

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

FEBRUARY 26, 2026

The McKinney Community Development Corporation met in regular session in the City Hall Council Chambers, 401 E. Virginia Street, McKinney, Texas, on Thursday, February 26, 2026, at 8:00 a.m.

Board Members Present: Chair George Fuller, Vice Chair David Riche, Secretary Deborah Bradford, Treasurer Chris Wilkes, Board Members Angela Richardson-Woods, Joy Booth, and AJ Micheletto, and Board Alternate Markus Lloyd.

Absent: None.

City Council Present: Mayor Bill Cox and Councilmen Michael Jones and Rick Franklin.

Staff Present: President Cindy Schneible, City Manager Paul Grimes, Assistant Director of Finance Chance Miller, Director of Parks and Recreation Amy Kinkade, Visit McKinney Executive Director Aaron Werner, Assistant Directors of Parks and Recreation Robert Gaylor and Erica Lyght, MCDC Attorney Jeff Moore, Audio Visual Technician Joshua Arias, and MCDC Administrative and Marketing Coordinator Anahi Vega.

There were many guests present.

Chair Fuller called the meeting to order at 8:00 a.m. after determining a quorum was present. Attendees stood for the Pledge of Allegiance.

MCDC presented a video highlighting impact across the City.

26-0142 Chair Fuller called for a Community Partner Spotlight from Hugs Café. The presentation for agenda item 26-0142 posted on the agenda is included in this document as Exhibit A: Community Partner Spotlight. Chair Fuller recognized Treasurer Wilkes for his proactive efforts to highlight MCDC's impact. Treasurer Wilkes shared that over the past 30 years, MCDC has supported numerous projects that have strengthened the community and created opportunities for residents. He added that MCDC will continue highlighting its impact throughout the year. Hugs Café CEO Lauren Smith recognized MCDC for helping create community and employment opportunities for Hugs employees. Ms.

Smith shared that with the support of MCDC, Hugs Café has been able to build a sustainable future for individuals with intellectual and developmental disabilities (IDD) through meaningful employment opportunities. Hugs currently operates four programs: Hugs Café, Hugs Greenhouse, Hugs Home Cooking, and the Hugs Training Academy. She reported that there are six Hugs Café affiliates representing five states across the country. Hugs Café currently has more than 100 employees, including more than 90 individuals with IDD. In 2025, Hugs provided more than 29,000 hours of meaningful employment and paid \$243,491 in wages. Ms. Smith shared that MCDC support helped fund the construction of greenhouses, allowing for expanded production capacity and additional employment opportunities. With heated and irrigated greenhouses, Hugs Greenhouse is now able to grow plants year-round. She also reported that Hugs now owns the 4.5-acre Hugs Greenhouse property and plans to continue optimizing and expanding the site. The new Hugs Headquarters will bring Hugs Café, the Hugs Training Academy, and the Hugs administrative team together in one location and is expected to open in the summer of 2026. She added that MCDC has contributed more than \$1 million to support Hugs Café's mission of creating opportunity and innovation for the McKinney community. Ms. Smith thanked MCDC for its continued partnership and support. Chair Fuller recognized Hugs Café for its unique mission and meaningful impact in the community.

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

- 26-0143** Minutes of the McKinney Community Development Corporation Meeting of January 22, 2026.

- 26-0144** Minutes of the McKinney Community Development Corporation Potential Projects Subcommittee Meeting of December 18, 2025.
- 26-0145** Minutes of the McKinney Community Development Corporation Promotional and Community Event Grant Subcommittee of January 12, 2026.
- 26-0146** Chair Fuller called for the Financial Report. Assistant Director of Finance Chance Miller presented a report on year-end FY 25 financials and December financials. He shared that he will present the final FY 25 audit to City Council on Tuesday and that there are no proposed audit adjustments. For year-end FY 25 financials, Mr. Miller reported that MCDC ended the year with sales tax revenue of more than \$24.6 million, exceeding the 3% budget projection. For FY 26, the budget projections call for a 3.5% increase. Total revenues were over \$58.9 million and included \$30 million of debt issued in April. Total expenditures for FY 25 were over \$47 million, including operational expenses of \$929,000, project expenses of \$41 million, and non-departmental expenses of \$4.9 million, which included \$1.7 million for the Economic Incentive Roadway Construction Fund. Mr. Miller added that the FY 25 ending fund balance is \$92.4 million. Treasurer Wilkes added that the ending fund balance includes funds already committed to projects and contracts. For December, revenues were \$2.5 million, primarily from sales tax. Expenses were \$700,000 including \$521,000 in project expenses. Mr. Miller noted that reappropriations will be added to the January financials, and after those adjustments the FY 26 projected ending fund balance will be approximately \$70 million. Regarding sales tax, December numbers apply to October. McKinney saw an increase of 5.5% compared to a 24.6% increase for Allen, a 25.9% increase for Plano, and a 1.8% decrease for Frisco. Sister city sales tax numbers will be updated to reflect the true variance once audit collections are accounted for and

defined. He shared that Allen's higher increase was largely attributed to the recent opening of Costco and related sales activity. Regarding the industry breakout, Mr. Miller reported that retail trade represented 6% and scientific and professional services represented 30%. He added that FY 25 ended strong and retail trade is helping start the new fiscal year with strong performance.

26-0147 Chair Fuller called for Board and Liaison Reports.

Board Chair. Chair Fuller shared that Board members have participated in several community events this month, including the Boys & Girls Club Great Futures Luncheon and the McKinney Chamber Community Awards. At the Community Awards, the MCDC Quality of Life Awards were presented to individual recipients David and Carolyn Brooks. The organizational award was presented to HEB McKinney. Betty Petkovsek was recognized as the recipient of the 2026 Carey Cox Outstanding Citizen of the Year Award. Board members also attended the McKinney Chamber State of the Chamber Annual Meeting and the Legacy Neighborhoods of McKinney Black History Month event. Chair Fuller added that the Board will tour the new McKinney Passenger Service Terminal under construction at the airport later today and that MCDC will hold a joint meeting with City Council on Tuesday, March 3.

City of McKinney. City Manager Paul Grimes noted that the City of McKinney and McKinney Independent School District held a joint meeting on February 9 to discuss community matters. Mr. Grimes added that approximately 70% of McKinney students attend MISD. Early voting is currently taking place at City Hall, and Mr. Grimes encouraged those present to vote. The grand opening of the Fire Department Headquarters building is anticipated in May. Mr. Grimes shared that the McKinney Affordable Housing Summit will be held on April 13 from 8:00 a.m. to 1:00 p.m. at the Community Event Center at McKinney ISD Stadium. At

the March 3 City Council meeting, the consultant/facilitator for the Better Together Initiative for addressing homelessness will be presented. Mr. Grimes noted that the University of Dallas has been identified as the team to guide the initiative and facilitate several community meetings, with a final set of recommendations anticipated by October or November 2026. Mr. Grimes added that an updated needs assessment for affordable housing has been completed. Root Policy Research presented the updated study during the February 17 City Council work session. The Annual Financial Report will be presented at the March 3 Work Session and will be adopted by City Council during the regular meeting. Mr. Grimes noted that City Council will discuss short-term rentals and funding for preliminary engineering related to a parking structure in Downtown McKinney. The structure will serve as the first phase of downtown redevelopment. A TIRZ 1 meeting will be held regarding program administration. Engineering design contracts discussed include a supplemental agreement for Wattley Park, which will include a fully rebuilt park with a budget of \$2 million, and the Stonebridge Drive design project north of U.S. 380. Treasurer Wilkes commended the City's customer service, based on a recent request for information. Responding to a question regarding the Chestnut Water Tower, City Manager Paul Grimes responded that the water tower project is ongoing, with installation expected in mid-March and completion anticipated by mid-June. Mr. Grimes added that most antennas will be removed.

Visit McKinney. Executive Director Aaron Werner shared that F.C. Barcelona will host a soccer clinic at the Craig Ranch Soccer Complex from June 29 through July 3. He thanked the Parks and Recreation Department for their partnership and support. Several upcoming sports events will take place in McKinney, including the PPA Texas Open at the Courts of McKinney March 9-15, the BMW McKinney Half Marathon on

March 28, which is expected to bring more than 4,000 runners, and the International Girls Cup soccer event, with more than 150 teams expected to participate from across the U.S. and beyond. Mr. Werner announced that Tony Adamo has joined the team as the new Sales Manager.

McKinney Parks and Recreation. Director Amy Kinkade shared that she appreciates the partnership with Visit McKinney. She reported that staff attended the 2026 Texas Parks and Recreation Society Conference in Corpus Christi and congratulated David Nichols for winning the zero-turn mowing competition at the maintenance rodeo. Ms. Kinkade shared that Finch Park received the Lone Star Legacy Award. Renovations to the Apex Centre outdoor leisure pool is nearing completion. Bids for the Erwin Park project will open on March 6 and will be presented to the PROS Board on April 9 and to City Council on April 21, with construction anticipated to begin this summer. Bids for Grady Littlejohn will open on March 21. Three interviews have been scheduled for the Regional Destination Park, and the project continues to move forward. The McKinney Soccer Complex at Craig Ranch is expected to be completed by the end of May. Oak Hollow Golf Course will increase fees by \$5 for both residents and non-residents. Upcoming events include the Senior Prom at the McKinney Senior Recreation Center on February 28 and Party on the Patio at the Recreation Center at Towne Lake on March 21, March 28, April 4, and April 11. Board Member Booth asked about the lights at the Gabe Nesbitt Community Park complex, noting they appeared dim. Ms. Kinkade responded that City staff operate the lights and will address the issue. Secretary Bradford thanked the Parks and Recreation team for their work on the renovations at Wattley Park.

26-0148 Chair Fuller called for the President's Report. President Schneible directed Board members to the attached reports, including the marketing report and final reports from the MillHouse Foundation, McKinney

Philharmonic Orchestra, and Collin County History Museum. The marketing report highlights several record-breaking views and engagement metrics. Project Grant Cycle II will be open March 1-31. The McKinney Front Porch team will host the Affordable Housing Summit on April 13. Secretary Deborah Bradford will serve as emcee, and the keynote speaker will be Dr. Cullum Clark. Ms. Schneible recognized Community Garden Kitchen for their efforts, serving 2,560 free meals and distributing 3,800 pounds of food to community partners during January. She recognized the East McKinney Learning Garden, Bruce Mead, and the McKinney Parks Foundation for their efforts. The organization raised more than \$400,000 in private donations and distributed 700 pounds of food to community partners. Secretary Bradford expressed excitement for the Affordable Housing Summit and encouraged everyone to attend an upcoming MillHouse Lunch Bunch, The Beauty of Becoming: Navigating the Seasons of Life, on April 14, where she will be the speaker.

Chair Fuller recessed the meeting into executive session at 8:45 a.m. in accordance with the Texas Government Code. Deliberation regarding economic development matters included Project 20-09 (TUPPS Brewery & Entertainment Destination), Project Hemispheres, Venu/Notes Live, 4B26-01 Palladium, 4B26-02 Heritage Guild of Collin County, 4B26-04 Presidium and 4B26-05 Collin County History Museum.

Chair Fuller reconvened the meeting of McKinney Community Development Corporation back into regular session at 9:04 a.m.

26-0149 Chair Fuller called for consideration/discussion/action on a Project Grant application submitted by Palladium McKinney Ranch, LTD, a development of Palladium USA (4B26-01), in an amount of two million five hundred thousand and No/100 Dollars (\$2,500,000.00) for infrastructure improvements related to the construction of McKinney

Ranch Senior Living, a new independent senior living multi-family development with 109 units, 72 dedicated to low-income seniors at 60% AMI or below, located at 5353 McKinney Ranch Parkway in McKinney, Texas. The request represents 7.5% of total project cost. David Craig spoke in favor of the project and its ability to address community needs. Treasurer Wilkes made a motion to approve this agenda in an amount of \$2,500,000, with the condition that the amount may be reduced if funding relief is provided by the City, seconded by Board Member Richardson-Woods, and Board unanimously approved the item in an amount of \$2,500,000.

26-0150 Chair Fuller called for consideration/discussion/action on a Project Grant application submitted by Heritage Guild of Collin County (4B26-02) in the amount of one hundred forty-eight thousand five hundred and No/100 dollars (\$148,500.00) for site improvements to construct restroom facilities at Chestnut Square Heritage Village, located at 315 S. Chestnut in McKinney. The request represents 85% of total project cost. Board members unanimously approved a motion by Board Member Micheletto, seconded by Vice Chair Riche, to approve the item in an amount of \$148,500 as requested.

26-0151 Chair Fuller called for consideration/discussion/ action on a Project Grant application submitted by Presidium Group, LLC, (4B26-04) in an amount of thirteen million six hundred thirty-four thousand six hundred thirty-eight dollars and 49/100 dollars (\$13,634,638.49) for infrastructure improvements related to development of The Cotton Mill District, located at 610 Elm Street in McKinney, Texas. The request represents 71.3% of infrastructure cost. Chair Fuller stated that the applicant has requested that this item be tabled. Board members unanimously approved a motion by Secretary Bradford, seconded by Board Member Richardson-Woods,

to close the public hearing and table to the next regular meeting of the board.

26-0152 Chair Fuller called for a Public Hearing and consideration/discussion/action on a Project Grant application submitted by the Collin County History Museum (4B26-05) in the amount of thirteen thousand three hundred and NO/100 dollars (\$13,300.00) for building and archive preservation projects including window tinting and interior repairs and painting at the museum located at 300 East Virginia Street in McKinney. The request represents 100% of total project cost. Chair Fuller added that the County owns the building, but the lease agreement places responsibility caused by the leak on the museum, adding that the museum does not have the ability to publicly fundraise for this project. Board members unanimously approved a motion by Board Member Micheletto, seconded by Board Member Richardson-Woods, to approve the item in an amount of \$13,300 as requested.

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

Chair Fuller called for board comments and there were none.

Chair Fuller called for a motion to adjourn. Board members unanimously approved a motion by Treasurer Wilkes, seconded by Board Member Micheletto, to adjourn. Meeting was adjourned at 9:13 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: March 26, 2026.

SIGNED:

GEORGE FULLER
Board Chair
DAVID RICHE
Board Vice Chair

ATTEST:

DEBORAH BRADFORD
Board Secretary

*Exhibit A – Community Partner
Spotlight*



With the help of MCDC, Hugs Cafe Inc has built a sustainable future for IDD employment.



About Hugs Cafe Inc

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Programs

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Hugs Cafe Inc Affiliates

107

Total Staff

29,951

Hours of Meaningful Employment in 2025

91

Mission-Based Employees

\$243,491

Paid Out in Meaningful Wages in 2025



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Hugs Greenhouse

Construction of Barn and Greenhouses

This investment expanded production capacity, created additional purposeful employment opportunities for adults with disabilities, and allowed Hugs Greenhouse to meet growing community demand while strengthening its long-term sustainability.

Addition of Irrigation and Heat

These upgrades improved efficiency, ensured consistent growing conditions year-round, and helped protect crops, enabling the program to operate reliably while providing a stable and supportive work environment for employees.



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Hugs HQ

MCDC supported the development of the Hugs Headquarters, a transformative project scheduled for completion in July of this year. This contribution helps bring together training, operations, and community engagement under one roof. The Headquarters will serve as a long-term hub for growth, sustainability, and impact, equipping Hugs to expand its reach while continuing to empower employees and enrich the community.



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MCDC creates opportunity and innovation for our community.

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\$ 1,023,483.83

Contributed to date

“Working at Hugs Greenhouse has changed my life. I have friends and a place that needs me. Life is good.” -Jacob

“I cannot wait to work at the Hugs Headquarters. We are going make cookies, raise money, and best of all we get to all be together! Yay!” -Ashton

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Thank you

The Hugs Team

Ruth Thompson
Lauren Smith
Eric Weinhagen
Evan Jones
Bill Crump
Kit Marchal
Jennifer Buschman

and the rest of the crew