



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 20-1142, **Version:** 1

Conduct a Public Hearing to Consider/Discuss/Act on a Request by the City of McKinney for TIRZ Funding for the Proposed East Louisiana Parking Lot Project

COUNCIL GOAL: Enhance the Quality of Life in McKinney
(5D: Promote reinvestment activities in McKinney's historic downtown that balance the historic character and current market needs)

MEETING DATE: January 5, 2021

DEPARTMENT: City Manager's Office

CONTACT: Barry Shelton, AICP, Assistant City Manager

RECOMMENDED ACTION:

- Staff recommends approval of the proposed request.

ITEM SUMMARY:

- The City is requesting up to \$3,500,000 in TIRZ funds for the East Louisiana Parking Project. The project includes property purchase, relocation expenses, design, and construction of a public parking lot.
- Companion agenda items are on the January 5th City Council agenda to amend the Capital Improvements Projects budget to transfer funds to the project and to approve the contract for the parking lot design.

BACKGROUND INFORMATION:

- TIRZ has the authority under Section 311 and Chapter 380 of the Texas Local Government Code to make loans or grants of TIRZ funds for the purposes of promoting local economic development and stimulating businesses and commercial activity within the TIRZ.
- Specific construction costs associated with proposed projects shall be eligible for funding from TIRZ No.1, subject to review and approval by the TIRZ Board.

Catalyst Projects

- State Highway 5 (McDonald Street) improvements
- Parking facilities
- Development of new buildings (or redevelopment of existing buildings) as mixed use/residential/civic projects
- Development of a major employment center that is supported by associated high

density residential, retail, and entertainment uses that serve as an iconic/signature development within the community.

Vacant/Underutilized Sites/Buildings

- Relatively smaller projects (under \$5.0 million) for the incremental redevelopment of vacant/underutilized Town Center sites or buildings.

The following categories of TIRZ-eligible expenditures shall be applicable to both Catalyst Projects and Vacant/Underutilized Sites/Buildings

- Environmental Remediation, Interior/Exterior Demolition, Historic Façade Restoration Improvements/Easements and Fire Safety Improvements/Grants.
- Acquisition and restoration of historic sites.
- Street, Utility, and Streetscape Improvements
- Land Acquisition

Mixed-Income Housing

- Funding to encourage and assist in the creation of new affordable workforce and mixed-income housing inside or outside the Town Center TIRZ is included.
- The City of McKinney conducted the Town Center Study in 2006-2007. Phase 1 of the Town Center Study established a starting point for the development of an overall revitalization plan for the town center. The study consisted of the following:
 - Observing and documenting existing conditions
 - Engaging stakeholders
 - Creating a shared illustrative vision of preferred concepts and ideas
 - Identifying and clarifying the significant obstacles to realizing the vision
 - Establishing a general framework for moving forward
 - Phase 2 of the Town Center Study focused on evaluating, crafting and phasing appropriate implementation components into a comprehensive action plan. Major tasks of Phase 2 include:
 - Market feasibility analysis
 - Downtown parking analysis
 - Creation of the Town Center Tax Increment Reinvestment Zone (TIRZ no.1)
 - Creation of the McKinney Town Center (MTC) Zoning District
 - While the Town Center Study included a larger area, one area of focus was the “Transit Village”, which is the area of aging industrial properties centered on the historic flour mill.
 - The district is now beginning to redevelop, with restaurants and businesses locating primarily along Louisiana and Virginia Streets. The City has also chosen to locate its future new city hall north of the flour mill.
 - Public parking has been identified as a restraining factor in the development of the transit village area around the flour mill. The proposed public parking lot will serve existing and future businesses in the district.

FINANCIAL SUMMARY:

- The City is requesting up to \$3,500,000 in TIRZ funds for the East Louisiana Parking Project. These funds will cover the following costs:
 - Property Purchase - Approximately \$1,900,000
 - Relocation Expenses - Estimated \$500,000
 - Parking Lot Design - Estimated \$115,000
 - Parking Lot Construction - Estimated \$985,000
- TIRZ #1 Fund Balance -
 - The TIRZ #1 Fund currently has a balance of \$6.8 million.
 - The TIRZ #1 Fund is estimated to have approximately \$6.0 million at year-end if this request is approved.