



McKINNEY COMMUNITY DEVELOPMENT CORPORATION GRANT GUIDELINES FY 23

McKinney Community Development Corporation – Overview

In 1996, McKinney voters approved the creation of a 4B (now Type B) sales tax corporation to support community and economic development projects and initiatives to enhance quality of life improvements and economic growth for McKinney residents. MCDC receives revenue from a half-cent sales tax and awards grant funds for projects, promotional activities and community events that showcase the City of McKinney and support business development and tourism.

Guided by a City Council-appointed board of seven McKinney residents, the impact of investments made by MCDC can be seen throughout the community.

Projects eligible for funding are authorized under The Development Corporation Act and (Chapters 501 to 505 of the Texas Local Government Code).

McKinney Community Development Corporation – Mission

To proactively work, in partnership with others, to promote and fund community, cultural and economic development projects that maintain and enhance the quality of life in McKinney and contribute to business development.

Guiding Principles:

- Serve ethically and with integrity
- Provide responsible stewardship
- Embrace our role and responsibility
- Honor the past – provide innovative leadership for the future
- Make strategic and transparent decisions that best serve the community

McKinney Community Development Corporation – Goals

- Ensure application/project eligibility for MCDC consideration under Sections 501 to 505 of the Texas Local Government Code (see information below)
- Meet citizen needs for quality-of-life improvements, business development and sustainable economic growth for residents in the City of McKinney
- Provide support for cultural, sports, fitness, entertainment, community projects and events that attract resident and visitor participation and contribute to quality of life, business development and increased McKinney sales tax revenue

- Highlight and promote McKinney as a unique destination for residents and visitors alike
- Demonstrate informed financial planning – addressing long-term costs, budget consequences and sustainability of projects for which funding is requested
- Educate the community about the impact that local dining and shopping has on investment in quality-of-life improvements in McKinney

Types of Grants Available

McKinney Community Development Corporation provides **three** distinct types of grant opportunities:

Project Grants provide financial support for projects eligible for consideration under Sections 501 and 505 of the Texas Local Government Code. These include:

- Projects Related to the Creation or Retention of Primary Jobs
- Infrastructure Improvement Projects Necessary to Develop New or Expanded Business Enterprises
- Public Parks and Open Space Improvements
- Projects Related to Recreational or Community (city/public access) Facilities
- Professional and Amateur Sports and Athletic Facilities, including Children’s Sports
- Entertainment, Museum and Convention Facilities
- Projects Related to Low Income Housing
- Mass Transit-Related Facilities
- Airport Facilities

Promotional and Community Event Grants provide financial support (not to exceed \$15,000 per grant) for initiatives, activities and events that **showcase McKinney** and **promote** the city for the purpose of developing new or expanded business opportunities, to attract visitors to our community and enhance quality of life for McKinney residents.

Retail Development Infrastructure Grants (not to exceed \$50,000 per grant and requires a 25% match), a program created to provide funding support for infrastructure improvements for **landmark retail** properties within the City of McKinney.

For the purpose of this program, “landmark retail” is defined as buildings within the historic downtown area with boundaries that coincide with the “Cultural District” designation; retail redevelopment opportunities at locations that are viewed as gateways into the city (e.g., Highway 5 and Spur 399 – and other locations along Highway 5; Virginia Parkway and 75).

Eligible Improvements

The Retail Development Infrastructure Grants will fund infrastructure improvements that are **exterior** to a property, **necessary to promote or develop new or expanded business enterprises**, and include:

- Sewer
- Water
- Site
- Electric utilities
- Gas utilities
- Drainage
- Lighting (for security enhancements)
- Fencing (for security enhancements)
- Site improvements

- Landscape only considered if replacement required due to infrastructure improvements
- Walkways – concrete or other materials
- Parking
- Fire suppression
- Retail is defined as: storefronts/shops, restaurants, specialty food venues, event venues, salons, grocery stores, drug stores, etc.

For additional detail refer to document outlining Retail Development Infrastructure Grant program parameters on the McKinney Community Development Corporation website.

Guidelines

- Applications must be **completed in full, and provide all information requested**, to be considered by the MCDC board.
- Applicant must have been in business (preferably within the City of McKinney) for a minimum of two (2) years. Economic development projects may be excluded from this requirement.
- Project grant application must demonstrate how Texas Local Government code eligibility requirements are met (list appears on page 3).
- Projects must be for public use or otherwise meet the definition of “Project” as that term is defined in state law.
- Promotional/Community Event grant applications must demonstrate the event will promote and showcase the City of McKinney for the purpose of business development and/or tourism.
- Promotional/Community Events must be open to the public. If a registration fee is charged it must be \$35 or less; if the event benefits a nonprofit organization, specific detail must be provided regarding the benefit (e.g., X\$ per entry; X% of overall revenue; X% of net revenue).
- If a grant is awarded for a Promotional/Community event, **funds may only be used for marketing, outreach, advertising and promotion of the event.**
- Project/Promotional/Community Event/Retail Development Infrastructure grants must be well-planned with stated goals, objectives and evaluation measures that demonstrate impact to the community.
- For Project grants and Retail Development Infrastructure grants, the Applicant must own the land, building or facility where the proposed project will be located. If the Applicant does not own the land, written acknowledgement/ approval from the property owner must be included with the application. The letter must document the property owner is aware of the proposed use of the property or facility; and the property owner has reviewed the project plan and application, approves and supports the efforts of the Applicant.
- **Preference may be given** to Applicants who have **not** received funding from MCDC within the previous 12-month period.
- **Preference may be given** to Applicants who develop and demonstrate **multiple** revenue streams to financially support Project/Retail Development Infrastructure/Promotional/Community Event requests - and are **not applying** to other City of McKinney entities (e.g., Arts Commission, City of McKinney Community Support Grants, Visit McKinney).

- Retail Development Infrastructure grants **are limited to a maximum of \$ 50,000 and require a 25% match.**
- Retail Development Infrastructure grants **will not be awarded on a speculative basis – they will only be considered for a specifically disclosed retail business venture.**
- Funds approved for a Project/Promotional/Community Event/Retail Development Infrastructure grant must be used within one year.
- Performance agreements are required for all approved grants.

Application Process

Grant applications are considered based on the schedule on page one. Applications are available at www.mckinneycdc.org. They may also be obtained by calling 972.547.7653 or emailing cschneible@mckinneycdc.org. Deadlines for submission under the categories and cycles listed in the calendar are strictly followed.

Please call to discuss your proposed project or event prior to completing and submitting an application.

A preliminary review of your proposal or idea, by the MCDC board, can be obtained by submitting a **Letter of Inquiry** form, available at www.mckinneycdc.org, by calling 972.547.7653 or emailing cschneible@mckinneycdc.org.

Please note: A completed application and all supporting documents are required to be submitted via email or on a thumb drive delivered to the MCDC office. Once submitted, all information is open to public review.

Review Process

The McKinney Community Development Corporation Board of Directors is responsible for reviewing and voting on applications for funding projects and initiatives in accordance with state law. The board consists of seven members, appointed by the McKinney City Council. The Application Review Process is outlined below.

- Completed applications must be submitted to MCDC via email or on a thumb drive in accordance with the 2023 grant schedule outlined on page one.
- Applications may be reviewed by MCDC legal counsel to determine eligibility for MCDC funding under state law.
- Once eligibility for consideration is confirmed, Applicants will be notified and placed on the meeting agenda to make a presentation to the board. Following the presentation, board members will have an opportunity to ask questions of the applicant. *Please note: This is a formal presentation and time limits may be imposed.*
- A public hearing, with notice of the application and request for funding, for Project and Retail Development Infrastructure grant applications will be published and posted in accordance with the requirements of the Open Meetings Act and the Texas Local Government Code. **The application along with all documents/attachments included will become public information once submitted to MCDC.**
- Board members will evaluate applications and presentations and prepare to act on the request at a future MCDC board meeting. Please refer to the 2023 Grants Calendar for the schedule.

- Applications may be referred to a board subcommittee for additional research and evaluation.
- When action is scheduled, the board members may approve, amend, table or reject an application, by a majority vote of the board.
- Funds awarded for approved applications are provided on a **reimbursement** basis.
- The final 20% of the award may be withheld until a final report is submitted and compliance with all requirements of the performance agreement is confirmed.

Prior to submitting your application, please contact MCDC staff to discuss your proposed Project, Retail Development Infrastructure or Promotional Grant application, secure additional information and answer your questions.

Please note: MCDC funds will become available to an approved applicant 60 days after the date of publication of the Notice of Public Hearing referenced above.

Evaluation

McKinney Community Development Corporation board members will consider the following information when evaluating applications:

- Application was completed in full
- Availability of FY 23 grant funds
- Eligibility under state law
- Applicant’s funding history
- Alignment with MCDC mission and strategic priorities
- Alignment with City of McKinney strategic priorities
- Evidence of private or public financial support in addition to grant request submitted to MCDC
- Potential to achieve Applicant’s stated goals
- Demonstrates positive impact on McKinney
- Potential for significant return on investment
- Applicant’s sustainability – healthy finances, sound business plan, strong mission and programs, proven results, stable staff

Grantee Responsibilities

- Each approved project will require the execution of a performance agreement with MCDC. The agreement ensures Applicant acknowledgement of all requirements and that funds are expended in accordance with conditions outlined. Additionally, the agreement will provide recourse to MCDC in the event of default.
- Funds for approved grants will be expended on a reimbursement basis. Copies of paid invoices/receipts, along with a formal letter requesting reimbursement, must be provided to MCDC to ensure compliance with state statutes and the terms of the performance agreement. Once verified, MCDC will process the request for payment.
- Reimbursement requests for advertising, marketing and promotional expenses related to a Promotional and Community Event Grant must include samples of marketing and advertising materials.
- Grantee must maintain financial books and records of the funded Project/Retail Development Infrastructure improvement/Promotional/Community Event and of their operations for at least two years, should MCDC or the City of McKinney require an audit. The books and records must be available

upon request and create a clear audit trail documenting revenues and expenses of the funded Project/Promotional/Community Event.

- Grantee may be required to provide periodic, written reports and/or presentations on the status of the Project/Retail Development Infrastructure improvement/Promotional/Community Event to MCDC.
- Within 30 days of the completion of the funded Project/Retail Development Infrastructure improvement/Promotional/Community Event, Grantee is required to submit a final report that includes detailed information on the activity; performance against the metrics established in the grant application; visual representation (photos, printed marketing, advertising and promotional materials and collateral, etc.) that fulfills all requirements of the performance agreement; and any outstanding receipts for expenditures included under the scope of the grant. An oral presentation to the board, on the completed Project/Retail Development Infrastructure improvement/Promotional/Community Event may be requested.
- Grantee must recognize McKinney Community Development Corporation as a sponsor/funder of the Project/Retail Development Infrastructure improvement/Promotional/Community Event in all advertising, marketing, publicity, outreach and promotional materials, using the following (or substantially similar) verbiage:

"This (Project/Promotional/Community Event) is funded in part by the McKinney Community Development Corporation."

MCDC will provide camera-ready logo art for placement on advertising, marketing, promotional and publicity materials.

- Grantee **must submit** all advertising, marketing, outreach and promotional materials and items to MCDC for review/approval **prior to production**, for the design, production and placement costs to be eligible for reimbursement.

Where to Apply

Please contact Cindy Schneible, President of MCDC at 972.547.7653, to discuss your proposal and plans **prior to submitting an application**.

Applications are available at www.mckinneycdc.org. They may also be obtained by calling 972.547.7653 or emailing cschneible@mckinneycdc.org. Deadlines for submission under the categories and cycles listed above are strictly followed.

If you are interested in a preliminary review of your proposal or idea by the MCDC board, please complete the **Letter of Inquiry** form, available at www.mckinneycdc.org, by calling 972.547.7653 or emailing cschneible@mckinneycdc.org.