

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

FEBRUARY 23, 2023

The McKinney Community Development Corporation met in regular session in the City Hall Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on Thursday, February 23, 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.

City Council Present: Mayor George Fuller, Councilman Patrick Cloutier and Councilwoman Geré Feltus.

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

There were several guests present.

Chair Richardson-Woods called the meeting to order at 8:00 a.m. after determining a quorum was present. Secretary Bradford offered an invocation which was followed by the Pledge of Allegiance.

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

- 23-0087** Minutes of the McKinney Community Development Corporation Meeting of January 26, 2023.
- 23-0088** Minutes of the McKinney Community Development Corporation Meeting of January 30, 2023.
- 23-0089** Minutes of the McKinney Community Development Corporation Promotional and Community Events Subcommittee Meeting of January 12, 2023.

23-0090 Minutes of the McKinney Community Development Corporation TUPPS Subcommittee Meeting of January 23, 2023.

23-0091 Minutes of the McKinney Community Development Corporation TUPPS Subcommittee Meeting of January 25, 2023.

23-0092 Minutes of the McKinney Community Development Corporation Potential Projects Subcommittee Meeting of February 2, 2023.

23-0093 Chair Richardson-Woods called for Board and Liaison Reports.

Board Chair. Chair Richardson-Woods acknowledged the many successful Black History Month events. She expressed appreciation for the work and support of the McKinney Black History Month Committee led by Dr. Geré Feltus and of the community in general. Lectures included Opal Lee, Derrick Evers and Emmitt Smith. Ambassador Ron Kirk will speak tonight at the Sheraton. Other celebrations have included the Art Show and the 70's Soul Train evening. Board members participated in other events this last month including the Cotton Groves playground build and the Open House for the new staff office space. Board Member Booth thanked all the volunteers that helped with the Cotton Groves playground, and she acknowledged design agencies that donated time and talent for the modeling of the Amenity Center. Chair Richardson-Woods reminded everyone of the Chamber Community Awards event on Friday.

City of McKinney. City Manager Paul Grimes announced the election for May 6 which will include a proposition for approval of a \$200 million bond for a commercial service terminal at McKinney's airport. Additionally, three council seats will be voted upon. There are three candidates for the At-Large seat, two candidates for District 2 and one (incumbent Rick Franklin) for District 4. City Council has a joint meeting with MISD on Monday, February 27 at 6:00 p.m. Mr. Grimes shared that Council held

their strategic planning work session last week to set priorities and goals that will direct staff as they develop SMART objectives (Specific, Measurable, Attainable, Realistic, Timely) for the next fiscal year. These will be presented to Council in May. Once adopted, staff will move forward with setting a budget that reflects the approved objectives. Mr. Grimes asked for questions, and there were none.

Visit McKinney. Executive Director Aaron Werner announced that McKinney will be featured in the April tourism edition of Texas Towns and Cities. The subject of the article will be the AT&T Byron Nelson, the collaborations within the City which make the event possible, and the economic impact of the event. He credited Beth Shumate for her work in submitting the idea and writing the article. Mr. Werner stated that HOT tax revenue is up 30.3% over 2022 which reflects the overall health of the travel and tourism industry. Visit McKinney will have its strategic planning session next Tuesday. Upcoming events include hosting the Georgetown Tourism and Economic Development staff in April who have booked 25 rooms at The Grand for their visit. The 93rd Irish Wolfhound Specialty Dog Show is coming to McKinney in April. Also in April, Visit McKinney is teaming with Main Street to host 40-50 influencers for a fam tour. In May, the City will host Community Leaders of America with guests staying at The Grand. Travel and Tourism Week is same week as the Byron Nelson, as well as the NCAA D1 Tennis Championship. Board Member Booth asked about the lost room nights and revenues. Mr. Werner explained that those numbers reflect RFPs that Visit McKinney receives but are not able to respond to because of various factors including McKinney not having the required room space or meeting space.

McKinney Economic Development Corporation. President Peter Tokar announced that Michael Jones has stepped down from the MEDC Board to run for City Council, and Mohamed Kacem will fill his term. MEDC has

hired two new staff. Caroline Causey is coming from the Fort Worth Chamber and will be a new Project Manager, and Emily Beck is coming from the City of Corinth as the new Events and Special Projects Manager. Ms. Beck's role will include Byron Nelson activities, NTCAR golf tournament and several real estate events. Mr. Tokar shared that Miguel Esparza has resigned for an opportunity with the City of Richardson. He acknowledged the successful events with Black History Month and shared MEDC's partnership through sponsorship of the Derrick Evers lecture. Mr. Tokar acknowledged the success and attendance of the new office Open House and the collaborative effort from all three entities. Vice Chair Kelly asked if Council has appointed a new MEDC Board alternate, and Mr. Tokar replied that they have not at this time.

McKinney Main Street/MPAC. Cultural District Director Andrew Jones shared that Krewe of Barkus was a huge success with strong participation. The event featured the unveiling of the Benji statue, which will be permanently installed next week at the southeast corner of Tennessee and Virginia. Upcoming events at MPAC include McKinney Repertory Theatre's production of Farndale, a murder mystery play opening this weekend. The St. Patrick's Beer Walk will be held in Downtown on March 11. On March 20, Main Street is hosting its second Retail Boot Camp, a full day conference for small business owners. A new event, Downtown Coffee Crawl, will be March 25 and will highlight the many and varied coffee shops in Downtown. The annual Juried Art Show will be April 1, and Arts is Bloom is April 14-16 and will feature local arts groups with demonstration areas this year. Board Member Booth shared her family's enthusiasm for the Benji statue. Secretary Bradford commended the Main Street Board and staff on their strategic planning meeting facilitated by Andrew Jones and Kim Flom.

McKinney Parks and Recreation. President Schneible shared that Parks staff had conflicts this morning. She reported that the Parks department will host a hiring fair on Saturday, February 25 from 8:00 a.m. to 1:00 p.m. at Apex Centre. They are hiring part-time summer positions. Applicants should be at least 15 years of age, and no experience is required.

TUPPS Subcommittee. Chair Richardson-Woods shared that there would be no report today, since this committee has not met since our last Board meeting.

23-0094 Chair Richardson-Woods called for the Financial Report. Accounting Manager Chance Miller presented the final financials for FY 2022. Sales tax collections for the year were \$21.8 compared to \$18.3 million in FY 2021, reflecting a 15% increase. Expenses for FY 2022 totaled \$13.3 million. Fund balance at the end of FY 2022 was \$67.1 million. Mr. Miller provided a review of the January 2023 financials. Revenues for January were \$1.95 million of which about \$1.8 million was from sales tax. Expenses were \$673,000 including \$314,000 in project grants and \$250,000 in parks construction. Starting fund balance for FY 2023 is \$67.1 million and projected year-end fund balance is \$30.8. Sales tax for January represents November sales and showed a 6.4% increase over 2022, with a year-to-date increase of 9.9%. During the same period, Allen saw an increase of 1.1%, Frisco saw an increase of 9.7%, and Plano saw an increase of 7.8%. Mr. Miller reported that retail trade revenue has been growing at a steady rate of 5% to 7%, and he expects that trend to be consistent throughout the year. He shared that the budget kickoff for FY 2024 is next week. President Schneible reiterated that approximately \$39 million of the fund balance is already committed to projects. President Schneible called attention to an updated copy of the Checks Issued report, and there were no questions.

23-0095 Chair Richardson-Woods called for the President's Report. President Cindy Schneible encouraged Board members to review the final reports attached which provide information on how promotional funds were used and on attendance for the events. Additionally, the Main Street report includes revenue generated from Oktoberfest and Home for the Holidays. She shared that the Board will hear presentations from five Retail Development Infrastructure Grant applicants today. Action will be taken today on three Project Grant applications, and the next cycle for Project Grants will open March 1, and two applications have already been submitted. Ms. Schneible shared excitement for the Quality of Life Award presentations that will be made at the Chamber Awards Event tomorrow. She reminded the Board of upcoming events including McKinney Philharmonic Orchestra's performances. She directed the Board to the TUPPS update attached and stated that there has been significant progress despite challenges presented by weather.

23-0096 Chair Richardson-Woods called for a public hearing and consideration/discussion/action on a Project Grant application submitted by Haddington Fund, LP (23-02) in an amount of seventy-seven thousand, three hundred seventy and NO/100 dollars (\$77,370.00) for construction and installation of three neon signs at The Flour Mill located at 407 E. Louisiana Street, McKinney, Texas. Board members unanimously approved a motion by Vice Chair Kelly, seconded by Treasurer McGill, to close the public hearing. Vice Chair Kelly expressed his perspective that the rooftop sign fits with the East McKinney historic preservation aesthetics and will help activate tourism in Downtown. He shared concern that the other signs in the application are for patrons already on the property, adding that he prefers not to set a precedent by funding signs on buildings that should be provided by the business. Board members approved a motion by Vice Chair Kelly, seconded by Board

Member Riche, with a 6-1-0 vote, Board Member Booth voting against, to approve this grant in an amount of \$59,537.50 for one rooftop neon sign.

23-0097 Chair Richardson-Woods called for a consideration/discussion/action on a Project Grant application submitted by Heard-Craig Center for the Arts (#23-03) in the amount of one hundred thirty-five thousand three hundred and No/100 Dollars (\$135,300.00) for Improvements to the West Garden at Heard-Craig Center for the Arts including additional brickwork, repairs to existing brickwork, audio, lighting, gazebo speakers, additional irrigation, new all-weather tables chairs, planter and new bushes. Amount requested represents 94% of total project cost. Vice Chair Kelly recused himself from the discussion and vote of the agenda item. Board members unanimously approved a motion by Board Member Booth, seconded by Board Member Barnes-Tilley, to approve this item in an amount of \$135,300 as requested. Vice Chair Kelly returned to the dais after the vote.

23-0098 Chair Richardson-Woods called for a consideration/discussion/action on a Project Grant application submitted by McKinney Roots (23-04) in the amount of twenty-two thousand and NO/100 dollars (\$22,000.00), for the construction of a chicken coop which will allow for tripling current egg production. Amount requested represents 36% of total project cost. Board members unanimously approved a motion by Board Member Barnes-Tilley, seconded by Secretary Bradford, to approve this item in an amount of \$22,000 as requested.

Chair Richardson-Woods shared that the Board will hear from five Retail Development Infrastructure Grant applicants today. She reminded everyone that each applicant will have up to five minutes to present, which will be followed by an opportunity for discussion and questions from Board members. These presentations are all public hearings, so there will also be an opportunity for public comments after each presentation. The Board will vote on these grants at the March 23 Board meeting. Vice Chair Kelly expressed his excitement that participation in this particular grant category has grown.

23-0099 Chair Richardson-Woods called for a public hearing and consideration/discussion/action on Retail Development Infrastructure Grant application (RI 23-01) submitted by Lelo's Coffee Co. in the amount of up to fifty thousand and NO/100 dollars (\$50,000.00) for infrastructure work including electrical and plumbing at the property located at 402 E. Louisiana Street, McKinney. Sandy Davis introduced herself and Derek Davis and shared personal history and the tradition of spending summers with her grandparents in Puerto Rico and the significance of starting the day with coffee in that culture. When her grandfather passed away in 2017, they decided to carry on the family tradition and started an online coffee business. In 2019, Mr. Davis left his full-time job to focus on expanding the coffee business. They met with TUPPS about collaborative efforts that could enhance both businesses, and that partnership began immediately. Additionally, they began expanding their wholesale business with distribution partners including 33 Restaurant Group and Front Burner Restaurant Group, which gave Lelo's the opportunity to build their brand name. The weigh station on the new TUPPS site will be their first roastery café and storefront. Infrastructure needs for the existing building include electrical connected to a new transformer, plumbing connected to City sewage, and a grease trap. Board Member Booth shared her appreciation for the coffee business and asked for specific line item costs for the project. Derek Davis shared that there is a wide spread over/under estimate due to the TUPPS project not being at a stage to provide details. Ms. Booth asked when a more specific amount might be available, and Mr. Davis is uncertain at this time, stating that their timeframe is dependent upon the TUPPS TCO. Vice Chair Kelly commented that based on the date of the estimates provided, the Board should likely anticipate specific bids coming in at the higher end. Board Member Booth asked how Lelo's plans to fund their

25% of the project, and Mr. Davis stated that they would fund through business loan resources. Vice Chair Kelly clarified that TUPPS is the MCDC tenant, and Lelo's is subleasing from TUPPS. He asked if TUPPS has provided any tenant improvements, and Mr. Davis confirmed they have not received any tenant improvements for buildout from TUPPS. Board members unanimously approved a motion by Treasurer McGill, seconded by Secretary Bradford, to close the public hearing.

23-0100 Chair Richardson-Woods called for a public hearing and consideration/discussion/action on Retail Development Infrastructure Grant application submitted by Waterboy RE (RI 23-02) in the amount of up to fifty thousand and NO/100 dollars (\$50,000.00) for infrastructure improvements including fire protection equipment and fire doors at the new location of Harvest Seasonal Kitchen located at 215 N. Kentucky, McKinney. Rick Wells thanked City staff for their help in navigating this project thus far. Rick's Chophouse and The Grand Hotel have been economic drivers in Downtown McKinney for fifteen years and Harvest for nine years, and the economic impact of Harvest 2.0 will be 33 new jobs to Downtown and a five-year average of \$3.7 million boost. They are investing \$2.4 million into the construction and renovation to repurpose the building. Harvest 2.0 will serve as an anchor to the north corner of Downtown, drawing additional value to development opportunities available over the coming years. Harvest has a nine-year proof of concept bringing tens of thousands of people yearly to the Downtown area driving sales tax revenues for the City, County and State. Mr. Wells stated that his project, in the historic building, is very complicated as they unseal windows that have been closed for decades, cut holes through three floors to add elevators and stairwells, and install kitchens on the second floor to help service what should be one of the best live music venues in the state on the third floor, with sweeping views

of the Historical Cultural District. Engineering efforts are enormous to bring the building up to 2023 safety and health codes and standards. The project is so complex, they could only secure one bid for the fire suppression work. Harvest has always been passionate about sustainability and community and was recognized two years running by Texas by Nature which recognizes 20 Texas companies for their commitment to conservation. The building is being restored back to its historical significance with strict guidelines, including reframing windows and updating the front façade to match its 1911 appearance. Most money made from Harvest stays in the local community, and all aspects of the business are sourced locally. This renovated building will create a landmark destination to the north of Downtown. Board Member Riche acknowledged the contribution of Mr. Wells' businesses to McKinney and asked about a timeframe for project completion. Mr. Wells stated that they are looking at an August completion. He shared that a significant moment in the renovation was when the third-floor windows were opened for the first time in 75 years, and he realized that you could see all the way to Bonham from that location. Board members unanimously approved a motion by Board Member Booth, seconded by Board Member Barnes-Tilley, to close the public hearing.

- 23-0101** Chair Richardson-Woods called for a public hearing and consideration/discussion/action on Retail Development Infrastructure Grant application submitted by Haddington Fund, LP (RI 23-03) in an amount of up to fifty thousand and NO/100 dollars (\$50,000.00) for exterior infrastructure improvements required for the creation of a catering business and outdoor restaurant to include fencing, ADA compliant ramp, wall and footer for planters, decomposed granite and walkway to parking lot located at The Flour Mill located at 407 E. Louisiana Street, McKinney, Texas. James Bresnahan, manager of The Flour Mill and Haddington

Fund, thanked the Board for their approval of funds for the rooftop sign on The Flour Mill. This request is for infrastructure required to make possible an outdoor garden café located on The Flour Mill property at the southeast corner of Louisiana and Throckmorton. Included in the total project is converting the old Flour Mill office building to create a catering kitchen and café. Additional project elements include the conversion of a decomposed granite walkway to concrete, adding a retaining wall, demolishing old stairs and adding an ADA ramp, adding a privacy fence to separate the restaurant and Ashlee's Garden. Board Member Booth asked about the timing of the project, and Mr. Bresnahan stated that the catering kitchen could likely be opened by August. While they will still conduct a market study to determine if a full café/restaurant is feasible, the building and outdoor area can be used for events. Board Member Barnes-Tilley and Vice Chair Kelly sought clarification regarding the ADA improvements needed and whether they would finalize ADA requirements for the whole site, and Mr. Bresnahan stated that the site is currently considered in compliance, but the decomposed granite paths pose issues depending on the weather. Board Member Riche asked if the bids consider the timing of the project, and Mr. Bresnahan stated that the contractors who provided bids were aware that the work would begin in June, once the current tenant's lease is up at the end of May. Board Member Kelly asked if any of the work proposed in this application has already completed, and Mr. Bresnahan indicated it has not. Board members unanimously approved a motion by Secretary Bradford, seconded by Treasurer McGill, to close the public hearing.

23-0102 Chair Richardson-Woods called for a public hearing and consideration/discussion/action on Retail Development Infrastructure Grant application submitted by The Neathery Estate Bed and Breakfast (RI 23-04) in the amount of up to twenty-one thousand two hundred forty-three and

75/dollars (\$21,243.75) for infrastructure for back porch restoration including foundation, site work, water/sewer rough-in and for security enhancements including electrical work and fencing and replacement of landscape at dig site at the property located at 215 North Waddill Street, McKinney. Tiffany Bellino thanked the Board for their support in the past through a previous Retail Development grant. The Neathery opened in 2018 at the corner of Waddill and Hunt and is still the only bed and breakfast in the historic district. They are requesting funds for new fencing, electrical for lighting and infrastructure improvements required to upgrade the back porch including above and below ground footings, girders, columns, braces, load bearing walls, structural support elements and water/sewer rough-in to allow for first-floor restroom facilities at the estate. Board Member Booth asked if they anticipate concerns from neighbors regarding the exterior lighting, and Ms. Bellino explained that all lighting is low-voltage, motion-activated and downward-shining. Chair Richardson-Woods asked if any 2022 financials are available, and Ms. Bellino shared that her accountants are still working on those, adding that everything she makes is reinvested into the property. Board members unanimously approved a motion by Board Member Barnes-Tilley, seconded by Board Member Booth, to close the public hearing.

23-0103 Chair Richardson-Woods called for a public hearing and consideration/discussion/action on Retail Development Infrastructure Grant application submitted by T & I Bakery LLC (RI 23-05) in the amount of up to six thousand and NO/100 dollars (\$6,000.00) for expanding electrical capacity from 200AMP to 400AMP at the property located at 109 N. Kentucky, McKinney. Tanya Endicott, joined by Ivan Pierce, shared that this business concept introduces something new to McKinney and the North Texas area. Ms. Endicott shared that though this is a new venture, she has a strong business background including 20 years in real estate

marketing, sales and management. Mr. Pierce shared that he grew up in McKinney and has been an entrepreneur for over 12 years and has owned a successful manufacturing company for ten years. Their products will be CBD-infused baked goods and locally-sourced coffees as well as non-infused products. The venue will host live music on Thursdays, Fridays and Saturdays. They are excited to educate residents on the health benefits that CBD can provide. Regarding the grant request, Mr. Pierce shared photos of the current state of the location, stating that an additional 200 AMP of electricity is required to bring the building up to code for their business. The building currently has single-faced 200 AMP, and an additional 200 AMP is required. The plan is to add a secondary electrical box on the back side of the building. Their request is for \$6,000. Ms. Endicott indicated that their business plan includes giving back and supporting local nonprofits. Vice Chair Kelly asked about the product and clarified the location. Ms. Endicott shared that the location is a 1,300 square foot space next to Sweet Caroline's Gelato on Kentucky. She explained that CBD has enormous health benefits including reducing anxiety, reducing arthritis pain and reducing issues brought about by ADHD. She emphasized that the product they use is 99.9% pure and has no taste. Board Member Kelly asked about other products they may sell, and Ms. Endicott stated that they will have a retail section for unique CBD products. Mr. Kelly asked about the timing of opening the business, and Mr. Pierce shared that they are close to finalizing the MEP (mechanical, electrical and plumbing) and architect plans to present to the City. Once approved, they anticipate being able to move and renovate quickly. Board Member Booth asked if the landlord is offering any tenant improvement funding, and Mr. Pierce shared that the landlord has reduced their rent until the business opens. Board Member Booth asked if they had an alternative funding option absent this grant approval, and they stated that they would personally

fund it, emphasizing that these improvements are required by the City prior to opening the business. Board members unanimously approved a motion by Treasurer McGill, seconded by Board Member Riche, to close the public hearing.

Chair Richardson-Woods thanked all the grant applicants for their presentations and reminded everyone that the Board will vote on these items at their next regular meeting on March 23.

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

Chair Richardson-Woods called for Board comments, and there were none.

Chair Richardson-Woods recessed the meeting into Executive Session at 9:34 a.m. in accordance with the Texas Government Code. Deliberation regarding economic development matters include Project 4B 23-02 (Haddington Fund), Project 4B 23-03 (Heard-Craig Center for the Arts), Project 4B (McKinney Roots), Project RI 23-01 (Lelo's Coffee Co.), Project RI 23-02 (Waterboy RE – Harvest,) Project RI 23-03 (Haddington Fund Garden Cafe), Project RI 23-04 (Neathery Estate B&B), Project RI 23-05 (T & I Bakery), Project Bluesky, Project Terrigen, and Project 20-09 TUPPS Brewery & Entertainment Destination. Chair Richardson-Woods stated that there will not be any action taken after Executive Session.

Chair Richardson-Woods reconvened the meeting of McKinney Community Development Corporation back into regular session at 10:19 a.m.

Chair Richardson-Woods called for a motion to adjourn. Board members unanimously approved a motion by Board Member Riche, seconded by Treasurer McGill, to adjourn. Chair Richardson-Woods adjourned the meeting at 10:19 a.m.

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

These minutes approved by the MCDC members on:_____

ANGELA RICHARDSON-WOODS

Chairman

DEBORAH BRADFORD
Secretary