

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

OCTOBER 24, 2024

The McKinney Community Development Corporation met in regular session in the City Hall Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on Thursday, October 24, 2024, at 8:00 a.m.

Board Members Present: Angela Richardson-Woods, David Riche, Deborah Bradford, Joy Booth, Chris Wilkes, and AJ Micheletto.

Absent: David Kelly and Board Alternate Markus Lloyd.

City Council Present: Mayor George Fuller, Mayor Pro Tem Geré Feltus, and Councilman Michael Jones.

Staff Present: President Cindy Schneible, City Manager Paul Grimes, Accounting Manager Chance Miller, Assistant Director of Parks and Recreation Ryan Mullins, MEDC President Michael Kowski, Director of Cultural District Andrew Jones, Visit McKinney Executive Director Aaron Werner, MCDC Grant Program and Marketing Manager Linda Jones, and MCDC Administrative and Marketing Coordinator Anahi Alvarez.

There were several guests present.

Board Member Richardson-Woods called the meeting to order at 8:00 a.m. after determining a quorum was present. Board Member Deborah Bradford, Associate Pastor of New Jerusalem Baptist Church, offered an invocation which was followed by the Pledge of Allegiance.

24-2110 Board Member Deborah Bradford administered the Oath of Office for New and Reappointed Board Members Joy Booth, AJ Micheletto, David Riche, Angela Richardson-Woods, and Chris Wilkes.

24-2111 Board Member Richardson-Woods called for Election of Officers. Board members unanimously approved a motion by David Riche for Angela Richardson-Woods to be re-elected Board Chair. Board members unanimously approved a motion by Chris Wilkes for David Riche to be elected Vice Chair. Board members unanimously approved a motion by David Riche for Deborah Bradford to be elected Secretary. Board

members unanimously approved a motion by Joy Booth for Chris Wilkes to be elected Treasurer.

Chair Richardson-Woods called for public comments on non-public hearing agenda items, and there were none.

Chair Richardson-Woods called for a motion on consent items. Board members unanimously approved a motion by Board Member Booth, seconded by Vice Chair Riche, to approve the following items:

- 24-2112** Minutes of the McKinney Community Development Corporation of September 26, 2024
- 24-2113** Minutes of the McKinney Community Development Corporation Finance Committee of September 16, 2024
- 24-2114** Minutes of the McKinney Community Development Corporation Retail Development Infrastructure Grant Subcommittee of September 25, 2024
- 24-2115** Minutes of the McKinney Community Development Corporation TUPPS Subcommittee Meeting of September 12, 2024
- 24-2116** Chair Richardson-Woods called for the Financial Report. Accounting Manager Chance Miller presented preliminary financials for the month of September. Revenues were just over \$5.7 million, including \$2.5 million from the City's contribution for the TUPPS project and just over \$2 million from sales tax. Expenses were approximately \$700,000, including \$600,000 in project expenses. For fiscal year 2024, the beginning fund balance was \$68 million. FY24 revenue is projected at \$31.6 million, with expenditures at \$12 million, resulting in a preliminary ending balance of \$88 million. MCDC and Finance staff are working to finalize reappropriations for unspent project funds. Regarding sales tax, September numbers apply to July. McKinney saw an increase of 4.4% compared to a 35.6% increase for Allen, a 4.8% increase for Plano, and

a 6.7% increase for Frisco. McKinney's year-to-date increase is 7.7% which remains above budget. Mr. Miller suggested that Allen's higher numbers may be due to a company double-paying in September which will correct itself in October. Regarding the industry break-out, retail trade revenue ended the fiscal year showing a 6% increase.

24-2117 Chair Richardson-Woods called for Board and Liaison Reports.

Board Chair. Chair Richardson-Woods recognized Mayor Pro Tem Geré Feltus and Councilman Michael Jones for their support and leadership. She thanked the Board for their community involvement in recent events highlighting representation at McKinney Moon Festival, Dia de los Muertos, Wine and Music Festival, Cheers to Chairty, TUPPS Thank You Celebration, Trick or Treat Trails, National Night Out, Boys and Girls Club Gala, Hugs Birthday Celebration and Chamber of Commerce Development Update.

City of McKinney. City Manager Paul Grimes congratulated the new and reappointed members of the Board. He shared that Governor Greg Abbott appointed Human Resource Director Jim Parish to the Board of Texas Municipal Retirement System. Mr. Grimes reported that the City's estimated population was 220,704 on October 1 and is now over 221,000. He announced that the NCAA extended the City's contract for the Division II Championship football game for an additional two years. Treasurer Wilkes asked for clarification on the yearly population increase, observing that retail sales are growing faster than the population. Mr. Grimes responded that the population is increasing at a rate of 2.5% per year, with retail growing at a higher rate, at least partially due to inflation.

Visit McKinney. Executive Director Aaron Werner welcomed new and reappointed members of the Board. He announced that the Billie Jean King Cup playoff match will take place November 16 and 17. On

November 21-24, the City will host the Texas State Silver Gloves Boxing Tournament at Arete Athletics facility. He expressed his excitement for hosting the NCAA Division II football championship game on December 21. In March 2025, the City will host a Professional Pickleball Association tournament at the Courts of McKinney with raised seating and VIP platforms. He shared that the Visit McKinney team continues to focus on recruiting more on sports-related events. Assistant Director Alisha Holmberg attended the Sports Relationship Conference in Memphis, where she promoted McKinney through one-on-one meetings with tournament hosts. Mr. Werner thanked Luke Gajari from MEDC for inspiring the idea of creating a deck of trading cards showcasing McKinney sports facilities. Mr. Werner recognized Beth Shumate and McKinney Main Street for organizing the 50th anniversary of the Benji movie celebrations. City Manager Paul Grimes presented the brand reveal of McKinney's newest minor league soccer team, the Chupacabras, which will begin playing in May 2025 at Ron Poe Stadium. McKinney Economic Development Corporation. President Michael Kowski shared that he enjoyed his time as a model at the McKinney Education Foundation event and commended Mayor Fuller and MISD Superintendent Rick McDaniel who were emcees for the event. Mr. Kowski highlighted two McKinney businesses. Maverick Power was recognized by the Dallas Business Journal as an industry leader, winning first place in the Fast 50 awards. Specializing in power infrastructure development, hardware and software, Maverick Power achieved over 5,000% revenue growth in three years and reached \$100 million in revenue last year. Maverick Power was recruited by MEDC staff to relocate to McKinney, and their success is a huge win for our community. Cyntracom, an IT infrastructure company providing Cloud-based support, will be relocating to the Kaizen Building in District 121 utilizing 30,000 square feet of office space. Cyntracom's average salary is

\$130,000 to \$140,000, and their prediction for growth is to double the size of their staff within a year. Mr. Kowski emphasized that Cyntacom would not have relocated without the class A office space offered at the Kaizen Building. The Kaizen Building, built as speculative office space, is now 90% leased. Mr. Kowski shared that he moderated a panel for a recent Bisnow event, where panelists, including McKinney's Airport Director Ken Carley, discussed economic opportunities and challenges. Following the event, Mr. Kowski received an email from a business owner preparing to expand their operations in Downtown McKinney. He added that Madison Clark and Graham Myers have been meeting with businesses in Downtown McKinney.

McKinney Main Street/MPAC. Cultural District Director Andrew Jones congratulated the new Board officers. He reported a successful Oktoberfest with record-breaking numbers across all activities. Over 1,200 VIP tickets were sold, and the event hosted more than 80,000 attendees. He thanked City partners, staff, and MCDC for their support. This past weekend, Downtown hosted the Lone Star Circus, Benji's 50th anniversary, and Día de los Muertos. The Main Street team is introducing a trolley pin collectible program to encourage ridership in partnership with Visit McKinney. "Birdtober" will bring over 31 life-size bird murals to Downtown and a field guide to birding in Downtown will soon be available at Visit McKinney. Holiday lights are being installed, and preparations are underway for the holiday shopping campaign. Additionally, a new sculpture will be installed at the new roundabout on Louisiana soon. Mr. Jones highlighted upcoming events including the Halloween Spooktacular Beer Walk on October 26, Young Actors Guild's presentation of *Trap* at MPAC on October 24-26, and the Marksmen Quartet on October 27. Board Member Booth asked for clarification on the roundabout, and Mr. Jones explained that the new roundabout is

located between the Flour Mill, TUPPS and East End Salvage, where a new sculpture designed by artist Allie Kate will be installed.

McKinney Parks and Recreation. Assistant Director Ryan Mullins shared that Director Amy Kinkade is attending the Leading Edge Training. The remodeling of the Recreation Center at Towne Lake has been delayed, with an anticipated opening in late January or early February. E.A. Randles Park is expected to be completed in January and will include a splash pad. Phase I construction continues at Greens Park and includes bridge installations. Targeted completion date is January. Phase II of the Greens trail project is in design. Design for Old Settlers Park will continue once engineering plans for roadwork are finalized. The rebidding for Towne Lake Light Walk will reopen in November. A revised report for the Towne Lake Dog Park was submitted to the Texas Historical Commission, with feedback expected in November. A new project, Gabe Nesbitt Park softball fields, will include the installation of a fourplex, with construction bids planned for January. Regarding Erwin Park, coordination for security cameras is finalized and the dam breach analysis is underway. Mr. Mullins shared details of recent Halloween events, including Trick or Treat Trails and Pumpkin Dunk at Apex. Additionally, the Senior Recreation Center will host a Halloween March, where kids can trick-or-treat through the hallways. Upcoming Parks events include the Mother and Son Western on November 1 and the Billie Jean King Cup at the Courts in McKinney in November. Mr. Mullins reminded Board members of the Parks tour on November 2. Treasurer Wilkes asked if the City has enough courts or if they will be partnering with private courts to meet the tournament demands. Mr. Mullins confirmed that the full tournament will be hosted at The Courts with some court conversions made for the tournament. Board Member Booth mentioned technical difficulties with one of the scoreboards at Gabe

Nesbitt Park, and Mr. Mullins assured her that the issue will be resolved promptly.

24-2118 Chair Richardson-Wood called for the President's Report. President Cindy Schneible congratulated the new and reappointed members and officers of the Board. She highlighted the recent celebration marking the completion of the TUPPS project. She expressed appreciation to Brenda Spinelli on behalf of MCDC, who served as the owner's representative on the project and will now transition to the role of the landlord's representative. Ms. Schneible thanked Board Member Booth and Treasurer Wilkes for their assistance in updating the grant guidelines for FY 2025. The next Promotional Grant application cycle will be open November 1-30. Ms. Schneible directed Board members to the attached reports, including a grant recap outlining all grants awarded by MCDC over the past year. Ms. Schneible shared that Linda Jones is preparing information and a schedule for the 2025 Quality of Life Awards and encouraged Board members to consider individuals and organizations they might wish to nominate. Upcoming events in McKinney this weekend include Make A Difference Day, Spooktacular Brews and Boos, McKinney Philharmonic Orchestra Halloween Concert, the Master Gardeners plant sale, Halloween Haunt, Young Actors Guild performance of Trap at MPAC, and Family Fun Market at Chestnut Square. Ms. Schneible also mentioned finalizing project funding reappropriations for FY 2025.

24-2119 Chair Richardson-Woods called for Training on Type B Corporate Requirements: Type B Permissible Projects and Related Issues. Jeff Moore, Attorney with Brown & Hofmeister, presented Type B corporate training which included:

- required public notice and executed agreements prior to funding projects;

- roles of MCDC and Council in funding approval process;
- MCDC Board make-up, appointment and terms;
- quorum definition, open meeting requirements, and state reporting requirements;
- permissible projects and project approval process; and
- definition of and guidelines surrounding primary job creation component of projects

24-2120 Chair Richardson-Woods called for an update on McKinney hotels. Aaron Werner, Executive Director at Visit McKinney, shared that McKinney currently has 20 active hotels booking room nights, most located along Highway 75. The Sheraton has the largest capacity, accommodating groups of up to 824 and offering the largest ballroom space at 7,600 square feet. Four additional hotels are under construction: Denizen McKinney, Tru by Hilton McKinney, Avid, and AC Marriott. Mr. Werner highlighted current hospitality needs, which include hotels with over 200 rooms under one roof, upper-tier properties in walkable urban areas, over 45,000 square feet of meeting or convention space, and a second full-service property with meeting space. The Grand Hotel, though in a prime location for corporate traffic, is a smaller property and fully booked every weekend. Corporate groups seek at least 45,000 square feet for meetings, including ballroom space, breakout rooms, and pre-function areas. Treasurer Wilkes asked about the AC Marriott's meeting space, and Mr. Werner clarified that the AC has only 4,000 square feet of space and a rooftop restaurant, and it does not meet the requirements for a full-service meeting venue. The need for additional meeting space is particularly relevant when hosting NCAA Division II football, as only one team can currently be placed in McKinney, with the other staying in a neighboring city. President Schneible asked if the AC Hotel could fulfill this need, but Mr. Werner

confirmed it does not have sufficient breakout rooms and does not meet NCAA requirements. The Sheraton is currently McKinney's only upper-tier property, with another upper-tier hotel in the proposed/planning stage per Costar data. Most existing, under-construction, and proposed hotels in McKinney fall within the mid-tier category, with a few lower-tier properties. Mr. Werner noted that older hotel properties tend to drive down the City's average daily rate. McKinney has 1,674 rooms, with an additional 414 under construction. Although occupancy is down 0.4% from last year, McKinney maintains the highest occupancy rate among Collin County cities. The average daily rate is \$102, which is lower when compared to neighboring cities. Mr. Werner also shared his excitement about the Notes/Live Venue opening in 2026, which is expected to attract approximately 700,000 new visitors and generate over 54,000 hotel nights annually. Mr. Werner presented a Costar report showing that the Denton, Lewisville, and McKinney submarket accounts for a quarter of all rooms under construction statewide. Chair Richardson-Woods thanked Mr. Werner for the presentation. Board Member Booth asked if any hotels were being used as transitional or affordable housing, to which Mr. Werner responded that he had no data regarding hotel space being used for housing. Treasurer Wilkes inquired about midweek occupancy rates compared to neighboring cities. Mr. Werner explained that neighboring cities experience more midweek bookings, while McKinney's mid-tier hotels perform best midweek due to construction crew bookings. President Schneible asked if the Sheraton tries to retain business in McKinney when booked. Mr. Werner clarified that the Sheraton, managed by Ambridge, directs overflow business to other Ambridge properties.

Chair Richardson-Woods called for public comments regarding matters not on the agenda, and there were none.

Chair Richardson-Woods called for additional Board comments. Board Member Micheletto thanked the Board for welcoming her. She encouraged everyone to participate in Make A Difference Day and shared that she enjoyed learning more about the airport at the Chamber Development Update. She also congratulated Andrew Jones and the Main Street team on a successful Oktoberfest. Board Member Booth thanked Aaron Werner, Andrew Jones, Michael Kowski, Ryan Mullins, and Amy Kinkade for their work promoting McKinney outside of the City. Treasurer Wilkes highlighted the Texas Women's Society Moon Festival and said it was a great event. Secretary Bradford praised the National Night Out event at Old Settlers and thanked Mayor Fuller, Maylee Fuller, Councilman Justin Beller, Amanda Beller, Paul Grimes, Kim Flom, Tammy Tervooren, Linda Jones, Trish Yanes, Joe Ellenberg and Matt Kasmerski for attending and supporting the event. Board Member Bradford also attended the Faith Forward event at Collin College and thanked Housing and Community Development, Volunteer McKinney, and One Heart McKinney for participating, stating that the event offered an opportunity to focus on community needs. Vice Chair Riche shared that he attended the Chamber's airport update and was excited to see the airport's growth. He also attended the Wine and Music Festival at District 121 and the TUPPS Celebration event. Chair Richardson-Woods shared that she had spoken at the Moon Festival, which was a beautiful, largely-attended event. She commended the Main Street team for their hard work on recent events and thanked Mayor Pro Tem Geré Feltus for her participation in Oktoberfest events.

Chair Richardson-Woods recessed the meeting into Executive Session at 9:29 a.m. in accordance with the Texas Government Code. Deliberation regarding economic development matters included Notes Live/Venu, Project Hemisphere, and Project 20-09 TUPPS Brewery and Entertainment Destination. She added that there may be action after Executive Session.

Chair Richardson-Woods reconvened the meeting of McKinney Community Development Corporation back into regular session at 10:00 a.m.

Board members unanimously approved a motion by Chair Richardson-Woods, seconded by Treasurer Wilkes Riche, to approve an amendment to the Loan Agreement with TUPPS Brewery as discussed in Executive Session.

Chair Richardson-Woods called for a motion to adjourn. Board members unanimously approved a motion by Vice Chair Riche, seconded by Board Member Micheletto, to adjourn. Chair Richardson Woods adjourned the meeting at 10:14 a.m.

A video recording of this meeting is available through the City of McKinney meeting archive.

These minutes approved by the MCDC members on: _____

SIGNED:

ANGELA RICHARDSON-WOODS
Board Chair
DAVID RICHE
Vice Chair

ATTEST:

DEBORAH BRADFORD
Board Secretary