

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

AUGUST 18, 2015

The McKinney Economic Development Corporation met in regular session in the Dowdy Board Room, 5900 S. Lake Forest Drive, McKinney, Texas, on August 18, 2015 at 8:00 a.m.

Board members Present: Vice Chair Lance Lindsay, Secretary/Treasurer Robbie Clark, Julie Fort, and Randy Page. Absent: Chairman Darrell Tate.

Council Present: Mayor Brian Loughmiller, Mayor Pro Tem Travis Ussery, and Council members Randy Pogue and Tracy Rath.

Staff Present: Interim President Abby Liu; Director of Business Retention, Expansion and Emerging Technology John Valencia; Director of Business Development Chad Walker; Interim City Manager Tom Muehlenbeck; Chief Financial Officer Rodney Rhoades; Financial Analyst Trevor Minyard; Interim Assistant to the City Manager Chandler Merritt; and MEDC Attorney Mark Houser. Guests present: MCVB Director DeeDee Guerra and Chamber President Lisa Hermes.

Vice Chairman Lindsay called the meeting to order at 8:00 a.m. after determining a quorum was present.

Board members unanimously approved the motion by Board member Page, seconded by Board member Clark, to approve the following consent item:

15-790 Minutes of the McKinney Economic Development Corporation Meeting on July 21, 2015

15-791 Vice Chairman Lindsay called for Board and Liaison Updates.

Board Chairman – no report.

Chamber of Commerce – President Hermes stated that the Chamber has hired a consultant from Austin to assist with the Strategic Planning Process. The consultant is currently collecting input from members, non-members, and stakeholders. The Chamber will hold a meeting in September with its members to establish its goals for the next three years.

City of McKinney – Interim City Manager Muehlenbeck reported that the bond information roll-out will start next week with the first two presentations given to the Chamber of Commerce. There will be 36-38 presentations between the end of August and the November 3rd election date. The City Council held their budget meeting on August 7th and staff will be working on follow up items discussed during the budget meeting. The annual Board and Commission appointments will be made at a Special City Council meeting on August 24th. Mayor Loughmiller reported that the City will vote tonight on a request that the MEDC Bylaws be referred to the MEDC Board for approval on the operational aspects of the Board. Essentially the employees of the MEDC, from an operational standpoint, will be under the supervision of the City Manager. There are provisions that the Board can give input to the City Manager regarding perceptions of the employees. There is also a provision in there that two

Board members can request an item be placed on the Board agenda. This gives the Board a procedure for addressing concerns regarding the President or employees with the City Manager. The language Mr. Houser is working on is to define or describe the role of the Board as it relates to project management consistent with the Statute and not limit the Board on how it approaches projects and strategic planning. There will be input from the Board on the hiring and evaluation process for the President.

MCVB – MCVB Director Guerra stated that the MCVB assisted with over 270 rooms last month and the Willets Sewing Trade Show. Ms. Guerra traveled to Louisiana and made several sales calls and visited with 59 associations and 4 corporate contacts. One is interested in traveling to McKinney. She will be visiting in the Oklahoma and Arkansas areas in the near future.

Main Street/MPAC – Mayor Pro Tem Ussery reported that the John Fleming Art Exhibit is currently at the MPAC through Sunday. The Tesla Drive Experience is all day Saturday plus raffle tickets are being sold enable the winner to bring one home for 24 hours. The Light Crust Doughboys will be at MPAC on Saturday night. At the last Main Street Board meeting, the Board finalized plans for Oktoberfest and voted to have a live Christmas tree at MPAC this year.

15-792 Director of Business Development Report. Director of Business

Development Chad Walker presented the Business Development Report. New project activity has slowed down over the last month. He attended two events - the Aggie Real Estate Conference in Houston and the Logistics Development Forum in Park City, Utah. Staff conducted a site visit yesterday for Project Eagle 2015 and earlier in the month conducted a site visit for Project Brimley.

15-793 Director of BRE/Emerging Tech Report. Director of Business Retention and New Technology John Valencia presented the BRE/Emerging Tech Report. Staff learned this month that a company sold their building downtown on the square. Part of the sale is an 18 to 24 month lease back. They will be looking for a place to move in to so we will be working with them on the retention front. Staff is working on three projects of significant expansion. There are six active companies in the Emerging Technology program. It was suggested that the application process include a background check. Staff has contacted the HR Department to discuss using the same third party that the City uses for background checks. The parameters will be developed and brought to the Board before implementation. Mr. Valencia stated that the work on Highway 75 continues. The Eldorado interchange is now open.

15-794 Director of Marketing Report. Interim President Abby Liu presented the Marketing Report. She stated that there is an opportunity to host a joint event with the McKinney and Allen brokers, hosted by the Dallas

Business Journal, to focus development opportunities along the SH 121 corridor in McKinney and Allen. Potential timing is fourth quarter 2015 or second quarter 2016 and cost will be approximately \$10,000. The \$10,000 is just for the shared cost of the event and does not include the cost of printing brochures and information to hand out to the participants.

15-795 Interim President Report. Interim President Abby Liu stated that she attended the Taiwan Road Show sponsored by the U.S. Department of Commerce. The event went well and was very productive. While on the trip, she visited with a company that headquarters in Taiwan but has major operations in China. The company is a supplier to Toyota, which is fitting in our target market. The visit went well and hopefully they will be here to visit us in the fourth quarter.

15-796 Vice Chairman Lindsay called for Consideration/Discussion/Action on July Financial. Chief Financial Officer Rodney Rhoades introduced Financial Analyst Trevor Minyard, who presented the OpenGov platform to the Board. For the next few months the new OpenGov platform will be presented in concert with the old financials. Our sales tax growth is right at 7.13% over last year's. On expenditures, some unbudgeted salary expenses occurred in the months of June and July, however, expenditures overall are very much under budget. On the project side, there is about \$38,000 of expenditures in July in the emerging tech

section. The Board unanimously approved the motion by Board member Clark, seconded by Board member Page, to approve the financials as presented.

15-797 Vice Chairman Lindsay called for Consideration/Discussion/Action on the Continuation of Partner Organization Reports. No action taken.

15-798 Vice Chairman Lindsay called for Consideration/Discussion/Action on Fiscal Year 2016 Budget. Chief Financial Officer Rodney Rhoades presented the 2016 proposed MEDC Budget. He noted that over the last few years we have been stair stepping the GNA portion of the MEDC budget to reflect the actual GNA charge that the City of McKinney is providing in support of the Economic Development Corporation. That GNA expense will stair step up from \$150,000 to \$230,000. Staff is conducting a new GNA study, which will be completed during fiscal 2016. The Economic Development Corporation Coordinator position that the Board approved is currently not included in your budget. It will be included in the appropriations budget that will be taken to Council and we ask that you would include the funding for the Coordinator position in any motion taken today. We are recommending a reduction of \$155,000 in professional services for next year. In the event we might need any additional dollars, we can do a budget amendment mid-year, bring that to Council for ratification, and appropriate those funds at that time. Another

item of note, when the budget was submitted back in March, it was submitted without the airport marketing funding. After speaking with staff, we are recommending putting that airport marketing funding back in and that it be included as part of the motion as well. The current budget sits with six divisions within the MEDC budget. We are recommending consolidating the divisions into three: administration, project funding and non-departmental. Once Council takes action on that budget, we will make those housekeeping changes to consolidate the divisions into three. Board members unanimously approved the motion by Board member Fort, seconded by Board member Page, to approve the Fiscal Year 2016 Budget subject to the changes recommended by the Chief Financial Officer Rodney Rhoades.

Vice Chairman Lindsay called for Citizen Comments and there were none.

Vice Chairman Lindsay called for Board or Commissioner Comments and there were none.

Vice Chairman Lindsay recessed the meeting into executive session at 8:58 a.m. per Texas Government Code Section 551.071 (2) Consultation with MEDC Attorney on any Work Session, Special or Regular Session agenda item requiring confidential, attorney/client advice necessitated by the deliberation or discussion of said items (as needed), and Section 551.087 Discuss Economic Development Matter as listed on the posted agenda. Vice Chairman Lindsay recessed to the open session at 10:10 a.m.

MEDC MINUTES
AUGUST 18, 2015
PAGE 8

Board members unanimously approved the motion by Board member Clark, seconded by Board member Page, to adjourn. Vice Chairman Lindsay adjourned the meeting at 10:10 a.m.

LANCE LINDSAY
Vice Chairman

