



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 17-214, **Version:** 1

Consider/Discuss/Act on Project #17-01, Submitted by the City of McKinney in the Amount of Three Million, Five Hundred Thousand Dollars (\$3,500,000) for Partial Funding for an Expansion to the McKinney StarCenter; Estimated Project Construction Cost is \$8,500,000; the Amount Requested Represents 42% of the Total Estimated Construction Cost

COUNCIL GOAL: Enhance the Quality of Life in McKinney
Direction for Strategic and Economic Growth

MEETING DATE: February 23, 2017

DEPARTMENT: McKinney Community Development Corporation

CONTACT: Cindy Schneible, President

ITEM SUMMARY:

- The City of McKinney is requesting MCDRC funding participation in the construction costs associated with an expansion of the McKinney StarCenter.
- The proposed project would add 46,000 square feet of space and would include one sheet of ice and 1,500-2,000 seats to facilitate hosting of youth level hockey games, tournaments and other events.
- The addition to the facility will also include an expanded back of house / locker room area.
- There is potential to also include private space to be used by a minor league hockey franchise.
- The amount requested represents approximately 42% of the total estimated construction cost (\$8,500,000 total).

BACKGROUND INFORMATION:

- The McKinney StarCenter is a facility owned by the City of McKinney and leased to the Dallas Stars.
- Current lease became effective October 1, 2009; the term is 20 years with two 5-year renewals.
- Current facility is approximately 85,000 square feet and includes two full-size ice rinks used for programs ranging from entry level "learn to skate" classes to training athletes to perform on the national stage.
- Programming offered includes hockey and figure skating academies.
- Team training and league games are held at the facility on a seven (7) day/week schedule.
- The strong recreational hockey program offered at the McKinney StarCenter, along with the McKinney North Stars travel organization, has resulted in the McKinney StarCenter hosting more kids playing hockey than any other rink in Texas.

- The McKinney StarCenter is home to the MISD high school hockey program, winner of the Texas High School State Championship in 2013-14 and 2015-16.
- Additionally, public skating is offered periodically throughout the year.
- A promotional event, featuring a Dallas Stars player or coach, or team practice is scheduled annually.
- Dallas Stars promote the City of McKinney through game programs and advertising/announcements.

FINANCIAL SUMMARY:

- Cost for original construction of the McKinney StarCenter, completed in 2009, was \$12,300,000.
- The City of McKinney funded \$6,800,000 for construction.
- MDCDC funded \$5,500,000 for construction.
- Monthly lease payments at the beginning of the lease term were \$44,000/month, with scheduled escalation at the beginning of every five year time period through year 30.
- The tenant is responsible for the cost of operations, maintenance and capital repairs.