

**MCKINNEY COMMUNITY DEVELOPMENT CORPORATION**

**MARCH 28, 2019**

The McKinney Community Development Corporation met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on March 28, 2019 at 8:00 a.m.

Board members Present: Chairman Kurt Kuehn, Vice Chairman David Clarke, Treasurer Rick Glew, Secretary Jackie Brewer, Board Members Mary Barnes-Tilley, Kathryn McGill, and Angela Richardson-Woods.

Absent: None.

City Council Members Present: None.

Staff Present: MCDC President Cindy Schneible; City Manager Paul Grimes; Assistant City Manager Barry Shelton; Assistant Director of Parks and Recreation Ryan Mullins; Chief Financial Officer Mark Holloway; MEDC Executive Vice President Abby Liu; MPAC/Main Street Director Amy Rosenthal; MCVB Sales Manager Vanesa Rhodes; City Secretary Empress Drane, and MCDC Administrative and Marketing Coordinator Linda Jones.

**19-0259** Chairman Kuehn called for action on the minutes of the McKinney Community Development Corporation Meeting of February 28, 2019. Board members unanimously approved a motion by Board Secretary Brewer, seconded by Vice Chairman Clarke to approve the minutes of the McKinney Community Development Corporation meeting of February 28, 2019.

**19-0260** Chairman Kuehn called for action on the minutes of the McKinney Community Development Corporation Promotional and Community Events Grant Subcommittee of Meeting of January 7, 2019. Board members unanimously approved a motion by Board member Barnes-Tilley, seconded by Vice Chairman Clarke, to approve the minutes of the McKinney Community Development Corporation Promotional and

Community Events Grant Subcommittee meeting of January 7, 2019.

**19-0261** Chairman Kuehn called for the Financial Reports presentation. Mark Holloway, City of McKinney Chief Financial Officer, called attention to the February financials. Revenues for February were about \$1.5 million and expenses were about \$500,000, leaving a positive February net income of about \$1 million. February financials reflect December 2018 holiday sales tax, which was up 8.2% over the same period last year. Overall sales tax is up 4.6%, which surpasses our goal of 4.4%. Mr. Holloway reminded the Board that it is budget season for 2020 and offered support as needed as MCDC works on its 2020 budget proposal. Mr. Holloway asked for questions, and there were none. Chairman Kuehn called for questions/comments on Checks Issued for the month of February, and there were none.

**19-0262** Chairman Kuehn called for Board and Liaison Updates.  
City of McKinney. City Manager Paul Grimes reported that he attended Collin County Days in Austin, an event organized by the Chambers of Commerce in Collin County for elected city and school board officials throughout the county. He stated that Mayor Fuller has been very active working with a small group of mayors throughout the state to address issues and concerns of House Bill 2 with state legislators. Issues include many factors that are cost drivers, like location, that are above the 2.5% proposed tax cap. For example, wages in the DFW area, for some professions, are more than 2.5% higher than what is paid in other areas of the state. Health care costs typically trend toward an increase of seven to eight percent per year. So when wages outpace the tax cap, cuts will be required somewhere else. Mr. Grimes anticipates that HB 2 will move from committee to the House soon, and he is confident there will be a property cap passed, but is hopeful that the House will consider

input from cities and counties when determining the cap amount. House Bill 1152 would limit franchise fees that municipalities can receive. McKinney currently receives about \$1.5 million to \$2 million in franchise fees. HB 1152 would effectively give away public property for lower than market value. Other pieces of legislation under consideration at the state level would preempt local communities from adopting certain ordinances, such as construction standards. US 380 continues to move forward. TxDOT and their design engineers are hosting Meetings of Affected Property Owners (MAPO) to present and discuss alternative alignments. TxDOT is essentially looking at two options: (1) widening 380 or (2) a potential bypass. There is variance within each of these alignments. TxDOT will likely announce their preferred alignment in early May. Mr. Grimes asked for questions. Chairman Kuehn asked if McKinney City Council has or will make a formal declaration of its preferred alignment, as the City of Prosper has done. Mr. Grimes clarified that McKinney adopted a resolution in 2016 that opposes widening 380 due to the disruption to businesses located along that road. McKinney's current City Council has held off with another resolution, because they are waiting for all the information from TxDOT. He reminded the Board that after Prosper adopted a resolution that opposes any plan that would cut through Prosper's annexed land, TxDOT's proposed alignments go straight through that annexed property. Mr. Grimes clarified that while it is important for the city to state its preferences, TxDOT must make its decisions based upon what is best for the whole region.

McKinney Convention and Visitors Bureau. MCVB Sales Manager Vanesa Rhodes shared advertising initiatives including placement in Houston Home and House, Texas Town and City Magazine, Texas Meetings and Events Magazine and Oklahoma Living Magazine for Spring and early Summer. They received free publicity for the walking

tours from the Dallas Observer, and additional free publicity for McKinney being named Film Friendly Texas City in the Community Impact, the Courier Gazette and North Texas E-News. MCVB awarded promotional grants to McKinney Arts Studio Tour (\$7,500), Odysseus Chamber Orchestra (\$1,500), Community Garden Kitchen (\$1,000), Imagination International Academy (\$3,000) and Heard-Craig Center for the Arts (\$5,000). Ms. Rhodes proudly announced that McKinney's downtown was designated by County Line Magazine as One of the Best Downtowns. She gave accolades and thanks to Amy Rosenthal and Main Street and the downtown merchants and restaurants.

McKinney Economic Development Corporation. MEDC Executive Vice President Abby Liu shared that SRS Distribution has committed to building a new four-story, 100,000 square foot corporate headquarters at HUB 121 and will create 115 new jobs over the next 10 years. MEDC has been working on this project for over a year, and the project has been a strong collaboration between MEDC and the City. Press coverage for this announcement includes local press along with Dallas Morning News, Dallas Business Journal and Connect Texas. There is a strong interest in the development community for the MEDC-owned land along 121. Ms. Liu asked for questions, and Chairman Kuehn asked about the new Board chair. Ms. Liu announced that the new MEDC Board Chair is Ken Sipiora, and the Board also has a new member, Dr. Gere' Feltus.

McKinney Main Street/MPAC. Main Street and MPAC Director Amy Rosenthal announced some of the Spring upcoming activities including the Janoska Ensemble this Saturday night. The Juried Art Show which opens April 6 will feature artists from 32 Texas cities who have submitted 71 pieces of art. Judges will select one piece to be added to the MPAC permanent art exhibit. Arts in Bloom is April 12-14 and features artists from 15 states and a total of 15 Texas wineries.

Chairman Kuehn acknowledged the fantastic job the whole MPAC/Main Street team is doing. Treasurer Glew asked if volunteers were still needed for Arts in Bloom. Ms. Rosenthal thanked Mr. Glew for his help over the past years and stated that they do still need volunteers to help booth sit.

McKinney Parks and Recreation. Assistant Director of Parks and Recreation Ryan Mullins provided updates on several projects. The courts have been poured for the tennis complex expansion, and work continues on the fencing and the building, which will include restrooms and offices for athletics and a parks maintenance supervisor. Mr. Mullins proudly announced that Texas Parks and Wildlife recently awarded a \$701,000 grant for the upcoming indoor tennis complex. George Webb Park trails are near completion, and work has begun on the pavilion pads. The new pavilion at Fitzhugh Park is now complete. The remodels of Finch Park and Cottonwood Park are both at about 60% civil sets. There will be a Prestwyck Park Public Input Meeting this Saturday, March 30, at 1:00 pm at Hughes Elementary. Grand opening for Bonnie Wenk Park, including the All Abilities Playground, is set for June 15 with a ribbon cutting at 9:00 a.m. and activities for the general public starting at 10:30 a.m. Mr. Mullins added that the original *Benji* movie, filmed in McKinney in 1953, will be shown tonight at Bonnie Wenk Amphitheater. Chairman Kuehn asked how the \$701,000 grant was secured. Mr. Mullins stated that the Parks and Recreation Department submitted an application and the grant was awarded. The maximum grant Texas Parks and Wildlife will award is \$750,000, so they are very pleased with the award amount. This is first time in a many years that the Parks and Recreation Department has applied for a Texas Parks and Wildlife grant, however they do apply for Collin County grants and have been awarded many of those over the years. He also added that Towne Lake Park was awarded a Texas Parks and Wildlife grant in the 1980s, and

that this park is slated for a refresh in the not so distant future.

**19-0263**     President's Report. President Cindy Schneible encouraged the Board to review the reports attached to the agenda including final reports from three of our grant recipients. The Cycle II project grant application deadline is tomorrow. Ms. Schneible reported that we have received two applications, one from Heritage Guild of Collin County for a variety of projects within Chestnut Square and one from the Salvation Army for the gym floor replacement. Ms. Schneible is expecting more application submissions prior to tomorrow's deadline including for a Federally Qualified Health Clinic. Ms. Schneible called on Linda Jones to present a newly designed spreadsheet for tracking compliance on grant recipients as well as tracking the support provided by the MCDC and the City of McKinney to our promotional grant recipients. Ms. Jones shared that MCDC is working in tandem with the City of McKinney Marketing Department to better promote events supported with a promotional grant from MCDC. MCDC now has a shared calendar with that department, so that information regarding dates and deadlines of MCDC-sponsored events is shared, and we can better work together in our promotional efforts. In addition, this tracking spreadsheet will allow us to share details with grant recipients on specific support provided by MCDC and the City for their events. While the spreadsheet is a work in progress, Ms. Jones stated that basically all social media of MCDC and City of McKinney (Facebook, Instagram and twitter), print advertising, billboard advertising, use of city monitors (located in City Hall, Apex and PSA), the City's employee intranet newsletter and the City's e-news to residents and other subscribers will be tracked. Ms. Jones asked the Board to please let her know when they attend any of the MCDC-sponsored events, so that information can be provided to grant recipients as well. Ms. Jones asked for questions. Chairman Kuehn asked about the Community

Impact Empty Bowls ad and who pays for such ads. Ms. Jones clarified that this is a print ad for MCDC paid for by MCDC that will highlight the Empty Bowls event. Chairman Kuehn asked how we would respond to a group asking if we will promote an event for them. Ms. Jones stated that the MCDC and City of McKinney are making a commitment to our promotional grant recipients, so all of our grant recipients should receive some form of additional promotional support. This support will vary among the events. Treasurer Glew complimented the idea of the dual-purpose ads, then asked about the location of the billboard. Ms. Jones stated that the City of McKinney will have a contract with the Fairview Towne Center digital billboard on the Northeast corner of 75 and Stacy, and MCDC will pay a portion of that contract to promote the MCDC and our sponsored events. Treasurer Glew asked Ryan Mullins about the status on installing park kiosks. Mr. Mullins replied that these are still in investigative stages, as there are many options to consider. Chairman Kuehn then asked if the social media promotions are mostly reactive by sharing posts. Ms. Jones informed the Board that posts are a combination of original posts and shared posts, and the shared calendar with the City's marketing department will help in the timing of social media. Chairman Kuehn commented that he supports the idea of coming alongside with some of our resources to support the efforts of our grant recipients.

**19-0264** Chairman Kuehn called for consideration/discussion/action on a Retail Development Infrastructure Grant Application submitted by Local Yocal Farm to Market (RDIG #19-01) in the amount of \$\$7,768.82 for reimbursement of expenses related to infrastructure improvements at Local Yocal BBQ and Grill, 350 E. Louisiana Street, McKinney, Texas. Chairman Kuehn called upon Board member Richardson-Woods to review the recommendations and discussions of the grant subcommittee.

Subcommittee members are Chairman Kurt Kuehn, Treasurer Rick Glew and Board member Angela Richardson-Woods. Ms. Richardson-Woods stated that the grant from Local Yocal was the only grant received under this cycle of the pilot grant program. Local Yocal presented to the Board at the regular meeting on February 28, 2019. Prior to that meeting, Local Yocal was asked to revise their application to include only those items identified as qualified under the MCDC grant description. Local Yocal made that revision and is now asking for \$7,768.82 for external infrastructure improvements already completed. The subcommittee is recommending approval for this grant application in the amount of \$7,768.82. Ms. Richardson-Woods added that the subcommittee discussed redefining the RDIG guidelines to ensure that applications will be limited to work completed within one year prior to the application submission. Ms. Richardson-Woods stated that the subcommittee also spent some time discussing promotional ideas for this grant with the goal of receiving more applications in the next cycle. Chairman Kuehn called for a motion to approve item #19-0264. Board members unanimously approved a motion by Secretary Brewer, seconded by Vice Chairman David Clarke, to approve the Retail Development Infrastructure Grant Application submitted by Local Yocal Farm to Market (RDIG #19-01) in the amount of \$7,768.82 for reimbursement of expenses related to infrastructure improvements at Local Yocal BBQ and Grill, 350 E. Louisiana Street, McKinney, Texas.

**19-0265** Chairman Kuehn called for consideration/discussion/action on a request submitted by McKinney HUB 121, LLC to amend the Loan Agreement executed with McKinney Community Development Corporation for Project #18-05 effective May 24, 2018. President Schneible reminded the Board of their approval last Spring of a grant to HUB 121 in the amount of \$400,000, with \$200,000 to be granted upon receiving the certificate of

occupation and \$200,000 to be granted over a period of four years based on sales tax generated from that project. Our agreement with HUB 121 was conditioned on the Chapter 380 agreement executed with City. Components of that agreement were construction of retail, restaurant and buildings, construction of a music pavilion that includes stage/sound and other amenities, and square footage for office, retail and restaurant space. The developer has requested an extension of the term to April 15, 2020, from January 15 2020, stating that the leasing of space took a little longer than anticipated, and that the developer is trying to time some site work with the construction of SRS headquarters at that location to provide more cost-effective solutions. Ms. Schneible stated that none of the terms of these agreements would change, only the term date. Board members unanimously approved a motion by Chairman Kuehn, seconded by Treasurer Glew, to approve amending the term of the Loan Agreement executed between McKinney Community Development Corporation and HUB 121, LLC, for Project #18-05 to coincide with the term of an amended Chapter 380 agreement; however, conditioned upon its approval by the City Council. President Schneible added that we will amend our performance agreement once City Council takes action.

Chairman Kuehn called for citizen comments, and there were none.

Chairman Kuehn called for Board or Commission Comments. Treasurer Glew reported that he took an extensive tour of the Boys and Girls Club of Collin County facilities and was very impressed. He was amazed by the level and depth of the many programs they have for the kids they serve and their families.

Chairman Kuehn recessed the meeting into Executive Session at 8:50 a.m. in accordance with the Texas Government Code. Items to be discussed under Texas Government Code Section 551.071 regarding real property and Section 551.087 regarding economic development matters are:

- #17-01 McKinney StarCenter
- #17-04 Craig Ranch Resort Hotel Sheraton Hotel and Conference Center

- RDIG #19-01 Local Yocal Infrastructure

Chairman Kuehn convened the meeting of the McKinney Community Development Corporation Board back into regular session at 9:28 a.m.

Chairman Kuehn called for a motion to adjourn. Board members unanimously approved the motion by Secretary Brewer, seconded by Vice Chairman Clarke, to adjourn. Chairman Kuehn adjourned the meeting at 9:29 a.m.

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KURT KUEHN  
Chairman