



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 22-0865, **Version:** 2

Conduct a Public Hearing to Consider/Discuss/Act on a Resolution Approving a Chapter 380 Economic Development Agreement and Project Plan Implementation Agreement with Lenroc Properties, LLC for the Roof Repair Project at 112 N. Tennessee Street

COUNCIL GOAL: Enhance the quality of life in McKinney

MEETING DATE: September 27, 2022

DEPARTMENT: Development Services - Planning Department

CONTACT: Paula Jarrett Nasta, AIA, Planning Manager
Jennifer Arnold, AICP, Director of Planning

RECOMMENDED CITY COUNCIL ACTION:

- Staff Recommends approval of this agreement and resolution.

ITEM SUMMARY:

- The proposed agreement with Lenroc Properties, LLC and the City of McKinney is intended for the primary purpose of assisting with expenses for a roof repairs.
- The project, located at 112 N. Tennessee Street, is a TIRZ-eligible project in the approved Project Plan of TIRZ No. 1. The project falls under the category of Vacant/Underutilized Sites/Buildings as defined in the TIRZ Project Plan.
- Under the policy governing allocation and/or awarding of TIRZ No. 1 funds for critical maintenance projects, reimbursement and or grant requests are limited to the lesser of grant/reimbursement or \$50,000 per project and shall be considered on a 50/50 match basis up to \$50,000 matched for qualifying vacant/underutilized sites/buildings during each fiscal year.
- Items considered critical maintenance include, structural and foundation repairs, roof repair or replacement, gutters, mechanical, electrical, and plumbing upgrades or replacement.
- The applicant is requesting an economic development grant of \$9,975 to assist with the \$19,950 in estimated expenses associated with roof repairs for 112 N. Tennessee Street.

BACKGROUND INFORMATION:

- The building, constructed circa 1895, is part of the historic Shain Block on the east side of the square.

- The building is considered 'contributing' to the McKinney Commercial National Register Historic District.
- The applicant and owner received a \$25,000 TIRZ 1 grant for repair of the 112 N. Tennessee Street's wood storefront in 2021.
- TIRZ has the authority under Section 311 and Chapter 380 of the Texas Local Government Code to make loans or grants of TIRZ funds for the purposes of promoting local economic development and stimulating businesses and commercial activity within the TIRZ.
- This project has been established as an eligible project in the TIRZ Project Plan under the category of Vacant/Underutilized Sites/Buildings, which is defined as "Relatively smaller projects (under \$5.0 million) for the incremental redevelopment of vacant/underutilized Town Center sites or buildings." Such sites are limited to the area shown as Vacant/Underutilized Building Improvement Area shown on Figure 3 of the TIRZ Project Plan.
- For qualifying critical maintenance project under Vacant/Underutilized Site/Buildings, reimbursement or grant requests are limited to a maximum of \$50,000 per project, and shall be considered on a 50/50 match basis, up to \$50,000 matched. Reimbursement and/or grant requests are funded on a first-come, first-serve basis with no maximum fiscal year allotment assigned for critical maintenance projects.
- Projects that have received funding from TIRZ No.1 are listed below:

Vacant/Underutilized Sites/Buildings

- 407/415 E. Louisiana Street - \$25,000 (FY2021-2022)*
- 129 S Tennessee Street - \$14,500 (FY2020-2021)
- 119 S. Tennessee Street - \$22,630 (FY2020-2021)
- 112 N. Tennessee Street - \$25,000 (FY2020-2021)
- 113 N Kentucky Street - \$7,545.38 (FY2020-2021)
- 110 E. Louisiana Street (*Fire Suppression 50/50*) - \$26,182.50 (FY2020-2021)
- 119 W. Louisiana Street - \$25,000 (FY2020-2021)*
- 206 E. Louisiana Street - \$25,000 (FY2019-2020)
- 501-601 E. Louisiana Street - \$14,000 (FY2019-2020)
- 117 W. Louisiana Street - \$25,000 (FY2019-2020)*
- 120 W. Louisiana Street - \$7,185 (FY2019-2020)
- 407-415 E. Louisiana Street - \$25,000 (FY2019-2020)
- 358 W. Louisiana Street - \$25,000 (FY2018-2019)
- 100 E. Louisiana Street - \$25,000 (FY2018-2019)
- 102 N. Tennessee Street - \$21,068.49 (FY2018-2019)
- 110 N. Tennessee Street - \$25,000 (FY2018-2019)
- 205 W. Louisiana Street - \$25,000 (FY2017-2018)
- 207 E. Virginia Street - \$16,825 (FY2017-2018)
- 101 Louisiana Street - \$25,000 (FY2015-2016)
- 214 E. Louisiana (Hope Hardware) - \$25,000 (FY2015-2016)
- 214 E. Louisiana (Hope Hardware) - \$25,000 (FY2014-2015)
- Cotton Mill - \$500,000 (FY2014)

*project not completed

- Meritorious Exception
 - 101 W Louisiana Street - \$80,000 (FY2020-2021)
- Catalyst Projects
 - 341 E Virginia Street - \$500,000 (FY2021-2022/FY2022-2023)*

FINANCIAL SUMMARY:

- The FY2021-2022 annual budget for TIRZ No. 1 includes funding for Vacant/Underutilized Sites/Building incentives with no maximum fiscal year allotment assigned for fire suppression systems up to \$50,000 maximum per project, considered on a 50/50 match basis, up to \$50,000 matched.
- This project is within the current budget and thus requires no budget amendment.
- TIRZ #1 Fund Balance -
 - The TIRZ #1 Fund has a projected year-end balance of approximately \$8.5 million.