

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

JANUARY 23, 2025

The McKinney Community Development Corporation met in regular session in the City Hall Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on Thursday, January 23, 2025, at 8:04 a.m.

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

Absent: None.

City Council Present: Mayor Pro Tem Geré Feltus.

Staff Present: President Cindy Schneible, City Manager Paul Grimes, Assistant City Manager Barry Shelton, Chief Financial Officer Mark Holloway, Accounting Manager Chance Miller, Director of Parks and Recreation Amy Kinkade, MEDC President Michael Kowski, Director of Cultural District Andrew Jones, Visit McKinney Assistant Director Alisha Holmberg, MCDC Grant Program and Marketing Manager Linda Jones, and MCDC Administrative and Marketing Coordinator Anahi Alvarez.

There were several guests present.

Chair Richardson-Woods called the meeting to order at 8:04 a.m. after determining a quorum was present. Gwendolyn Lau, Pastor of Grace House Community Church, offered an invocation which was followed by the Pledge of Allegiance.

Chair Richardson-Woods called for public comments on non-public hearing agenda items, and there were none.

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

- 25-2351** Minutes of the McKinney Community Development Corporation Meeting of December 19, 2024.
- 24-2309** Minutes of the Joint City Council, McKinney Economic Development Corporation and McKinney Community Development Corporation Meeting of December 3, 2024.

25-2352 Minutes of the McKinney Community Development Corporation Potential Projects Subcommittee Meeting of December 9, 2024.

25-2353 Minutes of the McKinney Community Development Corporation Potential Projects Subcommittee Meeting of December 11, 2024.

25-2354 Chair Richardson-Woods called for the Financial Report. Accounting Manager Chance Miller presented a report on year-end FY 24 financials. MCDC ended the year with sales tax revenue over \$23.8 million, a 7% increase from the previous fiscal year, exceeding budget projections by 2%. Total revenues were over \$31.8 million. Total expenditures for FY 24 were just over \$19 million including operational expenses of \$860,000, project expenses of \$14.3 million, and non-departmental expenses of \$3.8 million. Mr. Miller reported that \$500,000 remained in the services/sundry balance and will roll over into the fund balance. A total of \$13.1 million is being reappropriated to FY 25.

25-2355 Chair Richardson-Woods called for Board and Liaison Reports.

Board Chair. Chair Richardson-Woods shared that she and Linda Jones delivered the Board's donation items and Amazon cards to Streetside Showers. She thanked the Board and City staff for their donations and shared appreciation for Streetside Showers for their work in the community.

City of McKinney. City Manager Paul Grimes wished everyone a Happy New Year. He shared that all departments have moved into the new City Hall. Roadwork is still underway, and concrete will be poured on Throckmorton and Virginia in the next couple of weeks, and the project should be complete by summer. Mr. Grimes said they are searching for an Assistant City Manager and have received applications from more than 140 qualified applicants. He shared that Kim Flom is moving to be City Manager for the City of De Pere, Wisconsin. Director of Public Safety

and past Police Chief Greg Conley is retiring. This position was reclassified into another Assistant City Manager role, and Trevor Minyard has been promoted to this position. Mr. Grimes shared that four firefighters from the McKinney Fire Department traveled to Los Angeles to help with the wildfires, adding that six teams from Texas, including departments from Dallas, Frisco, McKinney, and Greenville, were deployed and are expected to return at the end of January. Chair Richardson-Woods commented that Kim Flom will be greatly missed.

Visit McKinney. Assistant Director Alisha Holmberg announced that the Professional Pickleball Association tour will host its Texas Open at the Courts of McKinney on March 12-16. The event will feature professional and amateur players. The International Girls Cup of McKinney will be hosted at Craig Ranch Soccer Complex on April 16-20. Ms. Holmberg shared that Visit McKinney has been working closely with the Parks and Recreation team for this tournament, which will host over 200 teams, including 10 international teams. At least eight hotels will be booked in conjunction with this event. Treasurer Wilkes asked if the International Girls Cup will replace the Dallas Cup. Ms. Holmberg clarified that The International Girls Cup is a separate tournament specifically for female soccer players. She shared that there will be a welcome ceremony at TUPPS which is expected to host more than 3,500 players and fans.

McKinney Economic Development Corporation. President Michael Kowski announced that Venu/Notes Live has closed on the MEDC property, and they are now a publicly traded company. He introduced Erick Rodriguez, MEDC's new Business Intelligence Analyst, whose role is to help MEDC make data-driven decisions regarding potential projects and partners. He congratulated Mr. Grimes and City employees on the new City Hall. MEDC and MCDC are expanding their office space to expand MEDC offerings to local businesses and startups seeking to share ideas and co-create. Mr. Kowski shared that he and Aaron Werner

presented a session designated Building Bridges: Strengthening Communities through EDC Collaboration at the annual CVB conference in Waco. He expressed appreciation for the collaboration among City departments on projects like Venu and Cannon Beach. Chair Richardson-Woods commented that she has enjoyed the marketing efforts for Venu/Notes Live featuring Troy Aikman.

McKinney Main Street/MPAC. Cultural District Director Andrew Jones wished Board members a Happy New Year. He shared that the McKinney Bridal Show hosted a record number of brides and thanked Visit McKinney for their help with the event. On January 25, Main Street is hosting a Tiny Door birthday celebration with music, games, and an opportunity to make your own tiny door. Other upcoming events include Valentine's Chocolate and Wine Walk on February 15, Winter Sidewalk Sale on February 22, Texas Jazz Band with the Unfaded Brass Band for Mardi Gras at MPAC on February 22, MRT's 12 Angry Jurors beginning February 28, and the annual Krewe of Barkus parade on March 2.

McKinney Parks and Recreation. Director Amy Kinkade shared that repairs are underway at Apex, including upgrades and renovations to the indoor leisure and outdoor pools. Improvements at Gabe Nesbitt fourplex and practice fields are scheduled for construction bidding in January. Towne Lake Light Walk construction is scheduled to begin in February once construction documents are finalized. Wilson Creek Greens Trail Phase 1 is expected to be completed by early spring, with construction bidding for Phase II beginning in the fall. The Recreation Center at Towne Lake should be completed by the end of Spring. McKinney Soccer Complex bids have opened, and construction will be completed by Spring 2026. Civil design for Erwin Park is expected to be 90% complete by end of February, with construction bidding to begin early summer and construction beginning in late summer. Upcoming events include the Trout Derby at Towne Lake on February 22. Ms. Kinkaid

expressed appreciation for the collaboration with Visit McKinney on events like the PPA Open and International Girls Cup. Board Member Kelly sought clarification regarding unspent MCDC funding for Parks & Recreation. Ms. Kinkaid shared that MCDC funds are used last, so project timing may be a factor. President Cindy Schneible added that each Parks performance agreement is executed with a two-year term, adding that Parks does have the opportunity to request board approval for reallocations to same or different projects during the annual budget process.

25-2356 President's Report. President Cindy Schneible directed Board members to attached reports, calling special attention to the detailed final report received from the McKinney Public Library Foundation. Director of Libraries Spencer Smith will present plans for library facility updates to the Board in February. Ms. Schneible shared that she, Barry Shelton, Linda Jones, and Anahi Alvarez will attend ICSC Red River Conference in Dallas January 30-31 and will promote the City to retailers and brokers. The contract with the Retail Coach has been renewed to assist with retail recruitment and provide demographic information including attendance tracking at events. Ms. Schneible shared that the Retail Coach is working with the Main Street team to provide data to support marketing initiatives for the downtown historic district. Applications are being accepted for Retail Infrastructure Grants through January 31 at 5:00 p.m.

25-2357 Chair Richardson-Woods called for consideration/discussion/action on Promotional and Community Event Grant application submitted by Texas Women Society (PC 25-01) in the amount of \$11,000.00 for the advertising, marketing and promotion of the 2025 McKinney Asian Festival. Chair Richardson-Woods thanked the Promotional Grants Subcommittee members - Joy Booth, AJ Micheletto and Markus Lloyd – for their detailed review of each application. Representing the

subcommittee, Board member Booth shared that each application was discussed in detail with careful consideration given to the following:

- Ability to showcase City of McKinney for purposes of business development and/or tourism,
- anticipated attendance from McKinney residents and visitors to the city,
- data from past events,
- number of events supported by a single grant request,
- past grants awarded, and
- new versus repeat events

On behalf of the subcommittee, Board member Booth recommended funding in the amount of \$10,000 for the request. Board members unanimously approved a motion by Board Member Booth, seconded by Vice Chair Riche, to approve the grant in an amount of \$10,000 as recommended by the subcommittee.

25-2358 Chair Richardson-Woods called for consideration/discussion/action on the Promotional and Community Event Grant application submitted by Odysseus Chamber Orchestra (dba McKinney Philharmonic Orchestra) (PC 25-02) in the amount of \$15,000.00 for the advertising, marketing and promotion of the 2025-2026 concert season including a minimum of seven performances. On behalf of the subcommittee, Board Member Booth recommended funding in the amount of \$11,250 for the request. Board members unanimously approved a motion by Board Member Booth, seconded by Treasurer Wilkes, to approve the grant in an amount of \$11,250 as recommended by the subcommittee.

25-2359 Chair Richardson-Woods called for consideration/discussion/action on the Promotional and Community Event Grant application submitted by McKinney Chamber of Commerce (PC 25-03) in the amount of

\$15,000.00 for the advertising, marketing and promotion of the 2025 Día De Los Muertos Celebration. On behalf of the subcommittee, Board Member Booth recommended funding in the amount of \$12,500 for the request. Board members unanimously approved a motion by Board Member Booth, seconded by Board Member Micheletto, to approve the grant in an amount of \$12,500 as recommended by the subcommittee.

25-2360 Chair Richardson-Woods called for consideration/discussion/action on the Promotional and Community Event Grant application submitted by St. Peter's Episcopal Church (PC 25-04) in the amount of \$12,000.00 for the advertising, marketing and promotion of the 2025 Empty Bowls Event. On behalf of the subcommittee, Board Member Booth recommended funding in the amount of \$10,000 for the request. Board members unanimously approved a motion by Board Member Booth, seconded by Secretary Bradford, to approve the grant in an amount of \$10,000 as recommended by the subcommittee.

25-2361 Chair Richardson-Woods called for consideration/discussion/action on the Promotional and Community Event Grant application submitted by The Heritage Guild of Collin County (PC 25-05) in the amount of \$15,000.00 for the advertising, marketing and promotion of 2025 events at Chestnut Square including Farmers Market, Ghostly Hauntings, Trolley Tours, Village Tours, Educational Programming, and Exhibits. On behalf of the subcommittee, Board Member Booth recommended funding in the amount of \$12,500 for the request. Board members unanimously approved a motion by Board Member Booth, seconded by Board Member Micheletto, to approve the grant in an amount of \$12,500 as recommended by the subcommittee.

25-2362 Chair Richardson-Woods called for consideration/discussion/action on the Promotional and Community Event Grant application submitted by

Raining Grace, Inc. (dba Texas Homegrown Music) (PC 25-06) in the amount of \$10,500.00 for the advertising, marketing and promotion of the 2025 Texas Music Festival and HippieFest, both in McKinney. On behalf of the subcommittee, Board Member Booth recommended funding in the amount of \$9,500 for the request. Board members unanimously approved a motion by Board Member Booth, seconded by Vice Chair Riche, to approve the grant in an amount of \$9,500 as recommended by the subcommittee.

25-2363 Chair Richardson-Woods called for consideration/discussion/action on the Promotional and Community Event Grant application submitted by Collin County History Museum (PC 25-07) in the amount of \$11,500.00 for the advertising, marketing and promotion of 2025 events at the museum. On behalf of the subcommittee, Board Member Booth recommended funding in the amount of \$10,000 for the request. Board members unanimously approved a motion by Board Member Booth, seconded by Secretary Bradford, to approve the grant in an amount of \$10,000 as recommended by the subcommittee.

25-2364 Chair Richardson-Woods called for consideration/discussion/action on the Promotional and Community Event Grant application submitted by Millhouse Foundation (PC 25-08) in the amount of \$15,000.00 for the advertising, marketing and promotion of the 2025 Millhouse Arts Festivals and Makers Market Events at McKinney Cotton Mill. On behalf of the subcommittee, Board Member Booth recommended funding in the amount of \$13,000 for the request. Board members unanimously approved a motion by Board Member Booth, seconded by Treasurer Wilkes, to approve the grant in an amount of \$13,000 as recommended by the subcommittee.

25-2365 Chair Richardson-Woods called for consideration/discussion/action on Promotional and Community Event Grant application submitted by Sostenuto Choral Community of North Texas (PC 25-09) in the amount of \$1,325.00 for the advertising, marketing and promotion of the 2025 Sostenuto Spring Concert. On behalf of the subcommittee, Board Member Booth recommended funding in the amount of \$1,325 for the request. Board members unanimously approved a motion by Board Member Booth, seconded by Board Member Micheletto, to approve the grant in an amount of \$1,325 as recommended by the subcommittee.

25-2366 Chair Richardson-Woods called for consideration/discussion/action on the Promotional and Community Event Grant application submitted by ManeGait Therapeutic Horsemanship (PC 25-10) in the amount of \$12,500.00 for the advertising, marketing and promotion of the 2025 ManeGait LIVE Country Fair and Concert. On behalf of the subcommittee, Board Member Booth recommended funding in the amount of \$10,000 for the request. Board members unanimously approved a motion by Board Member Booth, seconded by Secretary Bradford, to approve the grant in an amount of \$10,000 as recommended by the subcommittee.

25-2367 Chair Richardson-Woods called for consideration/discussion/action on Promotional and Community Event Grant application submitted by McKinney Public Library Foundation (PC 25-11) in the amount of \$7,000.00 for the advertising, marketing and promotion of 2025 Fall Special Events. On behalf of the subcommittee, Board Member Booth recommended funding in the amount of \$5,000 for the request. Board members unanimously approved a motion by Board Member Booth, seconded by Board Member Kelly, to approve the grant in an amount of \$5,000 as recommended by the subcommittee.

25-2368 Chair Richardson-Woods called for consideration/discussion/action on Promotional and Community Event Grant application submitted by Marching Music Made in McKinney (PC 25-12) in the amount of \$5,600.00 for the advertising, marketing and promotion of the 2025 Drum Corps International Competition at MISD Stadium and Drumline Battle at TUPPS. On behalf of the subcommittee, Board Member Booth recommended funding in the amount of \$5,600 for the request. Board members unanimously approved a motion by Board Member Booth, seconded by Board Member Kelly, to approve the grant in an amount of \$5,600 as recommended by the subcommittee.

25-2369 Chair Richardson-Woods called for consideration/discussion/action on Promotional and Community Event Grant application submitted by McKinney Main Street (PC 25-13) in the amount of \$13,000.00 for the advertising, marketing and promotion of the 2025 Arts in Bloom Event. On behalf of the subcommittee, Board Member Booth recommended funding in the amount of \$11,300 for the request. Board members unanimously approved a motion by Board Member Booth, seconded by Vice Chair Riche, to approve the grant in an amount of \$11,300 as recommended by the subcommittee.

25-2370 Chair Richardson-Woods called for consideration/discussion/action on Promotional and Community Event Grant application submitted by Sanchez Charities, LLC (in collaboration with McKinney Interfaith Compassionate Service) (PC 25-14) in the amount of \$10,550.00 for the advertising, marketing and promotion of the 2025 Run for Hope: Walk in Unity at Towne Lake Park in McKinney. On behalf of the subcommittee, Board Member Booth recommended funding in the amount of \$7,500 for the request. Board members unanimously approved a motion by Board Member Booth, seconded by Board Member Micheletto, to approve the grant in an amount of \$7,500 as recommended by the subcommittee.

25-2371 Chair Richardson-Woods called for consideration/discussion/action on Promotional and Community Event Grant application submitted by SBG Hospitality (PC 25-15) in the amount of \$15,000.00 for the advertising, marketing and promotion of the 2025 Sip and Stroll Series. On behalf of the subcommittee, Board Member Booth recommended funding in the amount of \$15,000 for the request. Board members approved a motion by Board Member Booth, seconded by Secretary Bradford, to approve the grant in an amount of \$15,000 as recommended by the subcommittee in a vote of 6-1-0, with David Kelly voting no.

Chair Richardson-Woods congratulated and thanked all applicants. She announced that the total amount awarded for the first cycle of Promotional and Community Event grant funds was \$144,475. She thanked the Promotional Grant Subcommittee members again for their detailed review of each grant. Treasurer Wilkes suggested that the Board consider increasing Promotional Grant funding during the next budget cycle.

25-2372 Chair Richardson-Woods called for a Public Hearing and consideration/discussion/action on a Project Grant application submitted by Hugs Cafe (4B 25-01) in the amount of Nine Hundred Seventy Thousand and NO/100 dollars (\$970,000.00) for infrastructure costs associated with the construction of a new Hugs Headquarters to be Located at 803 Green Street, McKinney, Texas. amount represents 9.7% of total project cost. Lauren Smith, Executive Director, recognized Hugs Founder Ruth Thompson and Hugs team members present. She shared that the new Hugs Headquarters will streamline operations and expand their programs, ensuring that more people of diverse talents are able to thrive in the workforce. The new facility will provide a pool of skilled restaurant and hospitality employees and promote inclusive hiring. The

new Hugs Headquarters will be located at the corner of Andrews and Green Streets. It will include an inclusive training kitchen, lobby and reception area, four classrooms, second-story patio, staff workspaces, administrative offices, reception area, walk-in refrigerator and freezer, a full dishwashing room, dry storage pantry, and staff/trainee locker room. The second floor of the building will feature conference rooms, hospitality areas, open workspaces, offices, a roof top deck, and additional classrooms. The new headquarters will increase café customers, volunteer activities, and school field trips. Programming capacity will expand increasing employment opportunities, culinary job trainees and the number of individuals served. Ms. Smith noted that employing a person with intellectual and developmental disabilities for 20 hours per week saves the state \$6,000 per person per year. The wait list to receive state-supported services is estimated at over 15 years. Ms. Smith emphasized that Hugs is addressing both financial and opportunity challenges. Hugs has shared its mission nationwide, with more than 90 interested parties wanting to replicate the Hugs model. The current café revenue is \$350,000, which is expected to nearly double with the new facility. The total construction budget for this project exceeds \$10 million, including \$1.1 million allocated for infrastructure and site work, over \$3.8 million for core and shell, and over \$3.1 million for tenant improvements, along with other costs for kitchen equipment, furniture, permits, fees, and inspections. Hugs has secured more than \$2.7 million in funding, with 100% of the Hugs Board and staff contributing a total of \$220,000. Ms. Smith shared that they have strategic plans to seek additional funding. The total project grant request from MCDC is \$970,000, representing 9.7% of the project cost, which would contribute to the \$1.1 million of site work that will be required. She highlighted this project as a catalyst for Hugs to centralize and expand their impact. Hugs has set the national model and standard for inclusive hiring, particularly in the culinary and

hospitality sectors. Ms. Smith expressed her appreciation for supporting Ruth Thompson's dream of opening Hugs Café. Chair Richardson-Woods called for public comments, and there were none. Chair Richardson-Woods asked if the conference and training areas and rooftop deck would be accessible for public/private use. Ms. Smith confirmed they would welcome evening events and public opportunities in the café space and on the rooftop deck. They also plan to maximize the use of all training and conference rooms. Board Member Booth asked if Hugs has considered partnering with McKinney ISD for culinary programs. Ms. Smith expressed interest in exploring partnerships with the various school districts in McKinney and other community partners. Treasurer Wilkes inquired about the fundraising timeline. Ms. Smith shared that they anticipate answers for several strategic asks by the end of July, with a goal of raising \$10 million by the end of 2025. Additionally, they have secured a construction loan for financing any funding gaps. Board Member Wilkes verified that there are no plans for the project to be scaled down, and they are confident they will reach their funding goals. Board Member Kelly asked for clarification on the construction bridge loan. Ms. Smith explained that even with the loan, MCDC's funds and strategic investments are necessary to reach their funding goal. Treasurer Wilkes noted that ongoing debt of \$8 million would not be sustainable. Ms. Smith explained that the gap loan allows donors to contribute in five-year increments, rather than large upfront contributions. Board Member Booth asked if Hugs Café would remain open at its current Downtown location. Ms. Smith replied that the current café will close, as they consolidate all programs into one space. Board Member Micheletto and Secretary Bradford thanked the Hugs staff for their hard work and contributions to the McKinney community. Board members unanimously approved a motion by Board Member Booth, seconded by Secretary Bradford, to close the public hearing.

25-2373 Chair Richardson-Woods called for a Public Hearing and consideration/discussion/action on a Project Grant application submitted by the Collin County History Museum (4B 25-02) in the amount of thirty-one thousand four hundred seventy-five and N0/100 dollars (\$31,475.00) for the purchase of equipment and materials to be used for collecting and preserving historic artifacts for exhibits, shelving and cases for storage of artifacts, museum exhibits, and mobile workstations. Amount represents 100% of total project cost. Rachael Hogan, Executive Director, shared that the Collin County History Museum's mission is to preserve and honor the past, connect with the present, and embrace the future. The goals in connection with this grant request include preserving and protecting their cultural history for future generations, promoting resources and educational programs that highlight the history of Collin County and Texas and their contributions to our nation, and improving intellectual and physical access to information and museum collections. Ms. Hogan explained that artifact preservation is challenging. The MCDC grant would support preservation and protection efforts including archival cases for physical artifacts, window film, and secured shelving for paper artifacts such as letters and maps. She noted that the building itself is an historical artifact, being the old post office. Funding will be used to improve the overall museum experience through preservation and by making exhibits more accessible to the public. They aim to make the Collin County History Museum more multifunctional. Chair Richardson-Woods, Vice Chair Riche, and Board Member Booth encouraged Ms. Hogan to seek additional funding requests from other cities in Collin County. Ms. Hogan responded that they receive support from private donors and will consider seeking additional funds from other cities. Chair Richardson-Woods called for public comments, and there were none. Board Member Micheletto congratulated Ms. Hogan on her new role as

Executive Director. Board members unanimously approved a motion by Vice Chair Riche, seconded by Treasurer Wilkes, to close to the public hearing.

25-2374 Chair Richardson-Woods called for a Public Hearing and consideration/discussion/action on a Project Grant application submitted by McKinney Parks Foundation (4B 25-03) in the amount of twenty thousand and NO/100 dollars (\$20,000.00) to fund purchase of a Polaris Sportsman ATV and a Bosski 1600 UT trailer accessory to facilitate trail improvement projects. Amount requested represents 100% of total project cost. Rick Moreno introduced Shawn McAfee and expressed his appreciation to MCDC for their support. He shared that the McKinney Parks Foundation has been active for seven years and has generated over 8,000 volunteer hours. Last year, they planted one thousand trees, developed two miles of new trails, planted several acres of wildflowers, and secured more than \$200,000 in grants in addition to MCDC funding. Their major project this year is the East McKinney Learning Garden. They aim to organize two workdays per month with 30-50 volunteers each. With the growing number of volunteers, Mr. Moreno explained that these workdays require additional equipment to increase volunteer efficiency, especially at Erwin Park due to the terrain and expansive acreage. Shawn McAfee, DORBA Trail Steward for Erwin Park, expressed his appreciation for the partnership with McKinney Parks Foundation. He explained that they hold public monthly workdays at Erwin Park and manage additional operations through DORBA. Mr. McAfee shared that Erwin Park has grown in popularity among mountain bikers and runners, and Erwin Park is now the top visited trail location among the 50 DFW DORBA locations, drawing riders from all over the metroplex and beyond. With ten miles of trails, Erwin Park has increased popularity among runners as well. He added that there have been about

twenty Eagle Scout projects at Erwin Park in the last several years. He emphasized that the Polaris would provide access to narrow trails and rugged terrain areas. He explained that, during workdays, significant time is spent transporting materials in and out of trail areas. The request is for funding a Polaris Sportsman X2 570, priced at \$13,999, with an additional \$7,000 for tax, title, licensing, and an accessory dump trailer. The equipment has a towing capacity of over 1,300 pounds and a winch attachment to pull materials from tight spaces. It also features a narrow wheelbase and high ground clearance. Mr. Moreno expressed assurance that the equipment would be securely stored in a locked container at Erwin Park. Chair Richardson-Woods called for public comments, and there were none. Board Member Booth inquired about the equipment funded by MCDC last year. Mr. Moreno explained that last year's funding was for a Polaris four-seater, which is too large for efficient use at Erwin Park. Board Member Booth also asked about DORBA's financial contribution for trail use, and Mr. McAfee stated that DORBA maintains the trails but does not pay an amenity or annual fee. Mr. Moreno added that MPF's involvement is to raise the trails to standard. If DORBA were to contribute to purchasing the machine, it would likely be used at Erwin Park only once a year as it would be shared across the DORBA community. Nature grows back quickly over the trails and without the volunteer efforts, the trails would not meet standard goals. Treasurer Wilkes asked about the possibility of adding a toy hauler trailer to transport the new equipment. Mr. McAfee responded that they received a trailer to haul the new machine and other equipment, but not all volunteers have trucks to tow the trailer. Vice Chair Riche asked about the impact if the full \$20,000 is not funded. Mr. Moreno explained that the Parks Foundation is committed to maintaining the machine, including insurance and licensing. Chair Richardson-Woods asked if the cost was for a new or used machine, and Mr. McAfee confirmed that it is for a new

machine with a warranty. Board Member Micheletto expressed gratitude for MPF's contributions. Board members unanimously approved a motion by Board Member Booth, seconded Vice Chair Riche, to close the public hearing.

25-2375 Chair Richardson-Woods called for a Public Hearing and consideration/discussion/action on a Project Grant application submitted by ClubCorp NV XXVI, LLC (Invited Clubs) (4B 25-04) in an amount of one million five hundred thousand and NO/100 Dollars (\$1,500,000.00) for infrastructure and site improvements to stabilize erosion of the Creek at TPC Craig Ranch located at 8000 Collin McKinney Parkway, McKinney, Texas. Frank Merkel, Senior Vice President of Operations, shared that Invited Clubs is a private club organization that owns approximately 167 clubs throughout the United States including TPC Craig Ranch. In 2019, Invited acquired TPC Craig Ranch to offer top-tier member experience. In 2021, TPC became the new host of the Byron Nelson tournament, solidifying McKinney as a premier golf destination and attracting top players annually. A three-year renovation project is underway to modernize TPC Craig Ranch while maintaining high standards. Course renovations are necessary to continue hosting the Byron Nelson, which positively impacts the McKinney community. Renovations include Lanny Wadkins-led design changes, turf upgrades for year-round golf, and irrigation and drainage improvements. Invited is seeking funding for creek erosion control to protect the practice area and driving range. The erosion has caused water to flow onto the property, endangering trees and infrastructure, including a bridge that was recently replaced due to erosion damage. Their goal is to stabilize the creek with a large rock retaining wall on both sides. The requested \$1.5 million represents 9% of the total project cost. Daniel Horne presented photos showing the creek's erosion encroaching on the cart path, as well as

photos of the materials planned for the project. Linda Jones will forward a drone video to Board members to show the impacted area and issues. Chair Richardson-Woods called for public comments, and there were none. Board Member Booth asked if the root cause of the erosion had been identified and if they were confident that the wall would limit further encroachment. Mr. Horne explained that the erosion is attributed to development surrounding the area. Based on previous experience, they are confident that the wall will be effective, although ongoing maintenance will be required. Board Member Booth asked if the request for MCDC funding was related to hosting the Byron Nelson tournament. Mr. Horne confirmed that maintaining a safe and attractive property is crucial for retaining the Byron Nelson. Board Member Kelly clarified that this year's tournament is the fifth and final year of the contract, with ongoing negotiations to extend the agreement. He suggested that MCDC's investment should be contingent upon a contract extension. President Schneible confirmed that MCDC support can be contingent upon the contract extension. Mr. Merkel indicated that Invited is confident that the contract will be extended. Board members unanimously approved a motion by Secretary Bradford, seconded by Board Member Micheletto, to close the public hearing.

25-2376 Chair Richardson-Woods called for a Public Hearing and consideration/discussion/action on a Project Grant application submitted by Habitat for Humanity of Collin County (4B 25-05) in the amount of four hundred eleven thousand four hundred fifty-five and NO/100 dollars (\$411,455.00) to support construction of ten townhomes (five units with two townhomes each) in the Cotton Groves development located on Kings Row in East McKinney. Shonda Schaefer, Chief Executive Officer, thanked those who attended the Jimmy Carter House groundbreaking. Cotton Groves is an affordable housing community in McKinney, with

plans to provide permanent housing for 35 families. The community includes an amenity center which houses the Boys & Girls Club and a playground. Originally, the project used shipping containers for low-cost construction, but rising material costs led to a transition to traditional wooden structures. The first six completed homes were built using shipping containers, and the remaining 29 units will be built as traditional wooden structures. Ms. Schaefer shared that the structure and style of the new homes are designed to maintain continuity within the community. They are requesting funding for the horizontal infrastructure work for two five-plex buildings totaling 10 units. The construction cost for the two five-plexes is \$2,474,00. Habitat is requesting \$411,455 for the horizontal work that includes grading, preparation, slab work, contingency, and administrative costs, representing 17% of the total project cost. In-kind contribution commitments have been received, and equal roughly 10% of the cost. Additionally, the plan calls for more than 15,000 volunteer hours to complete the projects. Chair Richardson-Woods asked if there is a waitlist for potential homeowners, and Ms. Schaefer answered that 15 families are either qualified or in the pre-qualification process. Board Member Booth asked for clarification on how many families are currently living at Cotton Groves. Ms. Schaefer responded that six families are living there now, and an additional 10 families will move in once the two 5-plex buildings are completed. Chair Richardson-Woods asked for public comments, and there were none. Board members unanimously approved the motion by Board Member Booth, seconded by Board Member Micheletto, to close the public hearing.

25-2377 Chair Richardson-Woods called for a Public Hearing and consideration/discussion/action on a Project Grant application submitted by The City of McKinney (4B 25-06) in the amount of thirty million and NO/100 dollars (\$30,000,000.00) for the construction of eastside airport

infrastructure and passenger terminal elements including taxiways, aprons, and other airport facilities, at McKinney National Airport, 1508 Industrial Blvd, McKinney, TX 75069. Barry Shelton, Assistant City Manager, shared that the Terminal General Obligation Bond Election for \$200 million failed in 2023. As a result, program adjustments were made, and City Council directed a new approach to start commercial service at the airport at a reduced cost, and without using property tax-backed debt, be identified. Airline partners have also urged Council and staff to proceed with the project. The three proposed projects include Taxiway Charlie, which will provide access to the east side of the airport for aeronautical use; a vehicular access point, designed as a roundabout off of FM 546 which has been approved by TXDoT; and a commercial terminal. Construction will occur in phases. This initiative aims to introduce commercial service to McKinney National Airport and prove the viability of the airport for passenger airlines with little to no detrimental environmental impact. The commercial terminal will be a 45,000-square-foot tilt-wall building with ground-loading gates instead of jet bridges. There will be drop-off aisles with covered walkways for inclement weather. The ticketing area will be designed for convenience, ensuring an efficient security process. Mr. Shelton emphasized the goal of maintaining a budget-friendly design while still delivering the finishes customers expect. The baggage claim area will be simple but efficient. The total project cost is \$72 million. The request to MCDC is to carry debt service on a \$30 million TIFIA loan (Transportation Infrastructure Finance and Innovation Act) with interim financing in the form of sales tax revenue bonds. The plan is to move forward with the finalization of design, construction, pricing, and contract execution with construction commencing May 2025. The goal is to have flights departing from TKI by the fourth quarter of 2026. Chair Richardson-Woods asked for clarification about the TIFIA loan. Mr. Shelton explained that the plan is

to issue sales tax revenue bonds as a short-term, interest-only debt instrument, callable within the first two years. The TIFIA loan is a federal program through the Build America Bureau of the Department of Transportation, offering low-interest loans. Since this is a rural project, it qualifies for an interest rate that is half of the U.S. 30-year Treasury rate, the lowest rate available. They have already submitted a letter of intent to the Department of Transportation and anticipate an interest-only portion of the TIFIA loan, keeping rates below \$1 million annually for the first five years. Once TKI begins service, they plan to apply for a Passenger Facility Charge (PFC) through the FAA. The PFC is a fee added to every outbound passenger ticket, which must be used to offset the debt for capital improvements at the airport. As fees are collected, they will be distributed among all organizations that are funding capital improvements, and MCDC will receive 60% of collected PFC fees. First year collected fees are expected to be about \$500,000, which will increase to about \$1.7 to \$1.9 million by the third year. Collected PFCs are expected to increase annually, and at some point, the PFCs will likely cover the entirety of the MCDC debt payments. Board Member Kelly asked if this could be considered a bridge loan, and Mr. Shelton confirmed that they are seeking a bridge loan, a portion of which would be repaid partially by the airport's revenues. He clarified that PFCs can only pay off debt service and are not an additional revenue source. Board Member Kelly reiterated that this funding agreement would not hinder MCDC from continuing its mission and community investment. Treasurer Wilkes asked if the PFCs could also be used to cover the initial sales tax revenue, essentially rendering MCDC cost-neutral relative to debt service. Mr. Shelton committed to providing clarification regarding these questions at the Joint meeting in March. Board Member Booth inquired about excess PFC funding, and Mr. Shelton explained that PFCs are only eligible until the capital costs are reimbursed. Board Member Booth

asked about the difference between MCDC giving \$30 million as a grant versus a \$30 million bond. Mr. Shelton explained that a grant would reduce the MCDC fund balance significantly, whereas a bond would create annual debt service payments. Dave Gordon, Senior Directing Manager with Estrada Hinojosa, shared that the goal is to use the TIFIA loan for long-term financing, offering a lower interest rate of 2.5% or lower. The plan is to issue the debt with interest-only payments callable short term and then refinance with the TIFIA loan. Mr. Gordon explained that a private placement would be pursued rather than a public sale. Board Member Kelly asked about the risk of the TIFIA loans not being approved and the possible reasons for denial. Mr. Gordon explained that if the TIFIA loan is not approved, the bonds would be refinanced through a public sale. The main difference would be the interest rate. The TIFIA loan would have an interest rate of 2.5%, whereas a public sale would have an interest rate of 5-6%. Additionally, a public sale could allow for tax-exempt financing. Mr. Shelton stated that given the revenue source from the sales tax, they are confident that TIFIA approval will be granted. However, a potential reason for denial could be changes resulting from changes in federal priorities and programs under the new administration. Board Member Booth asked whether sales tax generated from passenger purchases at the airport would remain separate from general sales tax, ensuring reimbursement for airport-related expenses. Mark Holloway, Chief Financial Officer, confirmed that airport sales tax can be recorded separately. He also noted that the airport is in TIRZ 2, so the city's portion of sales tax revenue (1%) will remain in that TIRZ district. Chair Richardson-Woods called for public comments and there were none. She directed that the public hearing remains open until the February Board meeting.

25-2378 Chair Richardson-Woods called for a Public Hearing and consideration/discussion/action on a Project Grant application submitted by Cannon Development Company Texas, LLC (4B 25-07) in an amount of four million and NO/100 dollars (\$4,000,000.00) for infrastructure improvements for a project located at the northeast intersection of State Highway 121 and Stacy Road in McKinney, Texas in preparation for the construction of Cannon Beach, a mixed-use adventure entertainment destination. Michael Kowski shared that the Cannon Beach location is at Stacy Road and SH 121. This project represents a \$200 million investment, 700 jobs, and an expected 300,000 visitors annually. The project is operating under a letter of intent announced on December 13. Next steps will include negotiation of a final agreement, plan development, and permit review. Mr. Kowski noted that public interest is high, noting that the project/MEDC received 4,444 post impressions following the Cannon Beach project announcement. The goal for the project is to create a destination that all family members can enjoy and experience in a safe, controlled environment. Cannon Beach in Mesa, Arizona, is on a 37-acre property, while the property in McKinney is a 35-acre site. The lagoon in McKinney will be three acres, 33% larger than the Mesa lagoon. This project will include a 150-key boutique hotel featuring a rooftop bar and pool. The park will be open to the public with a general admission fee. Hotel guests will receive complimentary admission to the park and beach, with an upcharge for surfing and the other entertainment activities. Mr. Cannon explained that the project team developed its own wave technology, which is highly efficient in both water and energy usage and is powered by hydraulics. The wave technology allows generation of both beginner and advanced waves to accommodate all surf levels. One goal is for the property to serve as a community hub for corporate and nonprofit events as well as private gatherings. Amenities at Cannon Beach will include a cliff diving lagoon,

beach pavilion, restaurant, surf lagoon, skate pump track, and unit wave. The flex entertainment building will offer activities such as skating, rock climbing, bowling, and go-karting. The Mesa facility hosts events such as school days at the beach, school fundraising nights, charitable experiences, and holiday parties. They also aim to become a training hub for lifeguards. Board Member Booth asked if sand would reach the surf pool. Mr. Cannon responded that there are 12 feet of pavers before the sand reaches the water. Secretary Bradford inquired about the depth of the pools, and Mr. Cannon stated that the cliff diving lagoon is 17 feet deep, and the main lagoon is 10.5 feet deep. Vice Chair Riche suggested having big screens at the resort. Mr. Cannon mentioned that they recently had a design meeting for a Megatron that would go over the water in the lagoon. To accommodate colder weather, they plan to have in-ground hot tubs and host special events such as s'mores nights to attract visitors. Board Member Kelly asked if the request was limited to the construction of the lagoon. Mr. Cannon explained that it is connected to the infrastructure needed to open the surf area. Board Member Kelly then asked how they would ensure that all phases of the project would be completed. Mr. Cannon emphasized their commitment to finishing the entire project, including all three main buildings. Board Member Booth asked if there were any tenants for the flex entertainment space and if they needed a partner to build the hotel. Mr. Cannon shared that two tenants are already committed, with more showing interest. He also confirmed that his group would build the hotel themselves without a hotel partner. Board Member Booth inquired about day pass prices. Mr. Cannon stated that a day pass would be \$50 for adults and \$30 for children. Vice Chair Riche asked about the height of the waves, and Mr. Cannon explained that the waves would reach six feet at their apex, and although they are not the tallest waves, they are the most energy efficient. Chair Richardson-Woods called for public comments, and there

were none. Board members unanimously approved a motion by Vice Chair Riche, seconded by Treasurer Wilkes, to close the public hearing.

25-2379 Chair Richardson-Woods called for a Public Hearing and consideration/discussion/action on a Project Grant application submitted by Heritage Guild of Collin County (4B 25-08) in the amount of twenty-five thousand four hundred eighty-one and No/100 Dollars (\$25,481.00) for site improvements to correct drainage issues and to secure the foundation of the Dulaney Cottage at Chestnut Square Heritage Village, located at 315 S. Chestnut in McKinney. Amount requested represents 63% of total project cost. DeAnna Stone, Executive Director, expressed her appreciation to the City and MCDC for their help in preserving Chestnut Square. The first part of their phased project is to regrade the courtyard for the safety of guests at the Farmers Market, museum, and events. This includes removing old railroad ties, uneven brick, and drain filters that are no longer functioning. Secondly, there is a need to address the drainage problem on the property. Thirdly, they want to begin work on a proposal to evaluate the Dulaney Cottage to ensure its longevity and secure its foundation. Phase I will address significant safety concerns for the McKinney Farmer's Market, school tours, and wheelchair accommodation. The wheelchair accessibility portion of Phase I has already been completed. Phase II involves fixing drainage issues, to eliminate water pooling to the north end of the property beneath Dulaney Cottage. Phase III focuses on restructuring the foundation of the Dulaney Cottage, which is splitting and showing cracks on the walls. The fourth phase of this project is the Timeless Treasure Campaign, which will secure funds from other organizations to support similar preservation projects for other historic homes on their property. The preferred bid for Phase I is \$5,497 from Amigos Landscaping. The approved bid for Phase II is \$15,135 from Amigos Landscaping. Ms.

Stone noted that they will ensure that these improvements do not negatively impact surrounding businesses and neighbors. The cost for the Dulaney Cottage foundation repair is \$19,850. Their total expenses exceed \$40,000, with Chestnut Square funding \$5,000, \$10,000 from the Summer Lee Foundation, and just over \$25,000 from MCDC. Board Member Booth asked what annual City funding covers in terms of expenses. Ms. Stone explained that the City covers maintenance and salaries but not capital projects. Board Member Booth also asked who owns the land. President Schneible clarified that the Heritage Guild of Collin County owns the property. There were no public comments. Board members unanimously approved a motion by Treasurer Wilkes, seconded by Vice Chair Riche, to close the public hearing.

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 11:21 a.m. in accordance with the Texas Government Code. Deliberation regarding economic development matters include Project Hemispheres, Venu/Notes Live, Project 20-09 (TUPPS Brewery & Entertainment Destination), Project Mirage, Craig Ranch Resort Hotel, Project 4B 25-01 (Hugs), Project 4B 25-04 (Invited), and Project 4B 25-05 (Habitat).

Chair Richardson-Woods reconvened the meeting of McKinney Community Development Corporation back into regular session at 12:10 p.m.

25-2380 Chair Richardson-Woods called for consideration/discussion/action on 2025 Quality of Life Award Nominations. After extensive discussion, nomination #1 was selected for the individual award and nomination E was selected for the organization award. President Schneible will notify award recipients.

Chair Richardson-Woods called for a motion to adjourn. Board members unanimously approved a motion by Vice Chair Riche, seconded by Treasurer Wilkes, to adjourn. Meeting was adjourned at 12:21 p.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 RICHE
Board Vice Chair

ATTEST:

DEBORAH BRADFORD
Board Secretary