member Richardson-Woods and seconded by Board Vice-Chairman Clarke to close the public hearing. Mr. Kuehn stated that action will be taken on this grant request at the March MCDC Board meeting.

19-0175 Chairman Kuehn called for Consideration/Discussion of a Letter of Inquiry

Submitted by The Salvation Army McKinney Community Center for a Potential Project Grant Application for Funding to Replace Gym Floor. Major Paul White stated that the Salvation Army facility is in need of a new gym floor. The gym is used for basketball, pickle ball and other sports including fencing. They will be asking for \$33,917 to help pay for a new maple hardwood floor to replace the current floor. Mr. Kuehn stated that the purpose of this discussion is to answer questions and provide clarity for the Salvation Army as they prepare a grant proposal. Mr. Joe Tafur joined Major White and explained that the current vinyl floor is glued directly to the concrete slab with no padding, so it is not really suitable for sports. In addition, tiles are pulling up in some areas. Board member McGill asked about the maintenance of the new floor and whether or not that cost is included in the facility budget. Mr. Tafur stated the maintenance would cost about \$1500 a year, which is less than they are spending now.

Chairman Kuehn called for Citizen Comments. There were none.

Chairman Kuehn called for Board or Commissioner Comments. Chairman Kuehn complimented the Chamber on their fantastic awards event. Board Secretary Brewer, Board Treasurer Rick and Vice Chairman Clarke all added compliments to the Collin County History Museum's *Then and Now* exhibit, especially the use of technology to tie the old with the new.

Chairman Kuehn stated there would be no Executive Session and called for a motion to adjourn. A motion to adjourn made by Board member McGill and seconded by Board Vice-Chairman Clarke was unanimously approved. Chairman Kuehn adjourned the meeting at 9:21 a.m.

KURT KUEHN
Chairman