

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

AUGUST 24, 2017

The McKinney Community Development Corporation met in regular session at the John and Judy Gay Library, 6861 Eldorado Parkway, McKinney, Texas, on August 24, 2017 at 8:00 a.m.

Board members Present: Chairman Kurt Kuehn, Vice Chairman David Clarke, Secretary Hamilton Doak, Treasurer David Myers, Michelle Gamble and Jackie Brewer.

Absent: Rick Glew

City Council members Present: Councilman Chuck Branch and Councilwoman Tracy Rath

Staff Present: President Cindy Schneible

City Staff Present: City Manager Paul Grimes, Deputy City Manager Jose Madrigal, Director of Parks and Recreation Mike Kowski, Assistant Director of Parks and Recreation Ryan Mullins, Chief Financial Officer Mark Holloway, Senior Financial Analyst Eric Corder, MPAC/Main Street Director Amy Rosenthal, MEDC President Darrell Auterson, MCVB Sales Manager Vanesa Rhodes, MEDC Director of BREP John Valencia, Temporary Administrative Assistant Sterrett Coleman and MEDC Operations and Compliance Administrator Sheri Van Slycke.

There were seven guests present.

Chairman Kuehn called the meeting to order at 8:00 a.m. after determining a quorum was present. Chairman Kuehn called for action on the minutes.

- 17-840** Minutes of the McKinney Community Development Corporation Meeting of June 29, 2017
- 17-841** Minutes of the McKinney Community Development Corporation Meeting of July 27, 2017
- 17-842** Minutes of the McKinney Community Development Corporation Promotional and Event Grant Committee Meeting of June 30, 2017. Board members approved, by a vote of 6-0, the motion by Vice Chairman Clarke, seconded by Board member Gamble, to approve the minutes of the June 29th, July 27th and the June 30th meetings.

17-843 Chairman Kuehn called for the July Financial Report. Chief Financial Officer Mark Holloway reported the revenue is above budget YTD by 17.51%. Sales tax figures came in 11.2% above last year's collection through July. Expenditures are below budget in total. The major expenditures for the month of July were debt service payments of \$1.3 million, The Apex Centre project with \$113,114 and Community Grants of \$112,927. The largest project expenditures for July were the Heard Natural Science Museum, \$50,000; Heritage Guild of Collin County, \$33,763; and North Collin County Habitat for Humanity, \$23,955.

17-844 Chairman Kuehn called for the Board and Liaison Updates.

City of McKinney – City Manager Grimes reported the proposed City Council budget includes a 3.2 cent decrease in the tax rate. Council will vote on the FY18 budget on September 19th. Mr. Grimes provided a correction to a news report that stated the new McKinney Costco would be opening October 1st, that is not the case. Construction begins in the Fall of 2017, with an approximate 100 day cycle from construction to completion. Mr. Grimes shared his support for the Airport request being presented to the MCDC Board today and how much homework went into the request, as well as how important the success of the Airport is to the City, as a whole.

Parks and Recreation - Director of Parks and Recreation Mike Kowski reported that Labor Day, the outdoor pools will close and at that time, the main priorities will switch to the ball fields. Parks and Recreation Activity Guide has been published and provided to the community. Mr. Kowski completed his report stating the the work on the Old Settler's gym floor is almost finished.

McKinney Economic Development Corporation - MEDC President Darrell Auterson reported Gateway is being rebranded as Southgate McKinney pending MEDC Board approval. In addition, the vision for

Southgate McKinney will be presented at the MEDC Board meeting on August 29th. Playful Corporation will be breaking ground for their new location in downtown McKinney on August 28th. MEDC has reached a tentative agreement with Hunt Southwest on the Speculative Light Industrial project. There are other Speculative Office developments being discussed with MEDC, but nothing concrete yet. Mr. Auterson announced the MEDC's new Marketing and Research Director will begin on August 28th, and the Business Development Director interviews are in the final stages.

Main Street/MPAC - MPAC/Main Street Director Amy Rosenthal reported the last weekend of August MPAC will be hosting the Classic Film Festival with five different films offered. September 30th is the Jack Ingram concert and will certainly be sold-out. The 10th Anniversary of Oktoberfest begins Friday, September 22nd and runs through Sunday, September 24th. Texas Downtown Association will be in McKinney in November for their state conference. Ms. Rosenthal assured the Board the Polaris GEM shuttle is a great amenity to the McKinney downtown area and a second one may be in order at a later date.

McKinney Convention and Visitors Bureau - MCVB Sales Manager Vanesa Rhodes stated that the Italian filmmakers mentioned in last month's report have returned to McKinney and decided to rent a Bed and Breakfast or utilize an Extended Stay facility to write a movie with the intention to film it in McKinney. MCVB Director Dee-dee Guerra has worked hard to recruit Torchmark's events and hotel use to McKinney. Up to now, their hotel usage has been shared with sister cities. MCVB won the bid for the Texas Collegiate Association of Police Officers convention in November. Texas Living Magazine provided no-cost advertising for McKinney with a Get-Away article recently published.

17-845 Chairman Kuehn called for the President's Report. President Cindy Schneible directed the Board to the reports attached to the agenda. City

Council approved the amended lease with the Dallas Star organization so that project will move forward. In addition to providing grant support for Oktoberfest, as Ms. Rosenthal mentioned, CDC also provided promotional grant funding to the Crape Myrtle Trail Run on September 23rd. CDC will sponsor the two day, Farm and Ranch Food Alliance Conference that will be held at MPAC. Ms. Schneible has revised the open position within CDC and has posted it on the City's job site. Applications received so far have been over 200. The Performing Arts subcommittee survey has been distributed. Some responses have been received, and will be provided to the subcommittee for review and will be reported on next month.

17-542 Chairman Kuehn called for Consideration/Discussion/Action on Project #17-04, Submitted by the City of McKinney for an MCDC Loan to Aimbridge Hospitality in the Amount of Five Million Dollars (\$5,000,000) and an MCDC Grant to Aimbridge Hospitality in the Amount of Three Million Dollars (\$3,000,000) for Partial Funding for the Construction of a Resort Hotel; Estimated Project Construction Cost is \$98,500,000; the Amount Requested Represents 8.12% of the Total Estimated Construction Cost. Board members approved, by a vote of 6-0, the motion by Treasurer Myers, seconded by Vice Chairman Clarke, to Table this item to the next meeting.

17-846 Chairman Kuehn called for Consideration/Discussion/Action on Project #17-06, Submitted by North Collin County Habitat for Humanity, in the Amount of Three Hundred Thirty One Thousand Seventy-Two Dollars (\$331,072) for Land Acquisition and Lot Preparation for Construction of Low Income Housing (\$160,850); Exterior Home Repairs for 15 Low Income Homes (\$112,500); and Material Costs for Construction of a MISD/North Texas Job Corp Project Home (\$57,722); Amount Requested Represents 36% of Total Project Cost. Habitat for Humanity CEO Celeste Cox stated the City of McKinney staff has requested a few

minor modifications, but otherwise has given their green light on the proposed modular steel construction for housing. Board members approved, by a vote of 6-0, the motion by Secretary Doak, seconded by Board member Gamble to approve Project #17-06.

- 17-847** Chairman Kuehn called for Consideration/Discussion/Action on Project #17-07, Submitted by McKinney Housing Authority, in the Amount of Five Hundred Thousand Dollars (\$500,000) for Rehabilitation and Reconstruction and Expansion of Merritt McGowan Manor, a Sixty-Two Year Old, Low-Income, Multi-family Project Located on 10.205 Acres in McKinney; Majority of Project Costs Will be Funded Through a Tax Credit Award and Equity Loan; Amount Requested Represents 50% of Estimated Gap in Funding Needed for the Project. Mr. Will Henderson, from Carlton Development, provided an update to the presentation made to the Board in July. The overall plan will include redevelopment of all McKinney Housing Authority properties at Merritt, an on-site center that will offer education for adults as well as job training and other services that assist in improving quality of life and lead to self-sufficiency. Total units will be 136 at a cost of \$22,465,054. The latest update is the 9% tax credits have been awarded, which is the biggest step in moving forward with this project. McKinney Housing Authority Executive Director Roslyn Miller agreed with the Board that there is a huge shortage of low income housing in McKinney, however, based on available funds and property, approval of this request is the first step in meeting the need. Board members approved, by a vote of 6-0, the motion by Treasurer Myers, seconded by Vice Chairman Clarke, to approve Project #17-07.

- 17-848** Chairman Kuehn called for Consideration/Discussion/Action on Project #17-08, Submitted by Heritage Guild of Collin County, in the Amount of Sixty Five Thousand Dollars (\$65,000) for Repairs to the Taylor Inn and the Campus-wide Irrigation System at Chestnut Square; Amount Requested Represents 100% of Estimated Project Cost. Director of

Heritage Guild Jaymie Pedigo updated the Board on the current progress of the renovations which included a reduction of the estimated project cost. Board members approved the motion by Secretary Doak, seconded by Vice Chairman Clarke, to approve, Project #17-08, with a vote of 4 - 2 - 0, Chairman Kuehn and Treasurer Myers voting no.

- 17-849** Chairman Kuehn called for Consideration/Discussion/Action on Project #17-09, Submitted by D&L Feeds, Inc. (DL Farm and Home), in the Amount of One Hundred Forty Thousand One Hundred Seventy-Seven Dollars (\$140,177) for Infrastructure Improvements that Include Water, Storm Drainage, Sewer, Traffic Control at 1502 N. Church Street, the Location of an Expanded D&L Feed Store and Warehouse Location; Amount Requested Represents 50% of Estimated Project Cost. Jasmine Jones with D & L Feeds provided the construction updates for the Board. Board members indicated reluctance to approve the grant request as D & L Feeds has a robust profit and loss sheet, and limited ability to stimulate commercial growth in the area where the store is located. Board members approved, by a vote of 6-0, the motion by Treasurer Myers, seconded by Secretary Doak, to deny grant funds for Project #17-09.

- 17-850** Chairman Kuehn called for a Public Hearing and the Consideration/Discussion/Action on Project Grant #17-10, Submitted by the City of McKinney/McKinney Air Center in the Amount of Four Million Dollars (\$4,000,000) for Construction of a New Fixed Base Operator Terminal, Expanded Parking, Upgraded U.S. Customs Facility, 40,000 Square Foot Common Hangar. Amount Requested Represents 25% of Total Estimated Project Cost. Deputy City Manager Jose Madrigal provided the history, performance factors and the project overview to the Board to share how the Airport is rapidly seeing an inability to meet growing business demand in McKinney. In addition, the terminal is in need of an upgrade to a larger and more modern, efficient building, with

up –to-date technology and amenities that pilots and passengers expect. McKinney Air Center must align itself with the competition in the FBO market. Total cost is \$16 million. Staff is requesting \$4 million each from MEDC and MCDC. Mr. Brand Henderson shared that Western LLC is providing \$8 million of up front construction financing and construction, which will be repaid with interest over 20 years by the FBO. The expected timeframe for construction is 18 months. City Manager Grimes mentioned three take-a-way's: one, the staff has put together a great package of partners for this airport renovation; two, staff has completed a comprehensive review; third, the mile and a half runway strip acts as a main street and holds potential for unlimited revenue on either side of that strip of property. Board members approved, by a vote of 6-0, the motion by Secretary Doak, seconded by Treasurer Myers, to close the public hearing for Project #17-10.

- 17-851** Chairman Kuehn called for the Consideration/Discussion/Action on the Final FY18 Budget for Submission to City Council for Approval. President Schneible shared that the budget presented to the Board today was adjusted from the one presented in April by an increase in sales tax revenue of \$2 million as well as adjustments made in personnel line items. In addition, the support to The Apex Centre was reduced to about \$697,000. The allocation for discretionary grants totals \$1,409,745. Funds directed to future projects totals \$3 million. Board members approved, by a vote of 6-0, the motion by Board member Gamble, seconded by Vice Chairman Clarke, to approve the FY18 Budget.

Chairman Kuehn called for citizen comments and there were none. Chairman Kuehn called for Board comments. Chairman Kuehn thanked the Board members that were helpful during his family's time of loss. Treasurer Myers thanked all involved in setting up the board meetings in the temporary location.

Board members approved, by a vote of 6-0, the motion by Treasurer Myers, seconded by Vice Chairman Clarke, to adjourn. Chairman Kuehn adjourned the meeting at 9:30 a.m.

KURT KUEHN
Chairman