

CITY COUNCIL REGULAR MEETING

JUNE 20, 2017

The City Council of the City of McKinney, Texas met in regular session in the Council Chambers of the Municipal Building on June 20, 2017 at 6:00 p.m.

Council Present: Mayor George C. Fuller, Council members: Chuck Branch, Scott Elliott, Charlie Philips, Tracy Rath, Rainey Rogers and La'Shadian Shemwell.

Staff Present: City Manager Paul Grimes; Assistant City Manager Barry Shelton; Assistant City Manager Steve Tilton; Assistant City Attorney Alan Lathrom; City Secretary Sandy Hart; Planning Director Brian Lockley; Executive Director of Development Services Michael Quint; Assistant to the City Manager Trevor Minyard; Airport Director of FBO - Mark Jaraczewski; Interim Director of Engineering Gary Graham; Facilities Construction Manager Patricia Jackson; IT Desktop Support Nicholas Martin; MPAC/Main Street Director Amy Rosenthal; Chief Financial Officer Mark Holloway; Police Officer Bruno Siqueira; Chief Information Officer Sid Hudson; Library Director Spencer Smith; Fire Chief Danny Kistner; Assistant Fire Chief Chris Lowry; Engineering Development Manager Matt Richardson; and Senior Financial Analyst Eric Corder.

There were approximately 65 guests present.

Mayor Fuller called the meeting to order at 6:00 p.m. after determining a quorum was present. Invocation was given by Associate Pastor Deborah Bradford, New Jerusalem Baptist Church. A Scout from Boy Scout Troop 541 led the Pledge of Allegiance.

17-628 U Matter Presentation. City Manager Grimes presented the U Matter Video recognizing several employees in the City.

Mayor Fuller called for Citizen Comments.

Ms. Linda Day, 114 E. Louisiana Street, McKinney spoke against a proposed pedestrian plaza for downtown McKinney.

Mr. Tim Montgomery, 1708 Nicklaus Court, McKinney asked why the mid-year budget amendment was not a public hearing item.

Ms. Margo Turner, 2717 Dog Leg Trail, McKinney spoke about adding a ceiling on all taxes for over 65 years in addition to the senior tax exemption.

Ms. Juanita Horne, 2580 Collin McKinney Parkway, McKinney spoke about enlarging the Senior Center as soon as possible because it is overcrowded.

17-629 Mayor Fuller called for Consideration/Discussion/Action on City Council Election of Mayor Pro Tem. Mayor Fuller requested that Rainey Rogers be selected as Mayor Pro Tem. Council unanimously approved the motion by Council member Branch, seconded by Councilwoman Rath, to elect Rainey Rogers as Mayor Pro Tem.

Mayor Fuller called for approval of the consent agenda. Prior to a motion, Council member Branch stated he would like to discuss agenda item 17-632.

17-632 Consider/Discuss/Act on Ordinance Amending the Fiscal Year 2016-2017 Budget Mid-Year to Fund Additional Improvements, Projects and Increased Contractual Obligations. Chief Financial Officer Mark Holloway stated that Council reviewed the presentation on the mid-year budget amendments at last night's work session. Mr. Holloway stated that these funds have not been appropriated at this point. On the general fund side, the \$4 million on the 9 acre site was a pass-through where we paid the money out and money was received back the same day so we have to appropriate those funds for accounting purposes. For Columbus Realty on the 9 acre site, it is the way the incentive was worded that we have to appropriate those funds even though we give them an incentive and they give us a check back. The new appropriations for the general fund are the \$500,000 for the body cameras and \$1.5 million for the parks and street maintenance. The City's tax revenue all flows into the general fund and once we close out the year, we take a look at our revenues and expenses and whatever the differences, whether positive or negative, that falls into the general fund balance. Mr. Holloway noted that at last night's meeting he stated we are 87% collected with our regular revenues but there is a \$9 million settlement we received that was unexpected revenue that will fall into the fund balance for Council to

consider. If Council wanted to make a tax rate cut next year, you would look at the budget as a whole operationally and then make your decision based on that. City Manager Grimes stated that all the projects we are bringing forward here, or in other types of budget amendment scenarios, are all for items that have been programmed. We are able to bring them forward and pay them earlier rather than later. For example, the \$1.5 million for parks and street maintenance. If you drive around, we have streets that need to be done. We have a 10-year capital improvement plan to improve our streets. If we have the excess revenue, let's apply that toward those streets to get them done sooner and accelerate them. We are also looking at the additional money in the street maintenance account for next year and hopefully subsequent years. Some of that money can also be used to improve existing parks because some of the feedback we get from residents are the parks and ball fields need upgrades. The \$500,000 for body cameras is money programmed in but if we can bring that money forward and get the body cameras now, then we don't have to budget for them in a subsequent year. I know it's difficult for folks paying their taxes to understand this, but by bringing it forward you are avoiding that expenditure later and if you can avoid it later, you could reprogram it to other expenditures or leave it in the fund balance and use it as tax relief later.

Council unanimously approved the motion by Council member Branch, seconded by Mayor Pro Tem Rogers, to approve the following consent items:

- 17-630** Minutes of the City Council Special Meeting of June 5, 2017
- 17-631** Minutes of the City Council Regular Meeting of June 6, 2017
- 17-547** Minutes of the Board of Adjustment Meeting of March 29, 2017
- 17-553** Minutes of the Historic Preservation Advisory Board Regular Meeting of May 4, 2017
- 17-564** Minutes of the Main Street Board Meeting of May 11, 2017
- 17-532** Minutes of the Joint Meeting of McKinney Community Development

Corporation and the Park, Recreation and Open Space Board Meeting of April 13, 2017

17-591 Minutes of the McKinney Housing Finance Corporation Meeting of March 10, 2017

17-596 Minutes of the Parks, Recreation and Open Space Advisory Board Meeting of May 11, 2017

17-601 Minutes of the Planning and Zoning Commission Regular Meeting of May 23, 2017

17-600 Minutes of the Planning and Zoning Commission Work Session of May 23, 2017

17-107M2 Consider/Discuss/Act on a Resolution to Accept and File the Semiannual Impact Fee Report with Respect to the Progress of the Capital Improvements Plan for Roadway and Utility Impact Fees. Caption reads as follows:

RESOLUTION NO. 2017-06-119 (R)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, ACCEPTING AND FILING THE SEMIANNUAL REPORT WITH RESPECT TO THE PROGRESS OF THE CAPITAL IMPROVEMENTS PLAN FOR ROADWAY AND UTILITY IMPACT FEES

17-633 Consider/Discuss/Act on a Resolution Authorizing the Application For and Acceptance of, If Awarded, a Grant from the Collin County Adult Literacy Council by the McKinney Public Library System For FY18. Caption reads as follows:

RESOLUTION NO. 2017-06-120 (R)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, AUTHORIZING THE CITY MANAGER, OR DESIGNEE, TO APPLY FOR AND ACCEPT, IF AWARDED, A GRANT FROM THE COLLIN COUNTY ADULT LITERACY COUNCIL BY THE MCKINNEY PUBLIC LIBRARY SYSTEM

17-635 Consider/Discuss/Act on a Resolution Amending the 2017 - 2021 Capital Improvements Program to Provide Funds for the WW3255 Aerial Wastewater Crossing Replacement Jeans Creek and WA4266 Club Lake Water Line Loop Projects. Caption reads as follows:

RESOLUTION NO. 2017-06-122 (R)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, AUTHORIZING A BUDGET AMENDMENT PERTAINING TO THE FISCAL YEAR 2016-2017 BUDGET AND THE 2017 - 2021 CAPITAL IMPROVEMENTS PROGRAM

- 17-636** Consider/Discuss/Act on a Resolution Authorizing the City Manager to Execute a Contract and All Necessary Change Orders with Mountain Cascade of Texas for the Construction of WW3255 Aerial Wastewater Crossing Replacement Jeans Creek and WA4266 Club Lake Water Line Loop Projects. Caption reads as follows:

RESOLUTION NO. 2017-06-123 (R)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT IN THE AMOUNT OF \$698,523 WITH MOUNTAIN CASCADE OF TEXAS FOR THE CONSTRUCTION OF WW3255 AERIAL WASTEWATER CROSSING REPLACEMENT JEANS CREEK AND WA4266 CLUB LAKE WATER LINE LOOP PROJECTS AND AUTHORIZING ALL NECESSARY CHANGE ORDERS UNDER SAID CONTRACT UP TO AN AGGREGATE CONTRACT AMOUNT, INCLUSIVE OF ANY CHANGE ORDERS, NOT TO EXCEED \$800,000

- 17-637** Consider/Discuss/Act on a Resolution Authorizing the City Manager to Execute a Contract and All Necessary Supplemental Agreements with BGE, Inc., to Conduct an Erosion Study of the Unnamed Tributary of Wilson Creek Through Glenwood Estates. Caption reads as follows:

RESOLUTION NO. 2017-06-124 (R)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT IN THE AMOUNT OF \$97,300 WITH BGE, INC., FOR THE GLENWOOD ESTATES EROSION STUDY AND AUTHORIZING ALL NECESSARY SUPPLEMENTAL AGREEMENTS UNDER SAID CONTRACT FOR AN AGGREGATE CONTRACT AMOUNT, INCLUSIVE OF ANY SUPPLEMENTAL AGREEMENTS, NOT TO EXCEED \$110,000

- 17-639** Consider/Discuss/Act on a Resolution Authorizing the City Manager to Execute a Contract with Garver, LLC for Professional Engineering Design Services for the Arterial Capacity Improvements Project (ST1618) and Any Necessary Supplemental Agreements. Caption reads as follows:

RESOLUTION NO. 2017-06-126 (R)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT IN THE AMOUNT OF \$269,215 WITH GARVER, LLC FOR ENGINEERING DESIGN SERVICES FOR THE ARTERIAL CAPACITY IMPROVEMENTS PROJECT (ST1618) AND AUTHORIZING ANY SUPPLEMENTAL AGREEMENTS UNDER SAID CONTRACT UP TO THE AGGREGATE CONTRACT AMOUNT, INCLUSIVE OF SAID SUPPLEMENTAL AGREEMENTS, OF \$300,000

END OF CONSENT

- 17-632** Mayor Fuller called for Consideration/Discussion/Action on Ordinance Amending the Fiscal Year 2016-2017 Budget Mid-Year to Fund Additional Improvements, Projects and Increased Contractual Obligations. Chief Financial Officer Mark Holloway stated on the Columbus Realty project, the note came in for the \$2.9 million for the land and then we gave them back the \$2.9 million as an economic incentive after they received the land. Council approved the motion by Mayor Pro Tem Rogers, seconded by Council member Branch, to approve an Ordinance amending the Fiscal Year 2016-2017 Budget Mid-Year to fund additional improvements, projects and increased contractual obligations, with a vote of 5-1-1, Council member Philips voting against and Council member Shemwell abstaining. Caption reads as follows:

ORDINANCE NO. 2017-06-071

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, AUTHORIZING CERTAIN BUDGET AMENDMENT PERTAINING TO THE FISCAL YEAR 2016-2017 BUDGET; AND PROVIDING FOR AN EFFECTIVE DATE HEREOF

- 17-634** Mayor Fuller called for Consideration/Discussion/Action on a Resolution Authorizing the City Manager to Execute a Second Amendment to Commercial Lease Agreement for 115-B Industrial Blvd. for Office Space for the City of McKinney - Municipal Uses. Chief Information Officer Sid Hudson stated that in 2014 we signed a new amendment for one 12-

month period with two one-year options. That took us to 2015 and now we have exercised the two one-year options being 16 and 17 with the current lease expiring on March 30th of this year. We are on a month-to-month basis at this time. We are now signing another amendment for an additional three-year lease with two one-year options on that amendment so that can carry us out five more years. Council unanimously approved the motion by Councilwoman Rath, seconded by Council member Branch, to approve a Resolution authorizing the City Manager to execute a Second Amendment to Commercial Lease Agreement for 115-B Industrial Blvd. for office space for the City of McKinney - Municipal Uses. Caption reads as follows:

RESOLUTION NO. 2017-06-121 (R)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE A SECOND AMENDMENT TO LEASE AGREEMENT FOR 115-B INDUSTRIAL BLVD. FOR OFFICE SPACE FOR THE CITY OF MCKINNEY – MUNICIPAL USES

- 17-638** Mayor Fuller called for Consideration/Discussion/Action on a Resolution Authorizing the City Manager to Execute an Agreement with the Texas Department of Transportation to Contribute Right of Way Funds for the Custer Road (FM 2478) Project from US 380 to Just North of FM 1461. Interim Director of Engineering Gary Graham stated staff asked Council to pull the item down tonight in order to make a clarification. This is for the right-of-way for future Custer Road from Highway 380 to County Road 1461. In the agenda item, we note that the funds will be available in the next fiscal year when we update our capital improvements program for FY 2018 through 2022 and we want to make sure the motion is contingent on approval that the City Manager may enter into an agreement contingent on the approval of the capital improvement plan as part of the FY 17-18 budget. Mr. Graham stated the estimated cost for the roadway which includes the amount of the right-of-way, and TxDOT appraises the right-of-way within the city limits and ETJ just under \$7

million, so the City of McKinney will pay 10% of that amount. The cities of Prosper and Celina will be responsible for the 10% of the right-of-way acquisition in their communities. Mr. Graham stated we have project savings we will be able to allocate toward the project to cover the cost 100%. Council unanimously approved the motion by Council member Branch, seconded by Councilwoman Rath, to approve a Resolution authorizing the City Manager to execute an agreement with the Texas Department of Transportation to contribute right of way funds for the Custer Road (FM 2478) Project from US 380 to Just North of FM 1461 contingent upon the approval of the capital improvement plan as part of the FY 17-18 budget. Caption reads as follows:

RESOLUTION NO. 2017-06-125 (R)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH THE TEXAS DEPARTMENT OF TRANSPORTATION TO CONTRIBUTE RIGHT OF WAY FUNDS FOR THE CUSTER ROAD (FM 2478) PROJECT FROM US 380 TO JUST NORTH OF FM 1461

- 17-640** Mayor Fuller called for Consideration/Discussion/Action on a Resolution Authorizing the City Manager to Apply for and Accept, if Awarded for a Preservation and Community Impact Grant from the National Trust of Historic Preservation. MPAC/Main Street Program Director Amy Rosenthal stated this is a very unique opportunity for downtown McKinney. We were the only Texas city selected to apply for this grant. This grant has to benefit the community and we are talking about several potential ideas. Other considerations would be lighting improvements or improvements to the exterior of the Performing Arts Center. The initial application is due on July 7th and the full exposure to the grant comes in October. We can apply for the grant now without a specific use and in three or four months we will have to identify what the use is and how it qualified for the grant. Because we are the only Texas city eligible for this program, the State is very interested in the potential projects. They do provide some guidance and I'm working with the State to get their

input and make sure the funds are put to the best use. Councilwoman Rath thanked Mrs. Rosenthal for taking the initiative for downtown and trying to secure this \$150,000 grant. Council unanimously approved the motion by Councilwoman Rath, seconded by Mayor Pro Tem Rogers, to approve a Resolution authorizing the City Manager to apply for and accept, if awarded for a Preservation and Community Impact Grant from the National Trust of Historic Preservation. Caption reads as follows:

RESOLUTION NO. 2017-06-127 (R)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, AUTHORIZING THE CITY MANAGER TO APPLY FOR AND ACCEPT, IF AWARDED, A PRESERVATION AND COMMUNITY IMPACT GRANT FROM THE NATIONAL TRUST OF HISTORIC PRESERVATION

- 17-506** Mayor Fuller called for Consideration/Discussion/Action on an Ordinance Increasing the Homestead Exemption for Residents Over Age 65. Chief Financial Officer Mark Holloway stated this item is to allow this new Council to make the decision on whether to increase the over 65 tax exemption. The current over 65 tax exemption reduces the actual taxable value of the home by \$50,000 for anyone over 65. The current exemption equals \$287 in reduced taxes at the current rate so for the \$50,000 exempted, seniors save \$287 on the current tax bill. For every \$5,000 the exemption goes up from the \$50,000, eligible homeowners would pay \$29 less on their tax bill. For every \$5,000 you increase that, non-eligible, those under 65, would pay \$3.28 more in taxes at the current rate to gain the same amount of taxes we are currently levying. This is reducing the amount of property value that could be taxed. Any change to the current exemption must be adopted by July 1st. Mr. Holloway stated a tax freeze for over 65 is a completely different issue. Mayor Fuller stated that the issue for us in regards to a tax freeze, a lot of cities where you see a freeze, they are not growing at the rate we are and once you are an established community, it's a much different environment than when it's growing at the pace we are. To project

without a crystal ball, it could be crippling to a city. Council member Shemwell stated that we should take care of the seniors the best that we can. Councilwoman Rath stated she would rather see it as an overall tax rate reduction. Young families with children are in the same bind that seniors are in. We are all struggling and transferring the burden from one group to another, I personally think is wrong. I'd rather look at that overall tax rate savings. I spoke to CAD today and learned that very few of our seniors are applying for the \$50,000 exemption. Mayor Fuller noted that we all stated on the campaign trail, our goal is to lower property taxes and the way we will do that on a sustainable level is to increase our commercial tax base and sales tax revenue that supplements our general fund. Increasing the exemption to \$65,000 is at the expense of other things we need to do from infrastructure standpoint, incentives, things that may undermine our bigger goal of increasing our commercial tax base from 19% to north of 35%, which will have a lasting, sustainable effect on residents. Mr. Holloway stated that the increase of over 65 exemption by \$5,000 would raise the effective rate by 1/10 of one penny. For every \$5,000 in exemption, you could turn around and reduce the tax rate by one 10th of one penny to offset anything that might increase everybody else. So looking at the numbers, let's say we went up to \$60,000 in over 65 exemption and dropped the tax rate down three quarters of a cent, it would cost the City around \$2 million in revenues. Council unanimously approved the motion by Mayor Pro Tem Rogers, seconded by Council member Branch, to approve an Ordinance Increasing the Homestead Exemption for Residents Over Age 65 to \$60,000. Caption reads as follows:

ORDINANCE NO. 2017-06-072

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, AMENDING SECTION 98-56 OF THE CODE OF ORDINANCES OF THE CITY OF MCKINNEY, TEXAS; REPEALING ALL ORDINANCES IN CONFLICT THEREWITH; PROVIDING FOR PUBLICATION OF THE CAPTION THEREOF; AND PROVIDING FOR AN EFFECTIVE DATE

- 17-102AA** Mayor Fuller called for a Public Hearing to Consider/Discuss/Act on a Right-of-Way Abandonment of a Portion of an Unnamed Alley, Located on the East Side of Waddill Street Between White Avenue and Pearson Avenue, and Accompanying Ordinance. Development Engineering Manager Matt Richardson stated this item is a public hearing to approve an unimproved alley right-of-way abandonment that divides it equally between the adjacent property owners. The applicant is out of town and unable to be here tonight. Mayor Fuller called for public comments and there was none. Council unanimously approved the motion by Councilwoman Rath, seconded by Council member Branch, to close the public hearing and approve an Ordinance abandoning a Right-of-Way of a portion of an unnamed alley, located on the east side of Waddill Street between White Avenue and Pearson Avenue. Caption reads as follows:

ORDINANCE NO. 2017-06-073

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, VACATING A PORTION OF AN UNNAMED ALLEY, APPROXIMATELY 0.04 ACRES, LOCATED ON THE EAST SIDE OF WADDILL STREET BETWEEN WHITE AVENUE AND PEARSON AVENUE, PROVIDING FOR AN EFFECTIVE DATE HEREOF

- 17-099SUP** Mayor Fuller called for a Public Hearing to Consider/Discuss/Act on a Specific Use Permit Request for a Personal Service (Pamper Me Salon Spa Studios), Located on the Southwest Corner of Collin McKinney Parkway and Piper Glen Road, and Accompanying Ordinance. Director of Planning Brian Lockley stated this is a request for a specific use permit for a personal service, Pamper Me Salon Spa Studio. The property is located at Collin McKinney Parkway and Piper Glen Road. If approved by Council, the SUP will cover the entire property. When reviewing a specific use permit, the following factors should be considered: compatibility with adjacent and neighboring land uses; adaptability of building structures to the proposed use, infrastructure requirements and other elements such as screening, building height and compatibility of

existing buildings to the proposed use. The underlying zoning requires this personal service use be approved with an SUP. The Planning and Zoning Commission reviewed the request and forwarded a favorable recommendation to you and staff recommends approval. Mayor Fuller called for public comments and there were none. Applicant, Ms. Melissa Ndubko, 8951 Collin McKinney Parkway #504, McKinney stated that she purchased the unit and had it built to salon specifications. She stated that this is a dream come true, opening a business to grow her career, so granting this permit would make me very happy. Mayor Fuller called for public comment and there was none. Council approved the motion made by Council member Branch, seconded by Mayor Pro Tem Rogers, to approve an Ordinance granting a Specific Use Permit for a personal service (Pamper Me Salon Spa Studios), located on the southwest corner of Collin McKinney Parkway and Piper Glen Road, with a vote of 6-0-1, Council member Shemwell abstaining. Caption reads as follows:

ORDINANCE NO. 2017-06-074

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, AMENDING THE ZONING MAP OF THE CITY OF MCKINNEY, TEXAS; PROVIDING FOR A SPECIFIC USE PERMIT FOR A PERSONAL SERVICE USE, APPROXIMATELY 5.50 ACRES, LOCATED ON THE SOUTHWEST CORNER OF COLLIN MCKINNEY PARKWAY AND PIPER GLEN ROAD; PROVIDING FOR SEVERABILITY; PROVIDING FOR INJUNCTIVE RELIEF, PROVIDING FOR NO VESTED INTEREST; PROVIDING FOR THE PUBLICATION OF THE CAPTION OF THIS ORDINANCE; PROVIDING FOR A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND PROVIDING FOR AN EFFECTIVE DATE HEREOF

- 17-092Z** Mayor Fuller called for a Public Hearing to Consider/Discuss/Act on a Request to Rezone the Subject Property from "RG 18" - General Residence District to "PD" - Planned Development District, for Multi-Family Residential Uses and Generally to Modify the Development Standards, Located at the Southeast Corner of Rockhill Road and North Brook Drive, and Accompanying Ordinance (REQUEST TO BE TABLED). Director of Planning Brian Lockley stated the applicant has

requested that this item be tabled indefinitely. Mayor Fuller called for public comment and there was none. Council unanimously approved the motion by Mayor Pro Tem Rogers, seconded by Council member Branch, to close the public hearing and table this item Indefinitely.

17-067SP

Mayor Fuller called for Consideration/Discussion/Action on a Site Plan for a Restaurant (McDonald's), Located at 3200 Eldorado Parkway. Director of Planning Brian Lockley stated this item is a request for a site plan approval. Typically, site plans can be approved administratively, however, the PD Ordinance requires the site plan and landscape plan be approved by City Council. The applicant is proposing renovations to add an additional drive-through lane and making modifications to the exterior of the building around the frontage. The applicant has met the requirements for landscaping including the notation for screening, lighting and glare regulations and all the other requirements as part of the planned development ordinance. Council unanimously approved the motion by Council member Branch, seconded by Council member Shemwell, to approve a Site Plan for a Restaurant (McDonald's), located at 3200 Eldorado Parkway.

17-641

Mayor Fuller called for Consideration/Discussion/Action on Authorizing the City Manager to Execute a Consent to Assignment of Certain Provisions of a Chapter 380 Economic Incentive and Master Development Agreement by and between the City of McKinney, Texas and Columbus Realty Partners, Ltd. to Facilitate the Construction of Office Building Improvements by Playful Building One, LLC. Assistant City Manager Barry Shelton stated in 2016 the City entered into a development agreement with Columbus Realty Partners for the development of the 9 acre site south of downtown. In that agreement, there was a two phase process. Phase I is under construction currently and there's another package of incentives for Phase 2. This item is consenting to Columbus Realty Partners, assigning both the incentive

package as well as the development obligations to Playful Corp., who will build a minimum 45,000 square foot office building for their corporate headquarters. Mayor Pro Tem Rogers stated that Playful Corp. is a great company and keeping them in McKinney would help attract other types of companies in the entertainment industry to our City. Mr. Shelton stated Playful Corp. is currently a downtown tenant. They started small and have grown to more than 50 employees and are bursting at the seams in their current space. They anticipate growing three or four fold in the near future so they need the space to be able to expand their personnel as well as their gaming software product line. Mr. Shelton stated staff recommends approval of the consent for consignment. Applicant, Mr. Bob Roeder, 1700 Redbud, Suite 300, stated that this building is planned to be three-stories, between 53,000 and 55,000 square feet and can house 250 employees. They expect to hit that number within the next five years. There is an economic incentive agreement with the McKinney Economic Development Corporation that recognizes their employees will be paid a minimum salary of \$95,000 plus full benefits. Playful Corporation is one of the five most successful, most recognized game developers in the virtual-reality space and among their clients are Microsoft, Game Stop, all of the big boys in the space. Council unanimously approved the motion by Mayor Pro Tem Rogers, seconded by Council member Elliott, to authorize the City Manager to execute a Consent to Assignment of certain provisions of a Chapter 380 Economic Incentive and Master Development Agreement by and between the City of McKinney, Texas and Columbus Realty Partners, Ltd. to facilitate the construction of office building improvements by Playful Building One, LLC.

17-045DA Mayor Fuller called for Consideration/Discussion/Action on a Resolution Authorizing a Second Amendment to Consent Agreements Regarding Bond Authority for Two (2) Existing Municipal Utility Districts: Municipal

Utility District No. 1 and Municipal Utility District No. 2 - Trinity Falls. Executive Director of Development Services Michael Quint stated that per the applicant's request, this item is requested to be tabled indefinitely. Council unanimously approved the motion by Council member Branch, seconded by Mayor Pro Tem Rogers, to table this item indefinitely.

17-044DA Mayor Fuller called for Consideration/Discussion/Action on a Third Amendment to 2012 Trinity Falls Development Agreement with Trinity Falls Holdings, LP. Executive Director of Development Services Michael Quint stated that similar to the previous item, the applicant is requesting that this item be tabled indefinitely. Council unanimously approved the motion by Council member Elliott, seconded by Council member Branch, to table this item indefinitely.

17-642 Mayor Fuller called for Consideration/Discussion/Action on a Resolution Authorizing the City Manager to Execute the Construction Manager at Risk (CMAR) Services Contract with Structure Tone Southwest, LLC of Dallas, Texas for a Guaranteed Maximum Price (GMP) Related to the Construction of McKinney National Airport Hangar Renovation Project. Airport Director of FBO Mark Jaraczewski stated it is staff's recommendation that we execute the contract for the guaranteed maximum price of \$4.2 million for renovation for McKinney National Airport hangar. This amount is an all in price and the lease amount is \$60,818 per month on a ten year term. The tenant is bringing in a G5-50 plane that will be here the second week in July and that estimated value will be around \$30 million. The amount of ad valorem tax depends on the year of the plane and how much it sits in the state of Texas. They are also bringing in a Gulfstream of similar value. In their lease agreement, they are required to keep one minimum size Gulfstream based at McKinney National Airport and pay ad valorem tax based on that lease. Council unanimously approved the motion by Council member Shemwell,

seconded by Council member Branch, to approve a Resolution authorizing the City Manager to execute the Construction Manager at Risk (CMAR) Services contract with Structure Tone Southwest, LLC of Dallas, Texas for a Guaranteed Maximum Price (GMP) related to the construction of McKinney National Airport Hangar Renovation Project. Caption reads as follows:

RESOLUTION NO. 2017-06-128 (R)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONSTRUCTION MANAGER AT RISK (CMAR) CONTRACT WITH STRUCTURE TONE SOUTHWEST, LLC OF DALLAS, TEXAS FOR A GUARANTEED MAXIMUM PRICE (GMP) FOR CONSTRUCTION MANAGEMENT SERVICES ASSOCIATED WITH THE MCKINNEY NATIONAL AIRPORT HANGAR RENOVATION PROJECT

- 17-643** Mayor Fuller called for Consideration/Discussion/Action on a Resolution Appointing Members to the Reinvestment Zone Number One. Mayor Fuller stated this item is filling the seats of the outgoing Council members on Reinvestment Zone Number One. Council unanimously approved the motion by Council member Philips, seconded by Council member Elliott, to approve a Resolution appointing George Fuller, La'Shadi Shemwell, Scott Elliott, and Charlie Philips to fill the unexpired terms on the Reinvestment Zone Number One, starting on June 20, 2017 and ending September 30, 2018. Caption reads as follows:

RESOLUTION NO. 2017-06-129 (R)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, APPOINTING MEMBERS TO THE BOARD OF DIRECTORS FOR REINVESTMENT ZONE NUMBER ONE, CITY OF MCKINNEY; AND PROVIDING FOR AN EFFECTIVE DATE

- 17-644** Mayor Fuller called for Consideration/Discussion/Action on a Resolution Appointing Members to the Reinvestment Zone Number Two. Mayor Fuller stated this item is filling the seats of the outgoing Council members on Reinvestment Zone Number Two. Council unanimously approved the motion by Council member Elliott, seconded by Council member Branch,

to approve a Resolution appointing George Fuller, La'Shadien Shemwell, Scott Elliott, and Charlie Philips to fill the unexpired terms on the Reinvestment Zone Number Two, starting on June 20, 2017 and ending September 30, 2018. Caption reads as follows:

RESOLUTION NO. 2017-06-130 (R)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, APPOINTING MEMBERS TO THE BOARD OF DIRECTORS FOR REINVESTMENT ZONE NUMBER TWO, CITY OF MCKINNEY; AND PROVIDING FOR AN EFFECTIVE DATE

Mayor Loughmiller called for Citizen Comments.

Ms. Juli Smith, 3206 St. Pierre, McKinney spoke in favor of increasing the Senior Tax Exemption.

Ms. Cathy Carpenter, 221 Red Hawk Place, McKinney spoke about the trash receptacles and the amount of trash at construction sites and providing toiletry facilities for landscape workers.

Mayor Fuller called for Council and Manager Comments.

Council member Philips did not have any comments.

Council member Elliott stated it was a privilege to attend the MEDC meeting today with Mayor Fuller and exciting times are ahead. I'm thrilled for the groundwork that has been laid and more thrilled for the results to come.

Mayor Pro Tem Rogers stated this has been a great start and I'm really looking forward to working with this Council. I appreciate the confidence bestowed upon me as Mayor Pro Tem and I will do all I can to make McKinney proud.

Councilwoman Rath welcomed the new members of Council. One of the things that Mayor Loughmiller talked about was ethics reform. I'd like to propose that we consider this in a future work session. Mayor Fuller requested that ethics reform be on the next work session agenda.

Council member Branch thanked all the new Council members. You are doing a great job already and I look forward to working with you all. I'm here to serve not only the citizens but all of Council as well. Thank you to staff and all that you do and all the help and going out of your way to help us.

Council member Shemwell thanked the residents that took the time to come out today. Obviously, you could be anywhere but you are here which shows you are involved and engaged. I'd like to thank the existing and new Council for being as helpful as they have been. Thank you to staff for being as helpful as you are. I'm excited, I think our first Work Session and Council meeting went pretty well and I'm excited for the future. We got a win today for our seniors and I will be an advocate for you.

City Manager Grimes stated children and teens are invited to join the McKinney Public Library Summer Reading Program which runs through August 11th. You can pick up a reading log at the library and earn prizes for finishing the program. McKinney's Red, White and Boom! celebration will take place July 4th and includes free family activities beginning with the hometown parade through downtown during the day followed by live entertainment and a spectacular fireworks show in the evening. Families can explore the dining and shopping options offered in downtown McKinney. I want to offer my congratulations to Playful Corporation and to the City Council and MEDC for making that deal happen. That's very exciting for downtown to have class A office space constructed downtown with high paid salaries, very creative people. Our Council on-boarding begins next Monday for all Council members. We have posted the meeting as a quorum. We have a special guest who will speak and I think you will find it very interesting. It will be from 11:00 a.m. to 4:00 p.m. with our special guest here from 11:30 a.m. to 2:00 p.m. Mr. Joe Joplin, one of our North Texas Municipal Water District Directors, has asked me to remind Council that the North Texas Water District is hosting a visit to the wetlands, an important new source of water. We can take three members. If you can make it this Friday, Assistant Manager Steve Tilton will be going and if you can make it, please let me know. The last item, one more congratulations are in order to the Communications and Marketing Department. McKinney was recognized by the Texas Municipal League for the TAMIO award. TAMIO is the communications arm of the Texas Municipal League. We were voted as the number one municipal website in Texas so our staff in marketing and communications works hard every day at making our website easier and there's so much information on there. They also received a couple of other awards for the electronic report and the buy local marketing campaign for the McKinney Community Development Corporation. Great work being done by our

Communications and Marketing Department and I wanted to give them a public pat on the back.

Mayor Fuller echoed what has been said. La'Shadiun, Scott, Charlie, you guys have had a fantastic first two meetings and showed not only that there is great competency but passion and leadership on this Council combined with existing members and our fearless leader and of course, Sandy Hart, who is fantastically keeping me in line. It's going to be an exciting four years and I look forward to it. Thank you for everyone who comes, especially the lady in the hat in the front row.

Mr. Grimes has one more reminder that our next meeting in July is scheduled to be at the temporary location at the County Commissioner Court but that may be pushed back. I want to make sure everyone is aware of that.

Mayor Fuller recessed the meeting into executive session at 7:53 p.m. per Texas Government Code Section 551.071 (2) Consultation with City Attorney on any Work Session, Special or Regular Session agenda item requiring confidential, attorney/client advice necessitated by the deliberation or discussion of said items (as needed), and Section 551.071 (A). Litigation / Anticipated Litigation as listed on the posted agenda. Mayor Fuller recessed back into open session at 8:25 p.m.

Mayor Fuller called for Action from Executive Session. Council approved the motion by Mayor Fuller, seconded by Mayor Pro Tem Rogers, to authorize the City Attorney to negotiate a settlement with McKinney Entertainment LTD. with a vote of 6-1-0, Councilwoman Rath voting against.

Council unanimously approved the motion by Mayor Pro Tem Rogers, seconded by Council member Branch, to adjourn. Mayor Fuller adjourned the meeting at 8:28 p.m.

GEORGE C. FULLER
Mayor

ATTEST:

SANDY HART, TRMC, MMC
City Secretary