

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

APRIL 25, 2024

The McKinney Community Development Corporation met in regular session in the City Hall Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on Thursday, April 25, 2024, at 8:00 a.m.

Board Members Present: Chair Angela Richardson-Woods, Vice Chair David Kelly, Secretary David Riche, Board Members Mary Barnes-Tilley and Chris Wilkes, and Board Alternate Markus Lloyd.

Absent: Treasurer Deborah Bradford.

City Council Present: Mayor George Fuller, Councilwoman Geré Feltus, and Councilman Michael Jones.

Staff Present: President Cindy Schneible, City Manager Paul Grimes, Accounting Manager Chance Miller, Director of Parks and Recreation Amy Kinkade, Assistant Director of Parks and Recreation Ryan Mullins, Visit McKinney Executive Director Aaron Werner, MEDC President Michael Kowski, Cultural District Director Andrew Jones, Assistant City Manager Barry Shelton, Director of Engineering Gary Graham, and MCDC Grant Program and Marketing Manager 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. Pastor Elwaine Johnson of Throckmorton Church of Christ 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 Board Member Barnes-Tilley, seconded by Secretary Riche, to approve the following consent items:

- 24-1469** Minutes of the McKinney Community Development Corporation Meeting of March 28, 2024.
- 24-1469** Minutes of the McKinney Community Development Corporation Potential Projects Subcommittee Meeting of March 15, 2024.
- 24-1469** Minutes of the McKinney Community Development Corporation Retail Development Infrastructure Grant Meeting of March 18, 2024.

24-1472 Chair Richardson-Woods called for the Financial Report. Accounting Manager Chance Miller presented the March financials. Revenues were about \$1.85 million, primarily from sales tax. Expenses were \$158,600, including just under \$22,000 in project expenses, resulting in a net increase of just over \$1.8 million for the month. Regarding sales tax, March numbers apply to January sales. McKinney saw an increase of 15.1% compared to a 13.6% increase for Allen, a 13.7% decrease for Plano, and a .6% increase for Frisco. McKinney's year-to-date increase is 7.6%. Regarding the industry break out, sales taxes were relatively even with no industry standing out. Board Member Wilkes asked about the budget versus actual year-to-date revenue variance, and Mr. Miller explained that most of the increase is due to interest earned with rates remaining high and expenses under budget. There were no questions on the Checks Issued report.

24-1473 Chair Richardson-Woods called for Board and Liaison Reports.
Board Chair. Vice Chair Kelly shared that he attended the Children's Advocacy Center Gala and complimented Andrew Jones on the success of Arts in Bloom. Board Member Booth thanked the grantees for all of their events. She complimented City staff on Arts in Bloom and on the eclipse events at Gabe Nesbitt and the Chestnut Parking deck. Additionally, she expressed that she was honored to be surrounded by so many of McKinney's amazing volunteers at the Spirit of Volunteerism Awards. Secretary Riche echoed congratulations to those recognized at the Spirit of Volunteerism Awards and added that the eclipse event proved that the parking lot deck is a great space for events. Board Alternate Lloyd stated his appreciation for city leaders' efforts to engage all citizens through the mission of the Committee on Racial Equity. Board Member Wilkes agreed that the parking deck eclipse event was amazing. He added that he received unsolicited compliments about the McKinney

Asian Festival at a recent conference he attended. Chair Richardson-Woods extended birthday greetings to Board Members Wilkes and Lloyd. She reminded everyone about the R&B Picnic Festival on May 11 at TUPPS.

City of McKinney. City Manager Paul Grimes reminded Board members that the City is currently recruiting for a Director of Housing and Community Development and a Director of Code Enforcement. The local bond election is May 4, and a primary run-off election is May 28. The City currently has 29 liquor applications, 18 of which have been approved. Mr. Grimes announced that the Fire Department has been reaffirmed as a Class 1, demonstrating a team effort with Water Department, IT and Police Dispatch. In addition to the priority for safety, this highest-level rating helps reduce homeowners' insurance for residents in the City. Chair Richardson-Woods asked about the impact of liquor licenses on sales tax. Chance Miller agreed that the impact has been positive, and Vice Chair Kelly asked if Mr. Miller would provide a report at the next MCDC meeting. Board Member Barnes-Tilley verified that current retailers for beer and wine who want to sell liquor must apply for that license separately. Board Member Riche asked if any of the applicants were large retailers, and Mr. Grimes shared that Specs, Goody Goody, and Fossil Creek are among the larger retailers.

Visit McKinney. In honor of McKinney being a Texas Music Friendly Community, Executive Director Aaron Werner played an AI generated country song about recent City events including Arts in Bloom, Solar Eclipse parties and the Highland Games. He added that Spring ushers in the tourism industry with weddings, sporting events and festivals. Chair Richardson-Woods asked about hotel occupancy and rates during the eclipse, and Mr. Werner said that McKinney hotels were full, and most hotel rates were increased for the event. He will share actual data when they receive those reports. Board Member Barnes-Tilley

complimented the Visit McKinney team for the assortment and promotion of the city's eclipse products.

McKinney Economic Development Corporation. President Michael Kowski shared that the Notes Live announcement has brought requests for more hotels in McKinney. Mr. Kowski participated in a panel with Frisco EDC and Allen EDC at the North Texas Commercial Association of Realtors, and he was able to demonstrate that it is McKinney's time to shine through highlighting projects including Notes Live, The Cotton Mill and Downtown. Book.io, an Innovation Fund recipient, held their international conference at The McKinney Cotton Mill which brought hundreds of business associates from around the world. The conference highlighted how building McKinney's ecosystem of tech startups is attracting worldwide attention. Now airing on the McKinney Momentum podcast is an interview with McKinney Education Foundation's new Executive Director, Sheila Marlow Due. Mr. Kowski will be the emcee at the Foundation's scholarship night on May 1 and will be participating on the runway at the Purses with Purpose event in the Fall. Board Member Wilkes expressed appreciation for the efforts of Visit McKinney and MEDC to help make the Byron Nelson a showcase event for McKinney.

McKinney Main Street/MPAC. Director Andrew Jones shared his appreciation for all City partners that worked together on the solar eclipse events, adding that they will consider hosting more events on the parking deck. Arts in Bloom was a huge success, and this year they introduced live artists at each intersection. They continue to look for ways to grow the event. Tonight at MPAC is Empty Bowls. Upcoming MPAC events include Tejano music this Saturday at 7:00 p.m., McKinney Repertory Theatre's production of Catch Me If You Can, May 3-11, Girls Night Out on May 9, and the return of McKinney Night Market on May 23. The new Downtown Trolley should be delivered in early May, and Andrew will send pictures of the wrap to President Schneible to share. He added that

the Main Street Board supports the rehabilitation of the Chestnut Square Water Tower as the tallest Downtown icon.

McKinney Parks and Recreation. Director Amy Kinkade echoed congratulations for the success of the City's eclipse events. She shared that the Boil and Brew event is Saturday at Towne Lake, depending upon the weather. Updates for Concerts in the Park that were canceled due to weather include Time Machine which was rescheduled to May 4 and Havana NRG which was rescheduled to June 1. On May 9, Parks will host another hiring event to prepare for summer. Bids for McKinney Greens Park are under evaluation, bids for Wilson Creek open today, and they plan to bring recommendations for both projects to Council in May. Construction documents for the Towne Lake light park are in review with the City, and project bidding should open in late summer, and the new dog park is in design phase. A design contract for Grady Littlejohn was approved at the last Council meeting, and power has been restored. Engineering is reviewing civil sets for Erwin Park. Ms. Kinkade added that the Parks and Recreation Activity Guides are now available. Board Member Riche asked about the status of the Apex water obstacle course, and Ms. Kinkade stated that it has been removed. Vice Chair Kelly asked Ms. Kinkade to share some of her background. Ms. Kinkade has 25 years of experience and is a UNT recreation and leisure studies graduate. She mostly recently worked as Assistant Parks Director in Irving where her projects included new pools and a new multi-purpose recreation facility. She added that she is a McKinney resident and excited to be on the team in her hometown. Chair Richardson-Woods added her appreciation for Ms. Kinkade's participation in the Juneteenth planning efforts.

24-1474 Chair Richardson-Woods called for the President's Report. President Cindy Schneible congratulated Linda Jones on her promotion to Grant Program and Marketing Manager. She encouraged everyone to review

the final reports attached to the agenda, adding that the Master Gardeners report has set a new standard for promotional grant recipients and included the impact of advertising funded with the MCDC grant. The Cotton Mill submitted great images of the new neon sign on the smokestack. Upcoming grant-funded events include Empty Bowls tonight, ManeGait LIVE at TUPPS on Saturday, the CJ Cup Byron Nelson May 2-5, Millhouse Makers Market on May 11, and McKinney Philharmonic performances on May 5 and May 25. The Retail Coach reports indicate that Downtown McKinney hosted 5.1 million people in 2023. Promotional Grant applications will open May 1 with a deadline of May 31. This cycle allocation is about \$154,000, including carryover funds from previous years.

Vice Chair Kelly complimented the Fire Department on its Citizens Fire Academy, adding that he is a current participant. He has also participated in the Citizens Police Academy. Mr. Kelly thanked the City for these opportunities for residents to learn and appreciate our public safety departments.

- 24-1475** Chair Richardson-Woods called for Public Hearing and consideration/discussion/action on an amendment to Project #4B 23-11 submitted by Heritage Guild of Collin County to reallocate funding for the purpose of drainage remediation and structural reconstruction necessary for successful repair of original project elements including porches, stairs and ramps at Chestnut Square Historical Village. Executive Director DeAnna Stone stated that they discovered a major drainage issue at the Chapel, and they are requesting reallocation of funds to fix the issue before moving forward with stairs and ramp. Board Member Riche verified that the \$4,500 reallocation will not increase the grant amount. Ms. Stone added that the Faires and Chapel porches are complete. Board members unanimously approved a motion by Board Member

Booth, seconded by Board Member Barnes-Tilley, to close the public hearing. Board members unanimously approved a motion by Board Member Wilkes, seconded by Secretary Riche, to approve the reallocation as requested.

24-1476 Chair Richardson-Woods called for consideration/discussion/action on a request from T & I Bakery to extend the term of the loan agreement executed with McKinney Community Development Corporation for Project RI 23-05 to October 31, 2024. Applicant Derek Davis explained that issues with Oncor, which have now been resolved, delayed the project. He added that since funds would not be made available until they have a CO, they are requesting a project extension. He verified that they hope to open within eight weeks. Board members unanimously approved a motion by Board Member Lloyd, seconded by Board Member Wilkes to extend the grant to October 31, 2024, as requested.

24-1477 Chair Richardson-Woods called for consideration/discussion/action on a request from Lelo's Coffee Co. to extend the term of the loan agreement executed with McKinney Community Development Corporation for Project RI 23-01 to March 23, 2025. President Schneible explained that Lelo's has limited to no access to their building until TUPPS received their TCO, so they are requesting a one-year extension. Board members unanimously approved a motion by Board Member Barnes-Tilley, seconded by Board Member Wilkes, to approve the extension to March 23, 2025, as requested.

Due to a work conflict, Board Member Booth excused herself for the remainder of the meeting at 8:58 a.m.

Chair Richardson-Woods shared that the Board would conduct public hearings on seven project grant applicants. She reminded applicants that they will have five minutes to present, which will be followed by a time for Board questions.

24-1478 Chair Richardson-Woods called for a Public Hearing and consideration/discussion/action on a Project Grant application (4B 24-02) submitted by The City of McKinney in the amount of three million six hundred seven thousand thirty and NO/100 dollars (\$3,607,030.00) for the planning and design of Eastside airport improvements at McKinney National Airport, 1508 Industrial Blvd, McKinney, TX 75069. Assistant City Manager Barry Shelton reminded Board members that maximizing the development potential of McKinney National Airport is one of the six pillars of the City Council goals and strategies. Specifically, staff was directed to “implement initiatives and strategies to attract and expand corporate and commercial aviation” including a strategy to complete “the schematic design, select a Construction Manager at Risk (CMAR), and begin construction on commercial passenger terminal facilities.” He shared that one of the greatest benefits of the airport to McKinney is the collection of business personal property (BPP) taxes which are taxed at the same rate as real property. In 2023, there was over \$186 million in BPP generated by the airport, which is equivalent taxes of 400 average single-family homes. In 2023, total tax revenue generated by the airport and paid to the City was about \$5.6 million. In 2023, airport taxes also funded MISD (\$16 million), Collin County (just under \$2 million) and Collin College (\$866,000). A study completed in 2017 indicated the airport’s economic impact was 993 jobs created, \$64.33 million for payroll, and total economic output was \$212.7 million. Only about 11 acres of land on the west side of the airport remain available for development, so this initiative would begin the infrastructure design process necessary to develop the 123 acres of land available east of the runway. Designs could potentially include general and commercial aviation elements. Designs could include a permanent terminal or a proof of concept terminal, or a combination of the two. The plan is to have designs complete with construction documents ready when the opportunity to expand arrives.

Specifically, MCDC funds are being requested for infrastructure design elements including taxiways, aprons and facilities which could include hangars and terminals. Vice Chair Kelly verified that this request is for planning and design only and does not include construction. Mr. Shelton shared that MEDC approved the funding request submitted to that organization last week. Vice Chair Kelly asked for clarification on the project timeline, and Mr. Shelton shared that full design would take about a year, with some elements being completed sooner. He added that they are seeking funding from federal grant programs to move forward with other airport projects including Taxiway Charlie, a \$14.1 million improvement. They will also continue to research and potentially apply for a low-interest TIFIA (Transportation Infrastructure Finance and Innovation Act) loan. Secretary Riche verified that projects where action would be taken soon are those needed for current services. Mr. Shelton added that the revenue from corporate plane maintenance enables the airport to be self-supportive. The goal of this next phase of design is to be shovel-ready when an opportunity for private/corporate expansion is presented to the airport. Vice Chair Kelly asked for clarification regarding how this design project supports general and commercial aviation and how this is different than a focus on what was presented in the failed bond election. Mr. Shelton emphasized that Council members have been open with the public regarding their goal to continue to pursue commercial aviation. The results of the bond election were clear that citizens do not want to use debt from a bond to fund commercial aviation. He added that there is enough land on the east side to expand general aviation services and/or develop commercial services, and the infrastructure is similar for either option. The plan is to work with the engineering firm to develop a concept that would allow for both services with about 100 acres available for general aviation. The McKinney airport has already lost at least one major opportunity to Alliance Airport for a

maintenance repair overhaul (MRO) company, because the land was not readily developable. Mr. Shelton reiterated that the goal of this project is to develop a design that includes the incorporation of commercial service. Chair Richardson-Woods called for public comments, and there were none. Board members unanimously approved a motion by Secretary Riche, seconded by Vice Chair Kelly, to close the public hearing.

- 24-1479** Chair Richardson-Woods called for a Public Hearing and consideration/discussion/action on a Project Grant application submitted by City of McKinney Engineering Department (4B24-03) in an amount of up to five hundred thousand and NO/100 dollars (\$500,000.00) for eligible improvements to Chestnut Elevated Storage Tank including structural repairs, LED lighting improvements, and site improvements including landscape, irrigation and paving repairs at 131 S. Chestnut Street in McKinney, Texas. This request represents 17% of the Total Project Cost. Director of Engineering Gary Graham shared that the water tower was first constructed in 1953 and elevation was raised 29 feet in 1965. The tank was decommissioned and removed from the water system in 2003 but remains in place as a City icon. In more recent years, major issues with the structure have been identified including rusting, structural issues and flaking of lead-based paint now contaminating the ground. Elements of the project include environmental remediation, removal of lead-based paint and repainting, structural repairs, clearing unused equipment on the ground and on the tower, safety improvements, adding a screen and buffer, replacing the asphalt lot, tower lighting, and accommodations for cellular providers. Specifically, the MCDC request is for lighting to include a programmable control system for LED lights on the catwalk, around the legs of the tank and around the base of the tank. Project timeline includes securing bids in May 2024 and construction from June

2024 to March 2025. Total construction cost is \$2,455,000, and cost for lighting is estimated at \$485,000. Vice Chair Kelly asked about the logo on the tower, and Mr. Graham shared that the tower would keep the logo it currently displays, which was the preference of Main Street and other stakeholders. Secretary Riche verified that the project would not add to the number of available parking spaces. Board Member Wilkes asked about future needed improvements, and Mr. Graham stated that the structural integrity would be long-term, but they would likely need to refresh paint in 10-15 years. Board Alternate Lloyd asked if there was a plan to coordinate lighting with special events, and Mr. Graham stated that Main Street will program the lighting. Chair Richardson-Woods called for public comments, and there were none. Board members unanimously approved a motion by Board Member Wilkes, seconded by Board Member Lloyd, to close the public hearing.

24-1480 Chair Richardson-Woods called for Public Hearing and consideration/discussion/action on a Project Grant application submitted by Notes Live, Inc. (4B24-04) in an amount of three million and NO/100 dollars (\$3,000,000.00) for infrastructure costs related to the construction of Sunset Amphitheater McKinney, a 20,000 seat outdoor covered amphitheater located on 46 acres owned by the McKinney Economic Development Corporation located at the Northeast corner of U.S. 5 and State Highway 121 in McKinney, Texas. Total Requested is 1% of the Total Project Cost. MEDC President Michael Kowski thanked the Board for their engagement on this project. He shared that Council passed a term sheet which calls for \$3 million from MCDC. Mr. Kowski's full presentation is online, and today's presentation will be abbreviated. The project site is 46 acres owned by MEDC. The site plan is already in the hands of development services. It is anticipated that work on the property would begin in 2024 with a completed project in 2026. The product is a

20,000 seat, covered amphitheater with 300+ suites and a covered parking structure. The investment in the City is estimated at \$220 million overall, with nearly 700 jobs created. The plan calls for at least 45 shows each year bringing more than 700,000 people to the venue annually. Projected direct annual sales are approximately \$100 million with other visitor spending (including just under 55,000 hotel nights) adding \$49 million to the economy. The City has committed \$18 million to the project (\$3 million per year for 6 years), and MEDC has committed \$5 million. They are requesting \$3 million from MCDC. Additionally, MEDC and MCDC will retain 100% of sales tax collected from the property. MCDC's return on investment over 20 years is estimated at \$10 million. Chair Richardson-Woods called for public comments, and there were none. Board members unanimously approved a motion by Vice Chair Kelly, seconded by Board Member Barnes-Tilley, to close the public hearing.

- 24-1481** Chair Richardson-Woods called for a Public Hearing and consideration/discussion/action on a Project Grant application submitted by Heard Natural Science Museum and Wildlife Sanctuary (4B24-05) in an amount of up to one hundred forty-three thousand eight hundred ten and NO/100 dollars (\$143,810.00) for Blackland Prairie restoration to include trail and prairie maintenance equipment, deck replacement at Science Resource Center, and trail washout improvements at the property located at One Nature Place in McKinney, Texas. This request represents 100% of the Total Project Cost. Board President Steve Gray clarified that the request is no longer 100% of the total project. He thanked the Board for their past support of the mission of The Heard to bring nature and people together. The Heard is a 289 acre nature preserve with 6.5 miles of trails, a 6,000 square foot exhibit hall, and a 12,000 square foot Science Resource Center. The Heard welcomes more than 100,000 visitors annually including 20,000 students on field trips. In addition to weddings,

corporate events, teacher worknights, and educational and outreach programs, they host various major events each year including Halloween at The Heard, Holidays at The Heard, several Night Out at the Heard events, and a native plant sale. Their efforts to keep the land in its original state allow for a host of native plants and animals to populate the property. The Blackland Prairie is an endangered ecosystem that has dwindled to only .05% of its original land mass, and the Heard maintains about 60 acres. Executive Director John Dexter shared the need for comprehensive repair and continued restoration of the Blackland Prairie. This request is for trail improvement materials including crushed rock (FlexBase) to repair a large section of land that has been damaged from flooding and Rip Rap rock to prevent future erosion; a new tractor with a wider deck, bush hog and tow-behind sprayer; and the replacement of the Science Center's observation deck. The request is for \$143,810. Board Member Wilkes asked about prescribed burns. Mr. Dexter shared that they are meeting with the fire inspector today and plan to discuss that potential. Vice Chair Kelly asked about the percentage of this request to total project. Mr. Dexter explained that the total project is just over \$168,000, of which The Heard has raised about \$24,000. Therefore, this request represents about 85% of the total project cost. Secretary Riche asked for clarification regarding removing undesirable plants, and Mr. Dexter explained that the goal is to restore the land to its true historical ecosystem without today's invasive species. Secretary Riche asked if they considered a used tractor, and Mr. Dexter shared that the newer equipment offers a larger deck, heavier torque and nicer cab for employee protection. Chair Richardson-Woods called for public comments, and there were none. Board members unanimously approved a motion by Board Member Barnes-Tilley, seconded by Board Alternate Lloyd, to close the public hearing.

24-1482 Chair Richardson-Woods called for a Public Hearing and consideration/discussion/action on a Project Grant application submitted by McKinney Parks Foundation (4B24-06) in an amount of up to two hundred thirty-three thousand four hundred ninety-nine and NO/100 dollars (\$233,499.00) for construction of a Learning Garden located at MCDC-owned property at 704 Greenville Road in McKinney, Texas. This request represents 49% of the Total Project Cost. Bruce Mead shared that McKinney Parks Foundation is in the process of constructing a learning garden on MCDC-owned land next to TUPPS Brewery. He explained that the original plan for that land was a simple lawn that might serve as an extended gathering spot for patrons. MCDC has already entered into a three-year, \$10 annual lease agreement with the Foundation for the land. Their original hope was to reallocate MCDC funds appropriated for the passive space to the learning garden. The goal of the garden remains to be a teaching garden focused on healthy eating, edible growing and local plants, while providing produce for local organizations focused on serving the food insecure. Physical elements of the project include a grain bin for storage, potting benches, teaching tables, shade structures, flower/vegetable beds and a harvest/wash area. The initial estimated total project budget was just over \$128,000 for full buildout. However, professionally developed architectural and design plans brought the budget to over \$903,000. McKinney Parks Foundation has reduced that number to \$477,000 by eliminating some project redundancies, removal of some elements including lighting, shifting some of the labor to Foundation volunteers, and an additional \$20,000 contribution from the Foundation. Per the design firm, the cost to prepare that land for a passive lawn is nearly \$277,000. Public support for the Learning Garden project is overwhelming. On direction of City Council to seek gap funding from MCDC, the Foundation is requesting \$233,499. Secretary Riche asked about plans for food distribution, and

Mr. Mead stated that while they will teach residents how to grow a garden and place gardens in backyards, food from the garden would be donated to local organizations including Community Garden Kitchen, Hugs Café, East McKinney Farmers Market and La Tiendita. Volunteers will be maintaining the garden, with a small amount of funding set aside if a need arises for professional assistance. Secretary Riche asked if East McKinney residents who volunteer in the garden would potentially receive produce from it. Mr. Mead shared that there is not a plan in place for that, but they will consider allowing volunteers to take samples. Board Member Wilkes clarified that this project is a learning garden, not a traditional community garden where residents plant and share the produce. Mr. Mead added that the garden will have various types of beds including concrete fiber prefab beds (\$800 per bed), cedar beds (\$100-\$500), and inground beds with trellises (\$150). Board Member Lloyd asked about the East McKinney leaders who are in support of the project, and Mr. Mead listed Deborah Bradford, the Escamilla family, Webb Elementary staff and Tara Gadlin. The Foundation has previously renovated and replanted the Webb Elementary vegetable gardens, and they will teach gardening to about 50 children at the Woodside Village Mother's Day event. Chair Richardson-Woods asked if they will be planting by the next growing season. Mr. Mead stated that they have missed the Spring season but are starting seedlings now to be ready for the August and September planting season. Vice Chair Kelly asked President Schneible about the change in estimate from \$100,000 to \$270,000 to prepare the land as a passive lawn. President Schneible stated that the initial estimate was not firm but rather an estimate of probable cost by MCDC's TUPPS owner's representative and the City's Construction Manager Patricia Jackson with input from Parks Superintendent Marty Sillito. Secretary Riche asked how the land is restored if the three-year lease is not continued further. Mr. Mead shared

that the contract states that McKinney Parks Foundation is required to return the property to the condition it was, when leased to MPF. It would leave City-installed utilities, decomposed granite and shade structures. Board Member Barnes-Tilley and Vice Chair Kelly shared appreciation to the Foundation for their efforts in finding ways to reduce total project cost. Mr. Mead added that City leaders have now turned the general contractor responsibility over to the Foundation, which removes the project from the City's procurement process and will allow work to move forward faster and potentially allow for lower bids. President Schneible verified that, if granted, funds would be available June 20. Vice Chair Kelly expressed appreciation that the procurement process has been removed from the City. He referred to an earlier potential project discussion and asked President Schneible about funding from Parks by reallocating unspent dollars from the \$5.5 million annual MCDC Parks project funding. President Schneible stated that Council considered several funding options, including reallocation of MCDC funds provided to Parks, and the direction was for the Parks Foundation to explore project funding from MCDC at this time. Mr. Mead added that the Parks Department did review their budget and did not find funds that could be reallocated at this time. Secretary Riche verified that fundraising efforts would continue even if this grant were approved. Mr. Mead added that the funding being discussed at this time is to build and maintain the garden for the first year, and the anticipated annual maintenance for following years is \$40,000. Board Member Wilkes verified that the option to terminate after the first three years is a mutual agreement. Secretary Riche added that MCDC could choose to terminate if a higher and better land use opportunity arises, and President Schneible added that the Foundation may choose to terminate if they outgrow this location. Mr. Mead added that they hope the community support is great and that this iconic location would remain available for the garden. Chair Richardson-

Woods called for public comments, and there were none. Board members unanimously approved a motion by Board Member Barnes-Tilley, seconded by Secretary Riche, to close the public hearing.

- 24-1483** Chair Richardson-Woods called for a Public Hearing and consideration/discussion/action on a Project Grant application submitted by LifePath Systems (4B24-07) in an amount of up to one million and NO/100 dollars (\$1,000,000.00) for exterior infrastructure improvements including storm drainage, fire protection, electrical and site work at a new facility under construction at 2295 Bloomdale Road in McKinney, Texas. This request represents 2% of the Total Project Cost and 20% of the project elements included in this grant request. Danielle Sneed shared that LifePath Systems was established by the Commissioner's Court in 1986 and serves as the county's public mental health, substance use and intellectual disabilities provider. In the past seven years, they have experienced a 56% growth in unique individuals served. In 2023, 18,000 unique individuals received services from LifePath. The organization's core services include early childhood intervention, mental health care services starting at age three, substance use services for teens and adults, and intellectual and developmental disabilities (IDD) services starting at age three. One in five adults in the United States experience mental illness each year, and the average delay between onset of mental illness and accessing treatment is eleven (11) years. The mission of their diversion and crisis services is to reduce non-emergency use of area emergency rooms and support local law enforcement in their assessment of individual needs. Currently, there are not enough state or community hospital beds to serve the acute needs of the Collin County population. The new facility will be located on Bloomdale Road at Community Avenue near the County administration offices and the County jail. LifePath has executed a lease agreement from the County

for \$10 a year for the next ten years. The new facility will allow for new programs as well as the expansion of existing services. Construction began November 2023 and is expected to be completed by May 2025. The facility is 110,000 square feet. Programming housed at the new location will include Behavioral Health Diversion Center, Crisis Center, Outpatient Behavioral Health Adult Services and Intensive Services, local IDD authority, administration offices, and meeting space. The facility will also include shell space for future growth. Total cost of the project is \$47 million. Funding sources are \$31 million from Center reserves that have been set aside for this project since 2011, \$500,000 from impact fees waived, \$10 million in financing, and \$5.5 million from grant requests (now in application process including MCDC). Ms. Sneed shared elevations of the future facility. Board Member Barnes-Tilley asked how much growth they will be able to accommodate with the new facility, adding that she recognizes the importance of the work of LifePath and appreciates their commitment. Ms. Sneed stated that they will double the number of beds initially, then expand to the shell space as needed. Vice Chair Kelly asked about the timing of this request since the project is already underway, and Ms. Sneed stated that they started the project \$5.5 million short with plans to secure grant funding. Vice Chair Kelly asked if they had requested funds from other cities in the County, and Ms. Sneed stated that she was unaware if other cities could contribute, since the location is McKinney. President Schneible reminded Board members that MCDC funding is limited to McKinney and the ETJ. Secretary Riche asked how the project would be impacted if the \$5.5 million in funding is not secured, and Ms. Sneed stated that their Board would likely consider using other reserve funds and agreed that they would potentially pull from their line of credit. Vice Chair Kelly asked the applicant to provide follow-up information about what happens to the project if they do not secure the grant funding they are seeking. Secretary

Riche inquired about staff expansion, and Ms. Sneed stated that they have about 20% growth annually. Board Member Lloyd verified that their hope would be to avoid the need to finance more, so they can use those funds for operations, services and programming. Other grant requests include Hoblitzelle Foundation, Addy Foundation, Meadows Foundation, Bank of America Charitable Foundation, Independent Financial, Hillcrest Foundation, and Eugene McDermott Foundation. Board Member Wilkes verified with President Schneible that MCDC has not funded LifePath in the last 14 years. Chair Richardson-Woods called for public comments, and there were none. Board members unanimously approved a motion by Board Member Barnes-Tilley, seconded by Board Member Wilkes, to close the public hearing.

- 24-1484** Chair Richardson-Woods called for a Public Hearing and consideration/discussion/action on a Project Grant application submitted by SDC Throckmorton Villas, LP, a Development of Sphinx Development Corporation, a Division of The Sphinx Group, (4B24-08) in an amount of up to one million two hundred thousand and NO/100 dollars (\$1,200,000.00) for infrastructure improvements related to the construction of 380 Villas, a new multi-family, residential development for low income families located at 1003 Throckmorton Street in McKinney, Texas. This request represents 2% of the Total Project Cost. Tekevwe Okobiah shared that Sphinx is a 27-year-old development company with a mission to provide affordable, quality housing to those who need it most. Sphinx has completed 14 similar projects in the DFW metroplex totaling 2,644 housing units. The McKinney project (380 Villas) is under construction near 380 and Throckmorton with a total of 260 units including seven townhomes. Units include studios, one-bedroom, two-bedroom and three-bedroom apartments. The project includes twelve buildings, six of which are townhomes and six of which

are three-story apartments. The project will serve families earning 60% or below area median income. The total project budget is just over \$67 million. The project will improve quality of life in McKinney by increasing available housing for those earning middle and low income levels. They have identified about \$4.9 million of project infrastructure that would be eligible for MCDC funding consideration, and this request is for \$1.2 million. Apartment design includes granite tops in kitchen, bar height counters, pantry, energy-efficient stainless steel appliances, washer/dryer connections, large open floorplan, and private balconies. Additionally, an onsite resident service coordinator will plan and organize community events including health fairs, substance abuse meetings, clubs (reading, gardening, etc), craft events and holiday social events. Board Member Barnes-Tilley referred to a potential project subcommittee discussion and asked for clarification regarding the unanticipated project costs surrounding the necessity to move utility and water lines. Mr. Okobiah explained that the historical records of utilities on the property were not accurate. As a result, some utility lines (Atmos gas, City water, and City sewer) were required to be relocated, adding that City zoning made it impossible to relocate the driveway. Total cost to relocate these utility lines is approximately \$460,000 not including redesign costs. Another expense not factored into the original site plan was additional stabilization of roads within the complex as required by the City, creating another unanticipated cost of \$260,000. Chair Richardson-Woods asked how the project would move forward without MCDC funding. Mr. Okobiah shared that they would potentially need to stop the project or find a buyer who has the finances to complete it. Chair Richardson-Woods inquired regarding efforts already made to reduce costs. Mr. Okobiah shared that they have made adjustments to the façade, adding that they do not have flexibility with doors and windows because of noise ordinances. I.K. Enemkpali added that retaining walls

along the creek have been completed, and City planning is now requiring an additional 80 feet of wall on both sides of the creek to avoid removing trees. Secretary Riche asked if they have applied for other grants, including federal funding. Mr. Okobiah explained that they are using LIHTC (housing tax credits) and funds from TDHCA (Texas Department of Housing and Community Affairs). He added that the original project included 220 units with retail space. However, City Council approved the project with additional units and no retail space, so an additional building was added to the project, increasing the total project cost by about \$2 million. Mr. Enemkpali added that their bond reservation deadline required building start dates, so they did not have flexibility in the development schedule regarding construction start dates. President Schneible asked how the utility issues discussed earlier impacted the construction timeline. Mr. Okobiah stated that this issue delayed the project six to seven months, adding that a large portion of the project cannot move forward until the utility lines are moved. Board Member Wilkes asked for clarification on funding, and Mr. Okobiah verified that about half the project is funded through bonds, and the other main funding source is tax credits (sold to Berkshire Hathaway). He affirmed that their goal is to avoid adding to the project's debt. Chair Richardson-Woods called for public comments, and there were none. Member Wilkes acknowledged that this is a needed project. Board members unanimously approved a motion by Secretary Riche, seconded by Board Member Barnes-Tilley, to close the public hearing. Board

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

There were no additional Board comments.

Chair Richardson-Woods recessed the meeting into Executive Session at 10:44 a.m. in accordance with the Texas Government Code. Deliberation regarding economic development matters included Project 4B23-11 (Heritage Guild Request to Amend),

Project 4B24-02 (City of McKinney, McKinney National Airport - TKI), Project 4B24-03 (City of McKinney, Engineering Department), Project 4B24-04 (Notes Live), Project 4B24-05 (Heard Natural Science Museum), Project 4B24-06 (McKinney Parks Foundation), Project 4B24-07 (LifePath Systems), Project 4B24-08 (Sphinx Development Corporation), and Project 4B20-09 (TUPPS Brewery and Entertainment Destination).

Chair Richardson-Woods reconvened the meeting of McKinney Community Development Corporation back into regular session at 11:43 a.m. There was no action taken after Executive Session.

Chair Richardson-Woods called for a motion to adjourn. Board members unanimously approved a motion by Secretary Riche, seconded by Vice Chair Kelly, to adjourn. Chair Richardson-Woods adjourned the meeting at 11:44 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:_____

SIGNED:

ANGELA RICHARDSON-WOODS
Board Chair
DAVID KELLY
Board Vice Chair

ATTEST:

DAVID RICHE
Board Secretary