

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

OCTOBER 25, 2018

The McKinney Community Development Corporation met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on October 25, 2018 at 8:00 a.m.

Board members Present: Kurt Kuehn, David Clarke, Rick Glew, Jackie Brewer, Mary Barnes-Tilley, Angela Richardson-Woods

Absent: Kathryn McGill

City Council Member Present: Tracy Rath

Staff Present: MCDP President Cindy Schneible; City Manager Paul Grimes; Assistant City Manager Barry Shelton; Parks and Recreation Director Michael Kowski; Assistant Director of Parks and Recreation Ryan Mullins; Apex Centre manager Teresa Thomason; McKinney Convention and Visitors Bureau Executive Director Dee-dee Guerra.

There were several guests present.

Mr. Kuehn called the meeting to order at 8:01 a.m. after determining a quorum was present.

18-914 Mr. Kuehn called for the election of officers for MCDP for the 2019 fiscal year. Officers include: Chairman; Vice Chairman; Secretary; and Treasurer.

Mr. Kuehn called for nominations for Chairman. Board member Jackie Brewer nominated Kurt Kuehn for Chairman. No additional nominations were made. Board members unanimously approved the nomination by Board member Brewer.

Chairman Kuehn called for nominations for Vice Chairman. Board member Rick Glew nominated Dave Clarke for Vice Chairman. No additional nominations were made. Board members unanimously approved the nomination by Board member Rick Glew

Chairman Kuehn called for nominations for Secretary. Board member Angela Richardson-Woods nominated Jackie Brewer. No additional

nominations were made. Board members unanimously approved the nomination by Board member Angela Richardson-Woods.

Chairman Kuehn called for nominations for Treasurer. Chairman Kurt Kuehn nominated Board member Rick Glew for Treasurer. No additional nominations were made. Board members unanimously approved the nomination by Chairman Kurt Kuehn.

CONSENT ITEMS

18-915 Chairman Kuehn called for action on the Minutes of the McKinney Community Development Corporation Meeting of September 25, 2018

Board members unanimously approved the motion by Vice Chairman David Clarke, seconded by Secretary Jackie Brewer, to approve the September 25, 2018 minutes of the McKinney Community Development Corporation.

REPORTS

18-916 Chairman Kuehn called for the September Financial Report. President Schneible provided the report and highlighted several things: revenue for the fiscal year completed September 30 were slightly under budget, by about 1%; Sales tax revenues for the year were up 6.9% over the previous year; expenditures for the month included \$24,000 in reimbursement for costs related to project grants, \$5,000 reimbursement in costs related to Promotional and Community Event grants and \$30,000 for costs related to Parks and Recreation projects. Chairman Kuehn asked for questions and/or comments on the checks issued for the month on September and there were none.

18-917 Chairman Kuehn called for Board Liaison Updates.

Board Chairman. Chairman Kuehn welcomed new Board member Angela Richardson-Woods to the MCDC board.

City of McKinney. City Manager provided an update on several items. On October 16, 2018, City Council authorized and appointed a bond election committee to evaluate capital improvement projects for the city in contemplation of a bond election for May of 2019. The actual timeframe would be determined by City Council. The bond election would be required to be called in February of 2019 for a May election. With respect to process, 35 committee members have been appointed. They will be vetting capital projects identified by City staff as necessary and will make a recommendation to Council for projects to include in the bond election. The McKinney National Airport continues to do well. The McKinney Air Center closed the 2018 fiscal year with a 7% increase in aviation fuel sales over the previous year. Additionally, the airport logged 155,000 aircraft operations for the year which represented an increase of 17% over the previous fiscal year.

McKinney Convention and Visitors Bureau. Executive Director Dee-dee Guerra addressed the board, and referred members to the report attached to the agenda. Highlights included the City and MISD winning the RFP for the NCAA Division II Football Championship that will take place in the new MISD stadium on December 15, 2018. Board members were invited to a meeting scheduled on November 13, 2018 from 8:00 to 9:00 a.m. to a meeting with the Destination Doctor. Purpose of the meeting is to work with MCVB staff to increase destination sales for the City of McKinney by 25% over current levels. Texas Travel Industry Association is developing legislative priorities for the upcoming session of the Texas General Assembly. Ms. Guerra will share those with MCDC once finalized. Ms. Guerra highlighted information about sales leads generated through participation in a sales mission to Ontario, California and recent advertising initiatives of the Convention and Visitors Bureau.

McKinney Economic Development Corporation. Ms. Schneible referred board members to the report attached to the agenda.

McKinney Main Street/MPAC. Amy Rosenthal, Director of MPAC and Main Street had a schedule conflict and was unable to be present. Ms. Schneible provided an update. Ms. Rosenthal extended thanks to the MCDC board for approving the grant to purchase speakers for the downtown area. The first shipment has been installed and feedback has been very positive. The second shipment is expected to be installed in the next few weeks. McKinney's 2018 Oktoberfest was record-setting with more than 50,000 guests attending and 390 kegs of beer served. Thanks to MCDC for supporting the event with a Promotional and Community Event grant. Scare on the Square is scheduled for October 31, from 4:00 p.m. to 7:00 p.m. in downtown McKinney with entertainment, treats and a costume contest. Home for the Holidays . . . A McKinney Christmas will take place November 23-25 downtown. The tree lighting will take place the evening of November 23 and will be followed by a holiday themed performance by Asleep at the Wheel. There will be a kick-off to celebrate McKinney's Historic Downtown Cultural District designation on Saturday, November 10 at 4:00 p.m. at MPAC. Activities will include presentation of a proclamation in honor of the designation. Attendees will have an opportunity to see renderings of new public art projects in process in Mitchell Park. The timing of the event will coincide with the McKinney Art Studio Tour. Guests will be encouraged to visit artist studios and enjoy Second Saturday activities that evening. Please plan to attend. Chairman Kuehn and Treasurer Glew commented on the success of Oktoberfest.

McKinney Parks and Recreation. Director Michael Kowski deferred his comments to later in the agenda, when a presentation on Parks and Recreation projects would be made.

18-918 President's Report. President Schneible referred board members to the reports attached to the agenda. She highlighted information regarding

grant categories and allocations for the new fiscal year. These include: \$150,000 for Promotional and Community Event Grants – the first application cycle will open November 1, and applications will be presented to the board at the December meeting; \$100,000 is allocated for the Retail Development Infrastructure Grant pilot program – the first application period will be in January 2019; \$1,364,000 is allocated to Project Grants; \$5,500,000 was allocated to Parks and Recreation for projects identified during the budget process and approved by the board. Ghost Walk will take place on Saturday October 27 at 6:00 p.m. at Chestnut Square. Ms. Schneible provided an overview of the City's "I am Unique" three-week photo challenge. The first week will encourage people to post a photo of their favorite McKinney destination. The Week 2 challenge will be released November 6; the Week 3 challenge will be released November 13. Those who complete all three challenges will win a #IAMUNIQUEBYNATURE t-shirt and will be entered into a contest to win a grand prize. Check out the UN_QUE letters in Mitchell Park.

DISCUSSION ITEMS

- 18-919** Chairman Kuehn called for Consideration and Discussion on Various Parks & Recreation Related Items. Parks Director Michael Kowski provided a presentation to the board. First was a review, with photographs of flood damage, of the impact to many of the city's parks and recreational areas that interact with Wilson Creek (Heard Wildlife Museum north to Gray Branch Park). Nine to 11 inches of rain fell within one and one-half days which caused Wilson Creek to not only rise – but to flow through McKinney parks. Damage to the Al Ruschhaupt Soccer Complex, Grady Littlejohn Baseball Complex, Towne Lake, Bonnie Wenk Park and the All Abilities Playground were shared. During the first week following the rain event, Parks maintenance staff spent more than 800 hours on clean-up and restoration of the damaged areas. The opening of

the All Abilities Playground has been delayed until Spring 2019. Patience is requested as Parks works to recover equipment displaced and mitigate the flood damage. Mr. Kowski responded to questions regarding exploration of other options for surfaces used in parks. Chairman Kuehn expressed concern about the impact continued development could have with respect to increased storm runoff and the potential for flooding of parks located in floodplain. Mr. Kowski indicated that his team was looking at options that included ways to limit damage in flood plain locations as well as consider acquisition of land outside of floodplain. Vice Chairman Clarke and other board members complimented the parks team and expressed gratitude for the work being done to clean-up and restore the city's parks, facilities and equipment. Mr. Kowski went on to provide a recap on the status of various parks projects including Fitzhugh, Bonnie Wenk, Tennis Complex expansion and George Webb Park. Parks will be using park land dedication funds for plantings in two medians: White Avenue between Hardin and Highway 75; Collin McKinney Parkway between Stacy and Lake Forest. The city is divided into four park zones. Park land dedication funds currently total about \$14 million across the city. Kowski reviewed the development strategy adopted earlier in 2018 as a result of recommendations made during the joint Parks and Recreation Advisory Board and MCDC meeting in February, 2018 – which is to identify projects, fund, complete and move on – rather than collecting funds over multiple years prior to initiation of a project. Board members were reminded of the 18-month priority plan developed as a result of the joint meeting and the status of each. The majority of MCDC allocated funds are being utilized in Zones 2 and 4 where park land dedication funds are less. Mr. Kuehn inquired if recent flood events had altered the 18-month plan. Mr. Kowski indicated there was an assessment underway. Treasurer Glew commented that he appreciated the Parks team's project alignment with MCDC priorities.

Additional discussion took place regarding potential park surfaces that could be utilized to minimize damage. Mr. Kowski shared a list of potential projects that will be reviewed by the bond committee for inclusion in a potential bond election. Buildout of Gabe Nesbitt Park is a high priority. Identification of land for acquisition of park land is also a high priority. RFPs that are in process or planned include: location for additional soccer/sports fields; digital signage project to include actual signage (vehicle and pedestrian scale) and the ease for back-end updates and technical support; and bike share program that is envisioned to be done in partnership with the library. Mr. Kowski responded to board member questions regarding the information included in his presentation.

18-920 Chairman Kuehn called for Consideration/Discussion of Apex Centre Fiscal Year 2018, Potential Improvements and Membership Rates. Parks Director Michael Kowski introduced Teresa Thomason, Manager of Apex Centre who provided the update. Highlights included a recap of events held at Apex during the year. Recognition was provided to the Apex staff team and their role in success of the facility. State awards for the Apex facility included Design Excellence Award given by the Texas Recreation and Parks Society; along with the Administrative Management Award for the Apex Emergency Action Plan. Regional awards included a Programming Excellence Award for Synchronized Swimming and Recreation Facility Design Excellence Award. Apex also received Living Magazine's Readers Choice "Best of the Best" Award for Best Health Club/Gym in McKinney/Allen. An overview of membership was provided. Current membership totals 5,475. Summer totals exceeded 5,600. Breakdown on the types of memberships includes: 49% annual; 51% monthly; 94% resident; 6% non-resident. Scanned visits totaled 455,172; day passes totaled 23,434. Top reasons for leaving Apex are not using the membership and relocating. The group exercise program included

2,688 land classes with more than 40,000 participants and 872 water classes with 9,034 participants. Most heavily used equipment: treadmills followed by bikes and ellipticals. Aquatics activities included swim lessons – 852 participants; and swim team lane rentals by Metroplex Aquatics and MISD. Interior modifications were made to Apex to accommodate playroom space needs – with 34,548 kid visits over the past year. Additionally, storage space was converted into offices. Planned expansion and potential expansion plans were discussed. Financials included \$4,597,274 in revenue; expenses of \$3,967,001 with net revenue of \$630,273. Future expenses include funds for capital expenses such as equipment replacement and repair and payroll related expenses. A proposed increase in fees, with a plan for communication to members and ability to offer current members renewal at existing was shared. Ms. Thomason and Mr. Kowski responded to questions and comments from board members including need and timeframe for future Apex-type facilities; and the scholarship program.

- 18-921** Chairman Kuehn called for an Update on Craig Ranch Resort Hotel and Conference Center. Brad Lis, with the McGough Hotel Development team provided the presentation. He began with thanks to the MCDC board for support of the project. Mr. Lis reviewed the members and roles of the full design team; work completed to date – which includes development of preliminary concept design and program, market analysis, identification of Dallas-area subcontractors, preliminary cost estimate, joint venture partner secured, Marriott Autograph franchise approved; the hotel facility program – 208,000 gross square feet, 285 keys, full service restaurant, 10,000 square foot ballroom space, concierge, fitness, lazy river, access to TPC golf and Craig Ranch Fitness and Spa, and parking garage; site concept plan was shared; and the upcoming work schedule for the period from November 2018 through

early 2021 – Marriott design immersion, branding approval, design development, determine gross maximum price, start construction and hotel opening was provided.

Chairman Kuehn recessed the meeting into Executive Session at 9:41 a.m. in Accordance with the Texas Government Code: Section 551.087. Deliberation Regarding Economic Development Matters Project #17-01 McKinney StarCenter Project#17-04 Craig Ranch Resort Hotel and Conference Center. Chairman Kuehn reconvened the meeting to open session at 10:10 a.m. No action was taken from Executive Session discussion.

18-922 Chairman Kuehn called for Training on Type B Corporate Requirements; Type B Permissible Projects and Related Issues. Jeff Moore, MCDC's counsel and partner in Brown & Hofmeister conducted the training that included: review of corporate requirements; appointment of members and conduct of business; oversight of Type B sales tax; and permissible projects. Mr. Moore responded to questions from board members and staff regarding potential projects.

Chairman Kuehn called for citizen comments and there were none.

Chairman Kuehn called for Board or Commission Comments and there were none.

Board members unanimously approved the motion by Treasurer Rick Glew, seconded by Board member Mary Barnes-Tilley, to adjourn.

KURT KUEHN
Chairman