

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

AUGUST 25, 2016

The McKinney Community Development Corporation met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on August 25, 2016 at 8:00 a.m.

Board members Present: Chairman Scott Elliott, Vice Chairman Kurt Kuehn, Secretary David Clarke, Treasurer David Myers, Michelle Gamble, Hamilton Doak and Rick Glew.

Staff Present: President Cindy Schneible

City Staff Present: Director of Strategic Services Chandler Merritt, Senior Financial Analyst Trevor Minyard, Director of Parks and Recreation Rhoda Savage, Assistant Director of Parks and Recreation Ryan Mullins, Aquatics and Fitness Manager Teresa Thompson, Main Street/MPAC Program Director Amy Rosenthal, MCVB Administrative Assistant Vanesa Rhodes, Assistant Airport Director Mark Jaraczewski, Airport Operations Manager Eric Pratt and MEDC Executive Assistant Sheri Van Slycke.

There were 11 guests present.

Chairman Elliott called the meeting to order at 8:00 a.m. after determining a quorum was present.

16-864 Minutes of the McKinney Community Development Corporation Meeting of July 28, 2016. Board members unanimously approved the motion by Vice Chairman Kuehn, seconded by Board member Gamble, to approve the July 28, 2016 meeting minutes.

16-865 Chairman Elliott called for the July Financial Report. Senior Financial Analyst Trevor Minyard reported the revenue is above budget YTD by 10.16%. Sales tax figures came in 6.54% above last year's collection through July. Expenditures are below budget in total, with personnel expenses coming in approximately 15.5% under budget through July. The fund's expenditures continue to be related to construction costs for the Apex Centre. As of July, MCDC has expended more than \$19.8

million on that project. Mr. Minyard reminded the Board that the interactive monthly financial report is available online on the City of McKinney website.

16-866 Chairman Elliott called for the Board and Liaison Updates.

City of McKinney – Director of Strategic Services Chandler Merritt reported that Council Chambers is in line for an audio/visual equipment renovation scheduled to begin on or about December 1st and will take approximately 90 to 120 days to complete. The MCDC Board meetings, along with many other meetings that take place in the Council Chambers will likely be moved to the John and Judy Gay Library during the renovation period. The Human Resources Department was scheduled to be moved out of Annex B on the nine acre site by November 1st in preparation for construction on the Nine Acre development. However as a result of community feedback there may be some amendments to the design plan which may delay groundbreaking on that site. City staff continues to work on the grants program for public transit, and staff sent a letter to the Federal Transit Administration requesting that the City of McKinney become designated as a Direct Recipient of transit funds. Once that and other designations have been received, City staff will be able to plan for public transit in McKinney. The upgraded performance management system is planned for roll out on October 1st. It is a much more customized system which allows staff to select key performance indicators that can be more closely aligned with the Council's Strategic Goals and allow for more transparency in government.

Main Street & MPAC – Main Street/MPAC Program Director Amy Rosenthal reported that the recent events showcased at MPAC are bringing in many out-of-state visitors, especially from Colorado. Jake Rowley and the Payola Kings will be playing on September 8th, and The Greatest Pirate Story Never Told will be presented on September 30th.

McKinney Convention and Visitors Bureau - Administrative Assistant

Vanessa Rhodes reported the MCVB helped secure 369 hotel room nights with a value of over \$45,000. MCVB received RFP's for the Kansas City Railroad Association, and one for Popular Ink. There were four site visits which included The Sports Source, Southwest Bank and two weddings. Ad materials were created and submitted for TripInfo, Oktoberfest and the New Orleans Magazine. The Texas Highways Magazine feature totaled 11 pages and included a three page article on Patina Green valued at \$82,236.

Parks and Recreation - Director of Parks and Recreation Rhoda Savage reported the name for the McKinney Aquatics and Fitness Center is officially The Apex Centre. Ms. Savage acknowledged Ryan Mullins' exemplary service in a five city regional sports study where he is representing the City of McKinney and has taken on a lead role. In addition, Ms. Savage acknowledged Teresa Thompson and shared how impressed she is with her work during her short six months as a member of McKinney staff.

Board Chair – Chairman Elliott expressed his frustration with the 2016 election coverage. The extreme vitriol that filters down from the candidates and news media is disheartening. Mr. Elliott shared that we will not agree on everything, but it is not necessary to be hostile. Mr. Elliott shared a few quotes that emphasized his hope for change and to agree to disagree should be our goal on the local level.

16-867 Chairman Elliott called for the President's Report. President Cindy Schneible referred the Board to the reports attached to the agenda. Ms. Schneible mentioned there is \$50,000 still available to award under the Promotional and Community Events Grants for this fiscal year. Project Grants awarded to date is \$684,698, so that leaves \$487,000 to award as the Board chooses for the remaining of FY16.

16-868 Chairman Elliott called for the Consideration/Discussion/Action on Promotional and Community Event Grant Application Submitted by 3e

McKinney (PC#16-11) in the Amount of \$2,200 for Advertising and Promotion of the 2016 Par 3e Golf Tournament. Due to the short time available for advertising and promotion of the event, the MCDC subcommittee recommended no funding for this grant. However, in support of the Par 3e Golf Tournament, MCDC has purchased a sponsorship out of the advertising budget. Board members unanimously approved the motion by Chairman Kuehn, seconded by Secretary Clarke, to approve \$0 for the Advertising and Promotion Grant of the 2016 Par 3e Golf Tournament.

16-869 Chairman Elliott called for the Consideration/Discussion/Action on Promotional and Community Event Grant Application Submitted by Holy Family School (PC#16-12) in the Amount of \$10,000 for Advertising and Promotion of the 2016 Believe! Run. The MCDC subcommittee recommended funding in the amount of \$5,500. Board members unanimously approved the motion by Vice Chairman Kuehn, seconded by Board member Doak, to approve \$5,500 for the Advertising and Promotion Grant of the 2016 Believe! Run.

16-870 Chairman Elliott called for the Consideration/Discussion/Action on Promotional and Community Event Grant Application Submitted by St. Peter's Episcopal (PC#16-13) in the Amount of \$7,500 for Advertising and Promotion of the 2017 Empty Bowls Event. Board members unanimously approved the motion by Vice Chairman Kuehn, seconded by Board member Gamble, to approve \$7,500 for advertising and promotion of the 2017 Empty Bowls Event.

16-871 Chairman Elliott called for the Consideration/Discussion/Action on Promotional and Community Event Grant Application Submitted by Especially Needed (PC#16-14) in the Amount of \$9,000 for Advertising and Promotion of the 2016 Especially Needed Fall Carnival. Due to the funds requested that are designated for advertising and promotion, instead of T-shirts and giveaways, the subcommittee recommends a

grant in the amount of \$7,000. Board members unanimously approved the motion by Vice Chairman Kuehn, seconded by Secretary Clarke, to approve \$7,000 for advertising and promotion of the 2016 Especially Needed Fall Carnival.

16-872 Chairman Elliott called for the Consideration/Discussion/Action on Promotional and Community Event Grant Application Submitted by McKinney Main Street (PC#16-15) in the Amount of \$15,000 for the Advertising and Promotion of the 2016 McKinney Oktoberfest Event. Board members unanimously approved the motion by Vice Chairman Kuehn, seconded by Board member Glew, to approve the grant in the amount of \$15,000 for the advertising and promotion of the 2016 McKinney Oktoberfest Event.

16-873 Chairman Elliott called for the Consideration/Discussion/Action on Promotional and Community Event Grant Application Submitted by the Arts and Music Guild (PC#16-16) in the Amount of \$5,000 for the Advertising and Promotion of the 2016 McKinney Artists Studio Tour. Board members unanimously approved the motion by Vice Chairman Kuehn, seconded by Board member Gamble, to approve the grant in the amount of \$5,000 for the advertising and promotion of the 2016 McKinney Artists Studio Tour.

16-874 Chairman Elliott called for the Consideration/Discussion/Action on Promotional and Community Event Grant Application Submitted by North Collin County Habitat for Humanity (PC#16-17) in the Amount of \$4,500 for Advertising and Promotion of the 2016 Monster Mash Birthday Bash. The MCDC subcommittee recommended a grant in the amount of \$4,000. Board members unanimously approved the motion by Board member Doak, seconded by Vice Chairman Kuehn, to approve the grant in the amount of \$4,000 for advertising and promotion of the 2016 Monster Mash Birthday Bash.

16-875 Chairman Elliott called for the Consideration/Discussion/Action on

Promotional and Community Event Grant Application Submitted by McKinney Rotary Club Foundation (PC #16-18) in the Amount of \$6,000 for Advertising and Promotion of the 2016 Rotary Parade of Lights Event. Board members unanimously approved the motion by Secretary Clarke, seconded by Board member Glew, to approve the grant in the amount of \$6,000 for advertising and promotion of the 2016 Rotary Parade of Lights Event.

16-876 Chairman Elliott called for a Public Hearing and Consideration/Discussion/Action on Project #16-09, a Request Submitted by Heard Craig Women's Club Trust (dba: Heard-Craig Center for the Arts) in the Amount of Forty Three Thousand Five Hundred Dollars and no/100 (\$43,500) for Replacement of Four HVAC Units in Heard Craig House. The amount requested represents 75% of total estimated project cost. Mr. Nate Pike, Heard-Craig Center for the Arts Board member provided the presentation expressing the need for three museum quality HVAC systems in the Heard-Craig house. In presenting the request, Mr. Pike indicated that as the value of the collectibles in Heard Craig House has increased, it's become more important to ensure that a museum quality HVAC system is in place. Replacement of the units will help preserve collectibles, reduce maintenance and conserve energy. Mr. Pike addressed the current financial situation for Heard Craig and pointed out the loss that was incurred in 2015, primarily as a result of a change in personnel and limited fundraising activities. The current year's plan calls for a more aggressive approach to fundraising within the McKinney community and there is a gala scheduled for early October. He encouraged Board members to support the event. Mr. Pike also shared that as a result of the sale of Heard Craig Auditorium, they were able to set aside close to \$1 million in reserve to address emergency needs of Heard Craig House. When asked about using that source of funds for the replacement of the HVAC units, Mr. Pike indicated the preference

would be to retain those for large emergency needs that could be on the horizon, with a 100 year old house. Mr. Pike was asked if those reserve funds would be used to cover the cost for replacement of the HVAC units if MCDC funds were not available. He indicated they would. An additional source of funding discussed related to an annual distribution from the Heard trust. The distribution amount is outside of control of the Board. In 2015 the distribution totaled \$100,000. Annual operational costs for Heard Craig House run about \$100,000. Chairman Elliott requested public input on the public hearing item and there was none. Board members unanimously approved the motion by Board member Doak, seconded by Secretary Clarke, to close the public hearing.

16-877 Chairman Elliott called for a Public Hearing and Consideration/Discussion/Action on Project #16-10, Submitted by Heritage Guild of Collin County in the Amount of One Hundred Seventy Five Thousand Dollars (\$175,000) for Improvements to the Dulaney House to Facilitate Use as a Multi-Purpose Community Facility. The amount requested represents 65% of total estimated project cost. Board members Glew and Doak recused themselves from the Board discussion. Heritage Guild of Collin County Board member Kathy Moore provided the background on the history of Chestnut Square. On an annual basis, Chestnut Square draws 50,000+ visitors. The basis for this application and funding request is to restore the house to be used as a multi-purpose community facility. The previous grant funding provided by MCDC was to facilitate conversion of the house to a bed and breakfast, and a portion of the work was completed. The leadership of the Heritage Guild believes that restoration to a multi-purpose facility would better serve the community and Chestnut Square. During the period from December to June of 2015, meetings were conducted with 13 contractors/builders for potential engagement on the project. Based on the scoped of work defined and the bids received, the contractor selected

was Hoegger and Associates. The bid provided was a fixed bid. Estimated construction time is 90-120 days once the project is begun. Ms. Moore was asked about the funds invested by MCDC in the former project. She assured Board members that none of the funds were wasted and that the work that was initiated was essential for use of the house as a multi-purpose facility. Funds provided by MCDC for the previous work done on the Dulaney House totaled \$113,150. Mr. Kuehn commented the total project funding that would be provided by MCDC when taking into consideration the previous funding and the current request would be \$288,000. Chestnut Square representatives were asked about efforts to secure grant funding from alternate sources. In response, they indicated other applications had been submitted. Notification regarding success in securing additional grant funds was not expected until later in the year. Chestnut Square representatives were asked about staging the work that needed to be done within the house rather than completing both the first and second floors prior to re-opening as a multi-use facility. They indicated that while it might be possible, it would not be desirable because of the limitations to useable space and accommodating the area that would need to be restricted as a construction zone. Chairman Elliott requested public input on the public hearing item and there was none. Board members unanimously approved the motion by Vice Chairman Kuehn, seconded by Secretary Clarke, to close the public hearing. Board members Glew and Doak returned to the meeting.

16-878 Chairman Elliot called for a Public Hearing and Consideration/Discussion/Action on Project #16-11, Submitted by Collin County Historical Society in the Amount of Six Thousand Nine Hundred Sixty-Eight Dollars and 20/100 (\$6,968.20) for Purchase of iPads, Cases, Headphones and Related Equipment to Facilitate Self-Guided Tours for Visitors to the Texas and Collin County World War I Centennial

Commemoration. The amount requested represents 100% of total estimated equipment costs. Historical Society Executive Director Mary Carole Strother provided the presentation for the grant request of equipment to facilitate self-guided interactive tours to visitors of the WWI Centennial Commemoration and Collin County History Museum. The Board asked about the possibility of the guests downloading the apps and using their own iPads for the tours. Ms. Strother explained the difficulties arising from not having iPads ready upon arrival. Ms. Strother further emphasized that the iPads would not be used for administrative purposes. Mr. Glew informed the Board that a similar iPad and application process is being used at the Perot Museum. In addition, the visitors will be provided with a list of apps and QR codes to be utilized at home. March of 2017 is the planned live roll out with the iPads. Once the WWI Centennial Commemoration is complete, the iPads will continue to be used for future interactive tours. Chairman Elliott requested public input on the public hearing item and there was none. Board members unanimously approved the motion by Treasurer Myers, seconded by Board member Doak to close the public hearing.

16-879 Chairman Elliott called for a Public Hearing and Consideration/Discussion/Action on Project #16-12, Submitted by North Collin County Habitat for Humanity in the Amount of Two Hundred Fifty One Thousand Dollars and No/100 (\$251,000) for Purchase, Survey and Preparation of Six Lots for the Construction of Affordable Housing; and Completion of Fifteen Exterior Home Repair Projects. The amount requested represents 27% of total estimated project costs. Ms. Elizabeth Johnston of the North Collin County Habitat for Humanity provided the presentation for the grant request. There are currently seven McKinney families that have put in their required sweat equity and are waiting for the completion of their Habitat for Humanity home. Mr. Elliott mentioned his concern on the negotiations of the pricing for the six lots. Ms.

Johnston expressed her hope and confidence in obtaining the lots at the preferred price, and explained that should the pricing be more than expected, then further fundraising would be in order. NCC Habitat for Humanity is also building homes in Celina and Princeton, as well as McKinney. Chairman Elliott requested public input on the public hearing item and there was none. Board members unanimously approved the motion by Secretary Clarke, seconded by Treasurer Myers to close the public hearing.

Chairman Elliott acknowledged Assistant Airport Director Mark Jaraczewski and Airport Operations Manager Eric Pratt and welcomed them to the podium. Mr. Jaraczewski thanked the Board for funding the transient hangar grant at McKinney National Airport, and to inform the Board that the hangar is now being used to capacity.

Chairman Elliott called for citizen comments. Mr. Barry Brown, Chairman of the McKinney Armed Services Memorial Board offered an update on the monument project to Gold Star families funded by a CDC project grant. The fundraising efforts have begun and they have raised about \$15,000 in cash and several thousand dollars in in-kind contributions. Mr. Brown was happy to announce the full funding approved by the CDC board will not be required due to the success of fundraising efforts to date. Mr. Brown provided a rendering of how the finished monument will look. There will be a ground breaking in October that the CDC Board will be invited to as well as provided with a gold MCDC shovel.

16-880 Chairman Elliott called for the Consideration/Discussion/Action on Fiscal Year 2017 Budget. Senior Financial Analyst Trevor Minyard presented the recommended budget and gave an overview. Mr. Trevor asked the Board to formally adopt the presented budget. Total expenditures will be set at \$10.7 million which will leave \$22-\$23 million in the unallocated fund balance at the end of FY17. Final recommended budget of the MCDC FY17 budget will be presented to City Council on September 20th.

Board members unanimously approved the motion by Board member Doak, seconded by Secretary Clarke, to approve Fiscal Year 2017 Budget.

16-881 Chairman Elliott called for the Consideration/Discussion/Action to Rescind Approval of Project #15-03 for Financial Incentives for Lincoln Property Company Commercial, Inc. in an Amount up to One Million Five Hundred Thousand Dollars and no/100 (\$1,500,000) for Construction of a Privately-owned, Public-access Park in the Gateway Office and Retail Development. President Schneible explained that Lincoln Properties submitted notification stating they would not be moving forward with the development on the Gateway property. Staff is requesting the Board to take action on rescinding this item to allow the funds (\$1,500,000) to be made available for use in other endeavors. Board members unanimously approved the motion by Vice Chairman Kuehn, seconded by Secretary Clarke, to approve rescinding approval of Project #15-03.

16-882 Chairman Elliott called for the Consideration/Discussion/Action to Rescind Approval of Project #14-01, a Grant in the Amount of Two Million Dollars and no/100 (\$2,000,000) for Costs Related to Establishment of a Facility and Commencement of Business Operations in McKinney, Texas. President Schneible explained that Barclay's provided notification that they would be moving their McKinney business unit elsewhere and entered into a Mutual Rescission Agreement with MCDC, City of McKinney and MEDC. Therefore, staff is requesting the Board to take action on rescinding this item as it will allow the funds (\$2,000,000) to become available for use in other endeavors. Board members unanimously approved the motion by Secretary Clarke, seconded by Vice Chairman Kuehn, to approve rescinding approval of Project #14-01.

16-883 Chairman Elliott called for the Consideration/Discussion/Action on Draft FY16-17 Strategic Plan. President Schneible incorporated the discussion and recommendations from last month's strategic planning meeting into

the FY16-17 Strategic Plan document that was provided. Staff is requesting the Board take action to approve the final Strategic Plan as presented. Board member Doak suggested the possibility of adding the accomplishment of MCDC providing options for low income housing through Habitat for Humanity. Board members unanimously approved the motion by Treasurer Myers, seconded by Secretary Clarke, to approve the FY16-17 Strategic Plan.

Chairman Elliott called for citizen comments and there were none. Chairman Elliott called for Board and Commissioner comments. Vice Chairman Kuehn stated he would like to see an outside multiuse venue or pavilion to bring in bands and other artists to McKinney.

Board members unanimously approved the motion by Board member Doak, seconded by Board member Gamble to adjourn. Chairman Elliott adjourned the meeting at 9:55 a.m.

SCOTT ELLIOTT
Chairman