

## **MCKINNEY ECONOMIC DEVELOPMENT CORPORATION**

**FEBRUARY 21, 2023**

The McKinney Economic Development Corporation met in regular session in the City Hall Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on Tuesday, February 21, 2023, at 8:00 a.m.

Board members Present: Chairman Brian Loughmiller, Vice Chairman Kurt Kuehn, Secretary/Treasurer Thad Helsley, Mark Denissen, Julie Williams, Joe Minissale, and alternate Board member Mohamed Kacem.

City Council Present: Mayor George Fuller, Mayor Pro Tem Rainey Rogers, and Councilman Rick Franklin.

City staff Present: President Peter Tokar, Senior Vice President Michael Talley, Operations Manager Deana Smithee, Executive Assistant Melanie Molina, Marketing and Social Media Manager Luke Gajary, City Manager Paul Grimes, MEDC Attorney Mark Houser, Accounting Manager Chance Miller, and Visit McKinney Executive Director Aaron Werner.

There were 3 guests present.

Chairman Loughmiller called the meeting to order at 8:02 a.m. after determining a quorum present.

Chairman Loughmiller announced he would like to present former Board member Michael Jones with a recognition award. Michael served five and a half years on the MEDC Board. Chairman Loughmiller thanked Mr. Jones for his service.

Mr. Jones thanked the Board and noted Board member Minissale served the entire time with him. Mr. Jones thanked City Council for electing him to the Board and allowing him to serve two terms. Mr. Jones thanked Mayor Pro Tem Rogers and Councilman Franklin and Mayor Fuller. Mr. Jones announced prior to him joining the Board the MEDC participated in \$370 million in projects at a cost of \$33 million dollars. When Mr. Jones joined the Board, President Tokar was hired and over the next five years, MEDC participated in \$870 million in projects at a cost of \$41 million dollars. Mr. Jones noted that is what he calls fiscally responsible, growing McKinney the right way, and one of the greatest accomplishments of his time on the Board. Mr. Jones announced he is running

for City Council. Mr. Jones encouraged everyone to support Hugs Café, and One Heart McKinney. Mr. Jones encouraged the MEDC Board to go out and support the airport expansion project and thanked his wife Angie for her support.

Chairman Loughmiller called for Public Comments for non-public hearing items on the agenda and there were none.

**23-0125** Chairman Loughmiller called for the Minutes of the McKinney Economic Development Corporation Meeting of December 13, 2022.

**23-0126** Chairman Loughmiller called for the Minutes of the McKinney Economic Development Corporation Meeting of January 17, 2023

Board members unanimously approved the motion by Vice Chairman Kuehn, seconded by Board member Minissale, to approve both the December 2022 and January 2023 Minutes.

**23-0127** Chairman Loughmiller called for Board and Liaison Updates.

City of McKinney- City Manager Paul Grimes announced last Friday, City Council held their annual strategic goals setting meeting. This is an opportunity for Council to share their strategic priorities for the next year or two. Mr. Grimes noted the strategic goals setting is done at this time of the year because it is a part of the budget process. The Council has to tell city staff what their goals are, to effectively give staff a workplan so they can prepare a budget that reflects Council's priorities. On March 17<sup>th</sup>, Council will prioritize the goals that they outlined. Mr. Grimes announced last Friday in a special session before the strategic planning session, language was adopted for the airport bond and the council seats that are open. Mr. Grimes announced the yearly joint meeting with the city and McKinney Independent School District will be next Monday, February 27<sup>th</sup> at the MISD Stadium conference facility. It is a great opportunity to discuss items of mutual interest including security, economic development, and growth projection.

Chamber of Commerce- McKinney Chamber of Commerce President Lisa Hermes announced Collin County Days in Austin will be March 28<sup>th</sup>

and 29<sup>th</sup>. Attendees will go to Austin to advocate for all things important to the community, including economic development tools and resources authorized by the state. Ms. Hermes thanked MEDC for being a sponsor, and noted this event is a joint effort from all Collin County Chambers. Ms. Hermes noted Collin County Days Austin is a great time to visit with other city councils, school boards, economic development corporations, and other business folks while representing Collin County in Austin. Ms. Hermes announced March 14<sup>th</sup> will be the new date for the Annual Business Meeting. Dr. Ray Perriman will still be the keynote speaker. Ms. Hermes noted Dr. Perriman is a renowned economist in Texas and will be sharing great information about the economic forecast for the community and the state. Ms. Hermes announced she hopes to see everyone Friday night at the annual awards program. Ms. Hermes announced the Chamber will help promote and support the passage of the airport bond. On April 21<sup>st</sup> at 8:30 a.m. at Collin College, the Chamber will host a business development update that will focus on the future of the airport and what is included in the bond. Ms. Hermes announced the McKinney Chamber and McKinney Online websites are being overhauled. The McKinney Online website should be launched this spring around May with a new look and new title, "McKinney Today".

Community Development Corporation- Board member Kathryn McGill announced this is the time of year where MCDC works on grants for upcoming promotional and community events. Included are McKinney Community Concerts (six shows), Shakespeare McKinney, The Heritage Guild of Collin County, the Sip and Stroll Series, Marching Music Made in McKinney, Empty Bowls, the Kiwanis Foundation Triathlon, the ManeGait County Fair and Concert, the McKinney Garden Club, the 2023 Arts in Bloom, the Collin County History Museum's "Created in Collin" exhibit, the 2023 Black History Month events, and the Millhouse Foundation two-day art festival. Ms. McGill announced this coming week,

the MCDC Board will have action on the project grants, the larger grants the MCDC funds. Under consideration for those project grants are neon signs for the historic Flour Mill, upgrades for the Heard-Craig Arts Center, and McKinney Roots for a chicken coop project to expand egg-laying capacity. Ms. McGill announced MCDC is looking forward to presenting the Quality-of-Life Award to Rob Temple in the individual category, and the Seed Project Foundation in the organization category at the McKinney Community Awards on February 24<sup>th</sup>.

Visit McKinney- Visit McKinney Executive Director Aaron Werner announced an upcoming article for Texas Town & City Magazine. The magazine does an annual article on tourism. There were roughly 30 submissions to the magazine and eight were selected. Beth Shumate, Visit McKinney Communications Manager, submitted an article on the collaboration that occurs at the City of McKinney to put on the Byron Nelson. The magazine goes to municipalities around the state and will debut in April. Mr. Werner announced Visit McKinney received their financials for the month, and hot tax revenue currently year-to-date is trending 30% above last year. Mr. Werner announced Visit McKinney will host their strategic planning session next Tuesday. Representatives from various departments have been invited. Mr. Werner announced the Community Leaders of America Conference will be staying at the Grand May 2<sup>nd</sup>-5<sup>th</sup>. The City of Georgetown downtown and economic development and tourism staff have booked 25 rooms at the Grand for April. Georgetown is preparing for major projects in their downtown and are impressed with McKinney and would like to meet with city staff and tour downtown. Mr. Werner noted there is an Irish Wolfhound dog show April 17<sup>th</sup>-20<sup>th</sup>, the Byron Nelson in May, and immediately after that McKinney will host the National Junior College D1 Championship.

MEDC Committee Updates- Chairman Loughmiller announced MEDC Committee Updates is new for our agenda. There are several

committees, and we are going to have an opportunity at each Board meeting for the leads on the committees to give reports if there are any. Chairman Loughmiller announced the Governance Committee is currently working on a document to present to the Board and will give an update later. Board member Denissen announced the Innovation Fund Committee met last week and staff gave an overview of the program from inception to improvements made. Board member Denissen noted the program is widely recognized as innovative and in some areas copied by other EDCs. Board member Williams announced Marketing and Social Media Manager Luke Gajary brought the committee up to speed on some of the activities around Byron Nelson. The committee will come up with a full update regarding board participation. The Marketing committee will start reviewing events, projects and budget to continue to invest in the right marketing. Board member Williams noted the committee will be reviewing the Unique McKinney website for updates as well. Secretary/Treasurer Helsley announced the Real Estate committee met week before last and predominantly discussed properties MEDC is involved in. The Real Estate committee may bring the Board a process regarding long-term planning for the MEDC properties.

Board Chairman- Chairman Loughmiller announced at the March Board meeting, there will be an update on committee assignments, in order to fill the spots vacated by Michael Jones. Chairman Loughmiller announced the Board received a list of proposed committee members in their Board packet. Chairman Loughmiller congratulated Councilman Franklin on not drawing an opponent, and noted he looks forward to serving with him in the future. Chairman Loughmiller thanked Mayor Pro Tem Rogers for his work for the City of McKinney. Chairman Loughmiller announced the open house event resonated with him and emphasized the benefit of the “one stop shop” of having the Chamber of Commerce,

MEDC and MCDC in one location. Chairman Loughmiller announced President Tokar recently spoke on a panel regarding industrial development and the bond going on in McKinney, and thanked him for his work on the panel. Chairman Loughmiller announced he would like to make sure we are on the same page as the City Council for the implementation of goals from an economic development standpoint. Chairman Loughmiller noted he would like to schedule a joint meeting between Council and MEDC to coalesce around Council and MEDC goals.

**23-0128** Chairman Loughmiller called for the MEDC Monthly Organizational Report. President Tokar announced we are losing a staff member, as MEDC Project Manager Miguel Esparza has taken a position with the City of Richardson. President Tokar noted Miguel has been influential in working with the Innovation Fund and general projects. President Tokar announced we have two new staff members coming in, Caroline Causey will be our new Project Manager. Caroline is coming from Fort Worth and has her master's in economic development. Emily Beck is coming from Corinth and will be the new Events and Special Projects Manager. As we are increasingly involved in more events, Byron Nelson, multiple real estate events (including Bisnow and REDnews), and ongoing community involvement, the events person will help us organize and streamline. This will allow Project Managers to focus on recruitment and retention and the events position can focus on events. President Tokar noted we have posted the open MEDC Project Manager position to fill Miguel's seat and return to fully staffed.

**23-0129** Chairman Loughmiller called for the MEDC Monthly KPI Metrics Report. President Tokar announced we are doing well again; several projects were approved last month, and we are waiting on the contracts to come back. As soon as they are signed, we will add them to our current capital

investment pipeline. We have \$50 million in pending contracts (the contracts we are waiting on) and \$6 million signed back to us. President Tokar noted our 2023 target is \$225 million, and with the project activity we have this year, he believes we will exceed that goal. Project pipeline is strong with new projects continually being added. President Tokar noted he is excited at the new activity the new Project Managers will help generate. The Q1 newsletter will go out at the beginning or middle of March, so there will be better data on email open rates. Website traffic continues to be strong and will improve with recommendations the Marketing Committee is looking at. The first tradeshow will be in April. BRE is on par for where we need to be. Madison is hosting a FAM tour today, which will be added to the KPI stats for next month. President Tokar noted we are at a good start, and he anticipates another strong year.

**23-0130** Chairman Loughmiller called for the 2022 Annual Key Performance Indicators. President Tokar announced the KPI Annual Report is a consolidation of all the monthly reports to show the total year performance, and noted we met most of the KPIs.

**23-0131** Chairman Loughmiller called for the December 2022 Financials. Accounting Manager Chance Miller announced for the month of December, this is our third month of fiscal year 2023, so 25% of the way through. Sales tax revenue of \$1.7 million, total revenue of \$1.8 million. We budgeted \$287,000 and are already at \$195,000. Mr. Miller noted he sees that slowing down and estimates somewhere in the \$250,000 range at the end of the year. Operational expenses were \$132,000 for the month of December and project expenses were \$2.1 million paid out, with a lot of those being 2022 projects that due to the timing were just paid out. Non-departmental expenses were \$237,000, with the majority of that being debt service transfer. In total it was \$2.5 million in expenditures for the month of December, which resulted in a decrease

of \$650,000. The projected ending fund balance is \$9.5 million due to the appropriation of expenses for 2022. December collected sales tax applies to the month of October. We saw a \$483,000 increase over last October which is a 7.5% increase. Allen had a 5.9% increase, Frisco had a 20.3% increase, and Plano had an 8.4% increase. Year-to-date that brings us to 11.1%. Mr. Miller noted retail trade is the biggest industry for our sales tax and is at 5% again this month. Construction sales tax went down but it is very volatile on a month-to-month basis depending on the activity in the city.

**23-0132** Chairman Loughmiller called for Final September 2022 Financials. Accounting Manager Chance Miller announced the Finance department completed their audit process and will go to City Council today for a vote on approval. This will close out the 2022 year. Mr. Miller announced for sales tax revenue, the revised budget that was done midway through the year was \$20.7 million and the year ended at \$21.8 million in sales tax revenue. Total revenue was \$21.2 million, with around \$100,000 in interest income for the fiscal year 2022. For expenditures, operational expenses were budgeted \$3.2 million and year-to-date was \$2.8 million. For project expenses, \$26.8 million was budgeted and year-to-date was \$10.1 million. Mr. Miller noted the \$5.9 million in committed projects and the \$3.9 million in building structures is going to be reappropriated to fiscal year 2023. Non-departmental budgeted \$2.8 million and those are scheduled debt service payments, so they will always tie out exactly. We started the year at \$20.3 million in fund balance and added \$21.2 million in revenue, spent \$15.8 million, and our ending fund balance is \$25.8 million.

Board members unanimously approved the motion by Vice Chairman Kuehn, seconded by Secretary/Treasurer Helsley, to approve the December 2022 and the Final September 2022 Financials.

Chairman Loughmiller called the meeting to Executive Session at 8:48 a.m.



Chairman Loughmiller reconvened the meeting to open session at 10:22 a.m.

Board members unanimously approved the motion by Secretary/Treasurer Helsley, seconded by Board member Williams, to approve the changes to Project Cypress as discussed in Executive Session. Vice Chairman Kuehn abstained.

Board members unanimously approved the motion by Board member Minissale, seconded by Secretary/Treasurer Helsley, to approve the District 121 Parking Garage Sign as discussed in Executive Session.

Board members unanimously approved the motion by alternate Board member Kacem, seconded by Vice Chairman Kuehn, to approve Project Cloud as discussed in Executive Session.

Board members unanimously approved the motion by Secretary/Treasurer Helsley, seconded by Board member Williams, to Adjourn.

Chairman Loughmiller adjourned the meeting at 11:24 a.m.

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

These minutes approved by the MEDC members on: March 21, 2023

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BRIAN S. LOUGHMILLER  
Chairman

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THAD HELSLEY  
Secretary / Treasurer