

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

APRIL 27, 2023

The McKinney Community Development Corporation met in regular session in the City Hall Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on Thursday, April 27, 2023 at 8:00 a.m.

Board Members Present: Chair Angela Richardson-Woods, Vice Chair David Kelly, Secretary Deborah Bradford, Treasurer Kathryn McGill, Board Members Mary Barnes-Tilley, David Riche and Joy Booth, and Board Alternate Jon Dell'Antonia.

Absent: None.

City Council Present: Mayor George Fuller and Councilwoman Geré Feltus.

Staff Present: President Cindy Schneible, City Manager Paul Grimes, Accounting Manager Chance Miller, Assistant Director of Parks and Recreation Ryan Mullins, Visit McKinney Executive Director Aaron Werner, MEDC President Peter Tokar, Cultural District Director Andrew Jones and MCDCC Administrative and Marketing Coordinator Linda Jones.

There were several guests present.

Chair Richardson-Woods called the meeting to order at 8:01 a.m. after determining a quorum was present. Secretary Bradford offered an invocation which was followed by the Pledge of Allegiance.

Chair Richardson-Woods called for a motion on consent items. Board members unanimously approved a motion by Treasurer McGill, seconded by Board Member Riche, to approve the following consent items:

- 23-0314** Minutes of the McKinney Community Development Corporation Meeting of March 23, 2023.
- 23-0315** Minutes of the McKinney Community Development Corporation Special Meeting of March 13, 2023.
- 23-0316** Minutes of the McKinney Community Development Corporation Retail Development Infrastructure Grant Subcommittee Meeting of March 17, 2023.

23-0317 Minutes of the McKinney Community Development Corporation Potential Projects Subcommittee Meeting of March 27, 2023.

23-0318 Chair Richardson-Woods called for the Financial Report. Accounting Manager Chance Miller presented financials for the month of March, which is halfway through the fiscal year. Revenues for March were \$2.4 million including \$1.5 million in sales tax collections. Expenses were \$2.3 million, including \$102,000 for projects and \$2.1 million for Parks and TUPPS construction. March represented January sales and showed a true increase of 6% over 2022 with a year-to-date increase of 8.4%. During the same period and taking audit corrections into account, Allen had a true increase of 3.7%, Frisco had a true increase of 6%, and Plano had a true increase of 9%. Mr. Miller shared that retail trade is consistently trending at a 4% to 7% growth rate. Board Member Barnes-Tilley verified that the by-industry report is new to this report and shared appreciation for the data. Vice Chair Kelly asked why the budget revenue for the year shows only 54% received when the revenue has consistently been 3% or more over what was budgeted. Mr. Miller explained that we have actually only collected for the first four months of this fiscal year. Vice Chair Kelly asked about the \$517,000 of unrealized gains and losses. Mr. Miller explained that we are required to account for these numbers, but that the true interest is about 3% to 5% overall, with City and partner investments being managed together. There were no questions on the checks issued report.

23-0319 Chair Richardson-Woods called for Board and Liaison Reports.
Board Chair. Chair Richardson-Woods expressed appreciation for Linda Jones' contribution to the Board and workings of MCDC. Other Board members expressed appreciation as well. Chair Richardson-Woods shared that since our last Board meeting, members and staff have

participated in several community events and meetings including promotional grant events: Shakespeare McKinney, Farmers Market, Chestnut Square Farm-to-Table dinner, McKinney Community Concerts Beach Boys concert, and Arts in Bloom. Board members represented MCDC at additional events including McKinney Christian Academy Boots & Pearls Gala, Chamber Quarterly Lunch, Volunteer McKinney Spirit of Volunteerism Awards, the Community Connections Fair, Downtown Redevelopment Input Meeting and joint meetings with EDC and City Council and with the Parks Advisory Board. Board Member Booth complimented City Staff on their attention to citizen input on upcoming citywide projects. Board Member Riche acknowledged the NAACP's recognition of Chair Richardson-Woods and Councilwoman Feltus' leadership and contributions to the community. Board Member Barnes-Tilley shared appreciation for the information published about the airport that assisted in conversations with residents. She shared that she enjoyed throwing a bowl for McKinney Empty Bowls this year and commented that Arts in Bloom was another successful event this year. Secretary Bradford commented that the Volunteer McKinney Awards event was great and acknowledged Dr. Rick McDaniel and Maylee Thomas Fuller for being recognized. Ms. Bradford also thanked the McKinney Chamber for the event on diversity, equity and inclusion, and complimented McKinney Christian Academy on their 30th year anniversary gala. Vice Chair Kelly complimented the Children's Advocacy Center of Collin County on their gala.

City of McKinney. City Manager Paul Grimes shared that City Council will consider key performance indicators, measurable objectives developed by staff, based on Council priorities in a work session next Tuesday. Staff will be kicking off the budget process after Council approves staff objectives. In the wake of Fire Chief Kistner's retirement after nearly twelve years with the department, the City conducted a

national search, and a new Fire Chief will be announced this week. Mr. Grimes reminded everyone of the May 6 election with early voting through May 2.

Visit McKinney. Executive Director Aaron Werner updated the Board on the influencer FAM tour, where Visit McKinney and Main Street hosted 34 social media influencers in Downtown McKinney. Those participating were especially excited about the TUPPS tour. Visit McKinney plans to offer more influencer experiences with Main Street and with other entertainment “districts” in McKinney. May will be a busy month with the Community Leaders of America Conference, the AT&T Byron Nelson, National Junior College D1 Tennis Championship at The Courts of McKinney with five host hotels, and a PSA basketball tournament. Mr. Werner shared that for two consecutive weekends, McKinney experienced a 95% hotel occupancy rate, a clear indicator that McKinney is in need of more rooms. On May 2, Council will do a proclamation for National Travel and Tourism Week which is the same week as the AT&T Byron Nelson. During that week, Visit McKinney social media channels will share travel and tourism data for Texas. He thanked MCDC for their work in making McKinney a great quality-of-life location that is necessary to build tourism. Board Member Riche asked about social media engagement during the influencer tour, and Mr. Werner shared that they definitely saw a huge spike over the weekend, but he reminded the Board that the goal of the event was to get to know new influencers and develop partnerships for the future.

McKinney Economic Development Corporation. President Peter Tokar thanked MCDC staff for the collaborative effort in planning the joint meeting with MEDC and Council. MEDC is sponsoring the McKinney Chamber Golf Classic next week. The AT&T Byron Nelson is just two weeks away, and the MEDC is hosting its annual red-carpet tour with twelve site selectors. He encouraged Board members to watch their new

podcast, *McKinney Momentum*, which will feature MCDC in one of their upcoming broadcasts. Chair Richardson-Woods thanked Luke Gajary for his vision and work on the podcast and expressed her appreciation for being able to participate.

McKinney Main Street/MPAC. Cultural District Director Andrew Jones thanked MCDC for their support of Arts in Bloom and acknowledged the Main Street staff for the countless hours of work it takes for an event this size. It was the largest event they have hosted with over 150 artists. Mr. Jones expressed appreciation for the partnership with Visit McKinney on the influencer tour. He credited Jakia Brunell for her work on Main Street and MPAC's social media. Empty Bowls will be at MPAC and along Kentucky on May 4 from 6:00 to 8:00 p.m. Other upcoming events include the Derby Wine and Whiskey Walk on May 6, Election on the Square on May 6 at Mitchell Park, Big Band Royalty at MPAC on May 29, Sue Foley at MPAC on May 27, and the Texas Music Revolution on June 2-3 which will bring Robert Earl Keen out of retirement to perform. Vice Chair Kelly asked about attendance numbers for Arts in Bloom, and Mr. Jones stated that they should have those numbers soon. Board Member Booth acknowledged excellent work of the Parks Department and Main Street adding that her family had a great experience at Arts in Bloom and enjoyed time at the renovated park near the Heard-Craig Center for the Arts.

McKinney Parks and Recreation. Assistant Director Ryan Mullins shared that Director Michael Kowski is meeting with a local media outlet today regarding a potential story about the playground donations to other countries. He thanked the Board for a productive joint meeting. Parks has been planning for summer for several months, including hiring about 450 part time staffers for the summer season. Mr. Mullins announced that Murphy Park, a small one-acre park, will re-open in a couple of weeks. He thanked the athletics staff for coordinating, scheduling, and

maintaining fields for this sports season, especially with the challenge of having the Craig Ranch fields under renovation. This weekend is Party on the Patio at Towne Lake Park, the Bluebonnet 5K and the PB&J Challenge at Mitchell Park. Chair Richardson-Woods asked Mr. Mullins to share information about the playground donation program for those who are unfamiliar. Mr. Mullins stated that they work with a nonprofit to carefully disassemble McKinney's aging playground structures which are then shipped and rebuilt by volunteers in other countries. In most communities, the older playgrounds are either destroyed or auctioned off, but this program allows for the City of McKinney to expand its focus on quality of life for communities around the world.

TUPPS Subcommittee. Chair Richardson-Woods shared that there would be no report today, since this committee has not met since the last Board meeting. The next TUPPS subcommittee meeting will be May 3.

23-0320 Chair Richardson-Woods called for the President's Report. President Cindy Schneible thanked Vice Chair Kelly, Treasurer McGill, Board Member Booth and Linda Jones for representing MCDC at the Community Connections event this past Saturday. Ms. Schneible called attention to several handouts for each Board member: a rack card with voting details, a brochure of the 2023-2024 season Community Concerts Association which is supported by an MCDC grant, and a Visit McKinney screen cleaner with the silo mural for each member. Ms. Schneible called attention to the final reports attached to the agenda from promotional grant recipients including Dia de los Muertos, McKinney Philharmonic Orchestra and the Garden Show. Each provided great details regarding achievement of performance metrics identified for the events. The next promotional grant application cycle is May 1-31 with presentations to the Board in June. The next project grant application cycle is June 1-30. President Schneible encouraged Board members to review the TUPPS

update from our owner's rep showing progress, including build out of the silos for the Build Your Own Business program. She added that TUPPS is working to secure a TCO to start brewing in the new building. Board Member Booth asked about expected hours for the silo businesses, and Ms. Schneible explained that businesses will be expected to be open during TUPPS business hours. Vice Chair Kelly encouraged everyone to take the opportunity to participate in this year's election and vote early.

23-0203 Chair Richardson-Woods called for consideration/discussion/action on Retail Development Infrastructure Grant application submitted by Haddington Fund, LP (RI 23-03) in an amount of up to fifty thousand and NO/100 dollars (\$50,000.00) for exterior infrastructure improvements required for the creation of a catering business and outdoor restaurant to include fencing, ADA compliant ramp, wall and footer for planters, decomposed granite and walkway to parking lot located at The Flour Mill located at 407 E. Louisiana Street, McKinney, Texas. Board Member Booth shared that the subcommittee provided the applicant with a list of questions and met with the applicant in person after reviewing his well-prepared answers. The subcommittee is recommending that the Board fund up to \$50,000 as requested. President Schneible reminded Board members that this is matching grant of up to 75% of eligible expenses. Board members unanimously approved a motion by Treasurer McGill, seconded by Board Member Barnes-Tilley, to approve this agenda item. Chair Richardson-Woods thanked the applicant and subcommittee for their work and extra time devoted to this application.

23-0321 Chair Richardson-Woods called for a public hearing and consideration/discussion/action on an amendment to Project Grant #23-02, Haddington Fund, LP, to provide additional funding in an amount not to exceed thirty-five thousand five hundred and NO/100 dollars (\$35,500.00) for additional lettering on the roof-top neon sign, approved

by McKinney Community Development Corporation on February 23, 2023, and electrical costs to allow for timer-controlled lights and additional engineering requirements associated with the proposed amended project. Vice Chair Kelly shared that, after seeing the original roof-top Flour Mill sign design, he spoke with the Mayor and MCDC Council liaisons about the opportunity to create a cohesive design for signage for East McKinney going forward. The suggestion to add "McKinney" to the sign was shared with the applicant who was excited about the idea. Chair Richardson-Woods thanked Mr. Bresnahan for his flexibility and expressed agreement with the consistent branding of East McKinney. James Bresnahan shared two potential designs for the sign, and Board members expressed their preferences. Board members unanimously approved a motion by Vice Chair Kelly, seconded by Board Member Riche, to close the public hearing. Board members unanimously approved a motion by Secretary Bradford, seconded by Vice Chair Kelly, to approve the amended request as submitted.

23-0322 Chair Richardson-Woods called for a public hearing and consideration/discussion/action on a project grant application submitted by Archstreet McKinney (#23-05) in the amount of four hundred thousand and NO/100 dollars (\$400,000.00) for infrastructure costs related to construction of a select service hotel located in District 121 at 7200 State Hwy. 121 S, McKinney, Texas 75070. Amount requested represents 1.8% of total project cost. Michael Mueller stated that the planned hotel is at District 121 just east of the parking structure for the new office building. The proposed hotel is a 50,000 square foot select service hotel with 102 rooms, a fitness center, and a grab and go pantry. He explained that other amenities, not provided by the hotel, are provided by restaurants, office and retail tenants of District 121. By design, a full-service experience will be achieved for guests through the District 121 amenities.

The upscale design is unique to this hotel. As an independent boutique not associated with any brand, they can offer local products, amenities, and art. Mr. Mueller shared images of the floor plans. When built, this hotel will be the closest hotel to the AT&T Byron Nelson. They expect to generate about \$4 million for the City of McKinney over the next ten years and \$9.5 million over the next twenty years. These projections are based solely on direct revenues from the hotel in the form of hotel occupancy tax, real estate tax and sales tax; they do not include ancillary revenue generated as guests shop and dine in District 121 and other McKinney locations. The request for project support totals \$400,000 which represents 1.8% of total project costs and 32% of project infrastructure costs. Board Chair Richardson-Woods verified that the increase to \$400,000 from their original request of \$250,000 was mostly based on inflation. She asked about plans to market and manage the public spaces. Mr. Mueller shared that there's no plan to market the public space, but the patio and interior public areas will be open from 6:00 a.m. to 1:00 a.m. daily. Vice Chair Kelly asked about the status of their capital stack. Mr. Mueller clarified that the reason they have essentially re-started this project is because of a need to change architects. He stated that equity is fully committed, building permit requests have been submitted, and construction is planned to begin during the summer. Board Member Riche inquired about how much public gathering space is in the plan. Mr. Mueller shared that the patio is about 1,500 square feet, the lobby is about 1,500 square feet, the upper terrace is about 600 square feet, and the upper mezzanine is about 500 square feet. He emphasized that the sketches shown today are renderings, but the final design will be unique and special. Mr. Riche asked about the causes of project cost increase, and Mr. Mueller stated that about 80% was due to inflation and most of the remaining 20% was from City requirements due to change in original scope and design. Board Member Booth asked for

clarification regarding the number of suites included in the property. Mr. Mueller explained that their standard rooms are bigger and nicer than comparable hotel suites, and he added that the occupancy rate is expected to be in line with the comparable hotels. Ms. Booth asked if they plan to allow for renting the upper-level public space for private events. Mr. Mueller shared that the public space is designed to be open and accessible and is not designed as rentable meeting space, but they could consider renting it for some events. Ms. Booth questioned the appeal for the public to want to use the public space. Mr. Mueller shared that the pantry would have individual mix-your-own liquor bottles for purchase. Additionally, the public will be able to bring in food or order delivery to the public areas. Mr. Riche asked about security for hotel guests. Mr. Mueller stated that the elevator is accessible via key card, and there is central visibility of the entire property from the front desk. Mr. Mueller added that the only reason a non-guest would be able to access the guest halls would be if using the elevator as ADA accessibility, and they consider this minimal risk to guests. Chair Richardson-Woods asked who would manage the hotel, and Mr. Mueller responded that they have a letter of intent from a large, well-respected hotel management company. Ms. Woods also asked about room rates. Average nightly rates will be about \$150 for standard rooms and \$225 for suites, and room rates will fluctuate with demand. There were no public comments. Board members unanimously approved a motion by Treasurer McGill, seconded by Board Member Riche, to close the public hearing.

23-0323 Chair Richardson-Woods called for a public hearing and consideration/discussion/action a project grant request submitted by Heard Natural Science Museum and Wildlife Sanctuary (#23-06) in the amount of fifty thousand and NO/100 dollars (\$50,000.00) for construction of a

permanent animal food cottage for the animal exhibit. Amount requested represents 60% of the total project cost. Sy Shahid, Executive Director, shared that the Heard Museum has outside cages that serve as residence for native animals. It is now time to replace a temporary structure that was built about twelve years ago that is used by volunteers for preparing food for animals at the sanctuary. The museum receives permits from several organizations including Texas Parks and Wildlife and must conform to their specifications for animal care. Most of their animals have been confiscated by Parks and Wildlife from citizens or have been injured in the wild. Now surrounded by homes, the Heard's 209 acres is a true sanctuary filled with wildlife. The request is for a new food preparation cottage. Treasurer McGill asked about the budget for animal care, and Mr. Shahid stated that it is their largest expenditure because of the specialized staff required. Almost 50% of the museum's total budget is personnel, and about 10% of that personnel are dedicated to animal care. Animal care staff and volunteers work round the clock. He shared that their highest revenue generator is field trips. Vice Chair Kelly asked about the makeup of the native animals, and Mr. Shahid shared that those animals include bobcats, deer, foxes, raccoons, and it is likely a porcupine will be joining soon. Mr. Kelly asked if they are moving away from exotics. Mr. Shahid stated that the few exotics they have mostly come to them after being confiscated from private residents and when the only other option for the animal is euthanizing. Mr. Kelly expressed concern regarding the current habitats for the exotics. Mr. Shahid shared that the exotic animals serve as ambassadors for education and their habitats meet or exceed the requirements of permitting organizations. In addition, the animals are escorted outside daily. Mr. Shahid added that they have started the groundwork for a capital campaign for two new buildings and renovations of existing buildings. Treasurer McGill stated her appreciation for their stewardship

of the wildlife. Board Member Booth asked if they are seeking grants from private entities. Mr. Shahid replied that a large part of his responsibility is securing private donations, trust donations and foundation donations. Board members unanimously approved a motion by Board Member Booth, seconded by Treasurer McGill, to close the public hearing.

23-0324 Chair Richardson-Woods called for a public hearing and consideration/discussion/action on project grant request submitted by McKinney Housing Authority (#23-08) in the amount of one million eight hundred thousand and NO/100 dollars (\$1,800,000.00) for the demolition of Cockrell Homes and Lloyd Owens low-income communities and the construction of The Remnant at Greenwood, LP, a new low-income housing development in East McKinney. Amount requested represents 5% of total project cost. Roslyn Miller, Executive Director of McKinney Housing Authority, shared her appreciation for the partnership with MCDC over the years. They are here to request funding for conversion of the old public housing communities in East McKinney to safe and affordable housing. She introduced Holly Knight of Knight Development who is partnering with MHA to propose a solution for the current east side developments. Ms. Knight shared that MHA has determined that renovation is not suited for the current homes, so there will be a complete demolition of both Cockrell Homes and Lloyd Owens communities to rebuild. The project falls under the HUD RAD program (Rental Assistance Demonstration) which allows for public housing to be converted to sustainable affordable housing. HUD requires at least a one-to-one replacement, but their proposal expands the number of units from 51 to 96. The development targets people who earn between 30% and 60% of the Area Median Income (AMI) which typically include service workers and retired people on a fixed income. This request is for

\$1.8 million for infrastructure, and the total project cost is \$33 million. They have a reservation for tax exempt bonds in an amount of \$20 million, but they need to close by July 17 to accept those funds. They are looking at other funding options, including potentially adding more federal housing vouchers to the development. Additional funding is through private partners including CitiBank and Redstone. The Sanchez Group is working with the City on permitting and development approvals. A general contractor has been secured, and they will be doing some minority contractor outreach in the community. The proposed project would create 96 units total including energy-efficient townhouses, duplexes, and apartments. The goal is to help meet McKinney's need for workforce housing. Amenities would include greenspace, playground, and a community center to foster community engagement. Board Member Booth asked for clarification about the reimbursement scenarios of this project versus the Palladium project. Ms. Miller explained that MHA administers the public housing and housing choice voucher program for the City of McKinney, and the Palladium project is separate from MHA. Ms. Knight added that MHA does have the land for the two sites mentioned in this proposal and has a declaration of trust from HUD which will be lifted, so this project can move forward through a public-private partnership, with the intent that MHA will take back ownership after ten to fifteen years. Vice Chair Kelly asked for an explanation of the urgency of the July deadline. Ms. Knight shared that when interest rates changed, the project budget was impacted. MHA wants to move forward with developing 96 units instead of just replacing the required 51, so Knight Development is seeking gap funding. Vice Chair Kelly asked about the RFP process, and Ms. Miller stated that most large developers did not reply. Ms. Miller added that Knight Development was awarded the contract based on their qualifications as shown in the RFP. Ms. Knight added that they have developed over 5,000 units in the last 5.5

years with a \$900 million leverage of equity, adding that their niche is working with housing authorities. She explained that Knight Development is paid via sharing developer fees with MHA, and this project will generate a fee of about \$4.3 million and a deferred fee of at least \$628,000. Chair Richardson-Woods asked about how the project might continue to move forward without a grant from MCDC. Ms. Knight shared that they are working through other potential options including additional vouchers. She added that if the July 17 deadline is not achieved, they would be required to relinquish their tax-exempt bond reservation and reapply to a lottery list for a fall award, but that applicant list would not be limited to housing projects. Ms. Miller added that if Knight is unable to move forward, MHA may be forced to demolish the current properties and place those residents in the voucher program, which could force current residents to move from the east side of McKinney and would limit options for those who do not have good credit. Board Member Booth asked about changing the composition of the portfolio. Ms. Knight stated that while that is a possibility, it would require losing some units. Ms. Booth asked for an explanation of the difference between the MHA and the MHFC (McKinney Housing Finance Corporation). Ms. Miller explained that the MHFC is a City entity just like the MCDC, and MHA is funded by HUD. She added that MHFC is supporting both projects being presented today through bonds. Board Member Riche asked if receiving additional funding would reduce this MCDC request, and Ms. Knight explained that the additional vouchers only serve as a means to help increase revenue by keeping rates higher. Treasurer McGill shared her perspective that there needs to be movement in these types of projects which align with one of MCDC's stated Board priorities. Chair Richardson-Woods asked about the status of the permits for the project, and Ms. Knight shared that The Sanchez Group is finalizing egress and parking issues before applying for other

permits. She added that they need a “will permit” before closing, and they anticipate no issues. Board Member Barnes-Tilley asked about the temporary relocation of the families currently living in these communities, and Ms. Miller shared that HUD requires a relocation plan. The families are anxious to have these properties redeveloped, and HUD will work with local partners including Newsome Homes, Merritt Homes, and local hotels. Vice Chair Kelly verified with President Schneible that the remaining discretionary projects budget for this fiscal year is \$1.9 million, and these applications are presented as part of the second of three project grant cycles for this fiscal year. Board Member Booth verified with Ms. Miller that current residents have first right to return to the new property before pulling from the current wait list. Board members unanimously approved a motion by Board Member Riche, seconded by Board Member Barnes-Tilley, to close the public hearing.

23-0325 Chair Richardson-Woods called for a public hearing and consideration/discussion/action on project grant request submitted by McKinney Virginia Parkway, Ltd. (#23-09) in the amount of one million five hundred thousand and NO/100 dollars (\$1,500,000.00) for the construction of The Palladium McKinney, a new multi-family, rental residential development for low income families to be located West of I-75, NEQ of W. Virginia Parkway and Carlisle Street in McKinney. Amount requested represents 5% of total project cost. Avis Chaisson shared that the proposed Palladium McKinney development will be located at Virginia and Carlisle in McKinney. The Palladium Group is a privately-owned company with nearly 60 years of developing and managing properties in six countries. They are long-term property owners who pride themselves on exceptional quality construction and architecture and who value partnerships and actively participate in the community. Their current asset base value is \$1.75 billion, and they currently own and manage

over 8,000 units worldwide. Their philosophy is to build communities not just buildings. For each of their communities, they provide supportive services including food pantries, school supply giveaways, health and wellness events, income tax preparation, financial planning, after school programs and special events. The location for Palladium McKinney is just south of Slaughter Elementary just west of Highway 75 on Virginia Parkway. It is a five-acre site. The development would target residents at 60% AMI and would cater to workers in the service industry. Palladium McKinney will have 172 units of 1,2 and 3 bedrooms. The four-story design with interior corridors will be a Class A, luxury residential development. Amenities include resort style pool, indoor and outdoor children's play areas, fitness center, business center, grills, and picnic tables. Their residents typically include veterans, retirees on fixed incomes, emergency communications officers, detention officers, code enforcement officers, police dispatchers, utility maintenance workers, entry level fire and police, nurses, and other medical technicians. Units will boast 9' ceilings, wood style flooring, granite countertops, built-in shelves in closets, covered patios with storage, and dual pane windows and shades. To qualify, residents' income is a maximum of 60% AMI, and current Collin County AMI at 100% is about \$97,000. Ms. Chaisson shared images of some of their current properties. Their request is for \$1.5 million. MHFC is not issuing their bonds; instead, bonds are being issued by the Texas Department of Housing and Community Affairs. Cedar Rapids Bank and Trust will purchase the bonds and be the mortgagor. They will lose their bond reservation if they cannot close by July 8. They are under contract with the site, and this project is not likely to move forward without this grant funding. Ms. Chaisson stated that they have investigated other funding options, but most organizations are over-subscribed, and the voucher program is not an option for this project. MHFC will own the property and issue a conduit loan to the partnership.

MHFC would receive a share of the developer fee and cash flow with a 75/25 split. Vice Chair Kelly asked if any of the units would be open market, and Ms. Chaisson stated that all units are 60% AMI. Mr. Kelly asked about the issuance of tax credits and if this is a different financing proposal than what was originally presented to Council. Ms. Chaisson explained that these tax credits are allocated under the IRS Code (Chapter 42) through the Texas Department of Housing and Community Affairs. Their equity investor purchases those 4% non-competitive tax credits at a discount then provides equity for financing. The remainder of the funding is from private activity bonds, deferred development fees and soft financing. Ms. Chaisson added that when they originally presented to the City, they were hoping to be awarded a 9% competitive program tax credit, but it was not awarded. The originally proposed development was only three stories, but the design went to four stories to accommodate more units to create more revenue with the 4% tax credits. Board Member Booth asked about the relationship of this project with David Craig, and Ms. Chaisson stated that Mr. Craig manages the company that owns the land where the project will be located. Ms. Chaisson also shared that they have already received approval from Planning and Zoning, but they will need to go back for some revisions. Ms. Booth inquired about the capacity for Slaughter to add students, and Ms. Chaisson said they can reach out to the district. Secretary Bradford asked if this is the only property Palladium has in McKinney, and Ms. Chaisson stated that there is another parcel in Craig Ranch that they hope to develop for market lease rates. Board members unanimously approved a motion by Secretary Bradford, seconded by Treasurer McGill, to close the public hearing.

Chair Richardson-Woods stated that the Board will act on these project grant requests at the May meeting.

Chair Richardson-Woods called for public comments regarding matters not on the agenda, and there were none.

Chair Richardson-Woods called for Board comments.

Chair Richardson-Woods recessed the meeting into Executive Session at 10:18 a.m. in accordance with the Texas Government Code. Deliberation regarding economic development matters include Project 4B 23-02 (Haddington Fund - Amendment Request), Project 4B 23-05 (District 121 Hotel), Project 4B 23-06 (Heard Museum Project), 4B 23-08 (McKinney Housing Authority - The Remnant), Project 4B 23-09 (McKinney Virginia Parkway - Palladium), Project 4B 20-09 (TUPPS Brewery and Entertainment Destination), Project 4B 17-04 (Craig Ranch Resort Hotel), Project BlueSky, Project Terrigen and Project Hemispheres.

Chair Richardson-Woods reconvened the meeting of McKinney Community Development Corporation back into regular session at 11:18 a.m.

Chair Richardson-Woods called for a motion to adjourn. Board members unanimously approved a motion by Board Member Riche, seconded by Secretary Bradford, to adjourn. Chair Richardson-Woods adjourned the meeting at 11:19 a.m.

A video recording of this meeting is available through the City of McKinney meeting archive.

These minutes approved by the MCDC members on: _____

ANGELA RICHARDSON-WOODS
Chair

DEBORAH BRADFORD
Secretary