

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

MAY 25, 2023

The McKinney Community Development Corporation met in regular session in the City Hall Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on Thursday, May 25, 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, Councilwoman Geré Feltus, and Councilman Patrick Cloutier.

Staff Present: President Cindy Schneible, City Manager Paul Grimes, Assistant City Manager Kim Flom, Accounting Manager Chance Miller, Director of Parks and Recreation Michael Kowski, Visit McKinney Executive Director Aaron Werner, Cultural District Director Andrew Jones, Director of Housing and Community Development Janay Ticken, Director of Code Services Kerry Simpson, and MCDC 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. Imam Mohamed AlGebaly of the McKinney Islamic Association led the 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 Treasurer McGill, to approve the following consent items:

23-0422 Minutes of the McKinney Community Development Corporation Special Meeting of March 17, 2023.

23-0423 Minutes of the McKinney Community Development Corporation Meeting of April 27, 2023.

- 23-0424** Minutes of the McKinney Community Development Corporation Retail Development Infrastructure Meeting of April 13, 2023.
- 23-0425** Minutes of the McKinney Community Development Corporation TUPPS Subcommittee Meeting of May 3, 2023.
- 23-0363** Minutes of the Parks, Recreation and Open Space Advisory Board of April 13, 2023.

Chair Richardson-Woods recessed the meeting into Executive Session at 8:07 a.m. in accordance with the Texas Government Code. Deliberation regarding economic development matters including: 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 8:27 a.m.

- 23-0429** Chair Richardson-Woods called for 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. Board members unanimously approved a motion by Treasurer McGill, seconded by Board Member Barnes-Tilley, to deny this project request.
- 23-0430** Chair Richardson-Woods called for consideration/discussion/action on 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. Board members approved a motion by Board Member Barnes-Tilley, seconded by Treasurer McGill, to approve this request with a vote of 6 - 1 - 0, Board Member Booth voting no.

Chair Richardson-Woods called for consideration/discussion/action on the following two items:

23-0431 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.

23-0432 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.

Board members unanimously approved a motion by Chair Richardson-Woods, seconded by Secretary Bradford, for the approval of the grants in both Item 23-0431 and Item 23-0432, in the amounts requested, with the further stipulation that the MCDC fund either grant, in full, in the event one of the Applicants receives alternative funding, including funding from the McKinney Public Facility Corporation, or both grants, in full, in the event neither of the Applicants receives alternative funding. This motion does not provide for any partial- or split-funding of either Application, and this motion also requires that the projects close under the timelines submitted in the respective applications.

23-0426 Chair Richardson-Woods called for Board and Liaison Reports.

Board Chair. Chair Richardson-Woods thanked all City partners and David Craig for their work in executing another successful AT&T Byron Nelson, and several Board members concurred. Board Members Riche and Booth, Chair Richardson-Woods, and Secretary Bradford expressed appreciation and accolades for the LoveLife Foundation Women in Service luncheon. Board Member Barnes-Tilley complimented the Empty Bowls team on another great event. Chair Richardson-Woods acknowledged Councilmen Cloutier and Franklin on their council re-elections and continued service to McKinney and congratulated Councilman Michael Jones on his election.

City of McKinney. City Manager Paul Grimes announced that the Council election results have been certified. Councilman Franklin and Councilman Cloutier have been officially re-elected, and Councilman Michael Jones has been newly-elected. Orientation for Councilman Jones is this Friday. Parameters for two bonds were approved by City Council at the May 16 meeting that includes \$27 million for roads and \$22 million for public safety infrastructure. Debt sale for these will be in June, and the City's credit rating has been reaffirmed as AAA for general obligation debt. Council has also approved \$40 million in revenue bonds for a water fund for water main relocations and repair. The City's credit rating for these types of bonds has been reaffirmed as AA+. Also on May 16, Council approved a term sheet for the City's first Special Financing District to help encourage development in and near the Honey Creek area in McKinney's Northwest sector. Mr. Grimes shared that Council reviewed submissions in response to a waste management RFP and will begin negotiations for a new contract. He shared that the general obligation bond for the airport was not approved by voters, and Council is discussing other funding options to expand McKinney's airport to include passenger service. Council continued discussion on the

redevelopment of City-owned properties in Downtown. An RFQ will likely be issued in June and will include a national solicitation. National Research Center at Polco has completed McKinney's biennial, National Community Survey, and results will be presented in June. Chair Richardson-Woods extended congratulations to all recent graduates including Mr. Grimes' son.

Visit McKinney. Executive Director Aaron Werner acknowledged the partnerships among City entities and others that made the AT&T Byron Nelson a huge success. The Visit McKinney team was very involved in the City's booth which benefitted from a great location near the main entrance to welcome most guests. During National Travel and Tourism week, Visit McKinney shared 2022 numbers on social media. More than \$260 million was spent by tourists in McKinney in 2022. Without tourism, local residents would need to spend about \$1,200 more per year to generate the same revenue. Mr. Werner emphasized that visitors play a huge role in contributing to MCDC and MEDC revenue and hence the quality of life we experience in McKinney. The National Junior College Division I tennis championship hosted 25 teams from around the country for a week. Mr. Werner complimented the Parks staff at The Courts of McKinney for a great event. He acknowledged Beth Shumate and their whole social media team for ongoing messaging. Mr. Werner reported that they shared a Texakona Coffee reel that generated over 120,000 views and helped increase Texakona's Instagram growth by 500 followers. Chair Richardson-Woods stated that her sorority recently hosted their 13th Annual Cotillion at The Sheraton and complimented the staff on the accommodations and service provided. Board Member Barnes-Tilley extended her compliments on the tennis tournament, acknowledging the facilities and staff at The Courts and shared that the expansion will be an added bonus especially with the indoor courts.

McKinney Economic Development Corporation. MEDC Board Liaison Kurt Kuehn reported that MEDC was able to host several developers during the AT&T Byron Nelson. He thanked MCDC and other City entities for their partnership in the Byron Nelson and other projects.

McKinney Main Street/MPAC. Cultural District Director Andrew Jones announced upcoming events including Sue Foley on May 27, SBG Craft Beer Walk, Juneteenth Celebration on June 17 and the second Coffee Crawl on June 24. Texas Music Revolution will host 25 artists June 2-3, and ticket sales are going well. Summer will bring back sidewalk sales on the square. New this summer and in collaboration with Chestnut Square Farmers Market is the McKinney Night Market every Thursday in July and August under the lights on Louisiana and will feature artists and musicians. The Main Street social media team is launching a video series that will focus on the food options in Downtown. Secretary Bradford complimented them on their McKinney Night Market promotion. Mr. Jones shared that they have hired Graham Myers as the new Downtown Development Manager.

McKinney Parks and Recreation. Director Michael Kowski announced that the new indoor tennis courts will open in a couple of weeks which will generate new year-round tournaments for McKinney. A community-wide survey is underway regarding design elements for the new dog park. Pools and splash pads open for summer this weekend, and summer staffing now totals 567 which is a new record. Mr. Kowski credited record employment to the work environment being cultivated that attracts young workers. Mr. Kowski shared that the first phase of the soccer complex is nearing completion. Treasurer McGill commented regarding her personal observation of staff training at Apex Centre. Mr. Kowski stated that their on-boarding program is very intentional and focuses on team building. Vice Chair Kelly reported that Mr. Kowski

developed and implemented an internal Parks Department conference for training, strategic planning and team building of the entire Parks staff. The event was hosted at the Sheraton, was sponsored by outside partners, and included an app created by Mr. Kowski. Mr. Kelly commended City Manager Grimes on his support of the conference including closing City rec facilities for two days to make the event possible for all Parks staff. Mr. Kowski added that 80 volunteers from City staff agreed to help with the conference. Board Member Riche asked about the status of Robinson Ridge Park, and Mr. Kowski stated that trees are in, and the project is a priority for the contractor.

TUPPS Subcommittee. Vice Chair Kelly reported that the site is coming together well, brewery equipment is installed and being tested, and TUPPS should receive a TCO for that building soon. A soft opening of the site is likely to be late July or early August. Chair Richardson-Woods expressed her excitement for the progress at the site.

23-0427 Chair Richardson-Woods called for the Financial Report. Accounting Manager Chance Miller presented financials for the month of April. Revenues for April were \$1.7 million, most attributed to sales tax revenue. Operating expenses were \$275,000, project expenses were \$120,000, and expenses for Parks and TUPPS construction were about \$960,000, yielding a net increase of about \$249,000. April represented February sales and showed a true increase of 8.1% over 2022 with a year-to-date increase of 8.6%. During the same period and taking audit corrections into account, Allen had a true increase of 15.2%, Frisco had a slight decrease (.3%), and Plano had a true increase of just over 9%. Mr. Miller shared that Allen's double-digit increase is encouraging, reminding Board members that Allen had a rough few months last year. Mr. Miller reported that retail trade increased 12% over April 2022, which is impressive since the trend this year has been a 5%-6% growth rate.

The construction industry was down slightly for the month, but year-to-date is up 6.3%. There were no questions on the checks issued report.

23-0428 Chair Richardson-Woods called for the President's Report. President Cindy Schneible directed the Board to the reports attached to the agenda, highlighting the interim progress report from MillHouse on the February Artfest event which generated attendance of about 1,400 and indicated that artists realized an increase in sales over previous events. Board members were encouraged to review all reports including the TUPPS update from the MCDC owner's rep and the Art Meets Floral report. Ms. Schneible reminded Board members that promotional grant applications for this cycle will be accepted through next Wednesday, May 31, and the final application cycle for project grants for this fiscal year will be June 1-30. She encouraged everyone to review the marketing report and grant status report.

23-0433 Chair Richardson-Woods called for consideration/discussion/action on a request to include mobile homes occupied by low-income residents in McKinney (owner-occupied and/or rented) to the type of residence eligible for consideration for funding support, by MCDC, through a Property Maintenance Program administered by the City of McKinney, Housing and Community Development Department. President Schneible explained that MCDC has supported the Property Maintenance Programs for the last couple of years. The program targets low-income owner-occupied homes in McKinney but has not included manufactured or mobile homes to date. Kerry Simpson, Director of Code Services, has indicated that there are code issues related to health and safety in mobile home communities, so the purpose of this conversation is to explore expanding the portfolio of the types of projects MCDC would support. Ms. Schneible explained that this type of housing meets legal eligibility, but she is asking for the Board's input. Ms. Simpson shared that Code

Services recently took over the mobile home inspection program, and instances of deferred maintenance are going unaddressed. MCDC's support for health and safety issues identified on these properties, that would include electrical or structural issues and would not include cosmetic repairs, would be very important. Chair Richardson-Woods asked if there would be safeguards to prevent landlords from increasing rents after maintenance is complete. Ms. Simpson indicated that 99.9% of these properties are owner-occupied, but the property owner would be held responsible in either situation. Ms. Richardson-Woods asked if there is a threshold for each home and if there are parameters for maintaining the property for a specific time period after repairs are complete. Janay Tieken, Director of Housing and Community Development, stated that the current Property Maintenance Program has been in place for several years, and it has provided additional support for correcting code violations and community improvement. These repairs are generally paired with the Community Development Block Grant funding which has some affordability requirements and limits a maximum investment of \$20,000 per home. President Schneible asked if there is a required timeframe for maintaining the improvements, and Ms. Tieken stated that most projects are paired with the Block Grant which does have a five-year maintenance stipulation. Chair Richardson-Woods asked if they would invest in maintenance for a mobile home structure that might not maintain that value, and Ms. Tieken clarified that the focus is only on health and safety issues. They are discussing a \$5,000 to \$10,000 maximum per unit expenditure but would appreciate input from the MCDC Board on those parameters. She added that previously awarded MCDC funds for the Property Maintenance Program are fully expended, so they plan to submit a project grant application during the next Project Grant cycle. Board Member Riche asked how contractors are selected. Ms. Tieken shared that they have preferred contractors already on record

who would bid each project. Secretary Bradford verified that this program applies to existing properties only and asked about the location of these neighborhoods. Ms. Simpson stated that the City has three mobile home parks: one near the airport, one on McDonald and one on South Tennessee. Board Member Booth asked about the total stock of mobile homes in McKinney and how many require assistance. Ms. Simpson replied that the City has about 300 mobile home units and at least ten would need assistance at the South Tennessee location alone. Ms. Booth encouraged them to include details in their application about the types of repairs and number of properties. President Schneible garnered a consensus that the Board is open to adding mobile home to the portfolio of qualifiable property types.

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

Chair Richardson-Woods called for additional Board comments. She announced that the Juneteenth Celebration will be from 4:00-10:00 p.m. on June 17 at Finch Park and reminded everyone of the Smiles Charity event this Sunday. Ms. Woods encouraged everyone to keep the Allen community in their prayers, especially as they look to reopen the mall next week.

Chair Richardson-Woods called for a motion to adjourn. Board members unanimously approved a motion by Board Member Riche, seconded by Board Member Booth, to adjourn.

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