

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

APRIL 21, 2020

The McKinney Economic Development Corporation met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on April 21, 2020 at 8:00 am.

Board members present: Chairman Kenneth Sipiora, Vice Chairman Michael Jones, Secretary/Treasurer Brian Loughmiller, Patrick Cloutier, Dr. Gere' Feltus, Joe Minissale, and alternate Bill Krueger.

Board Member Tracy Rath participated remotely by telephone.

Staff Present: President Peter Tokar, Executive Vice President Abby Liu, Senior Vice President Danny Chavez, Director of Business Intelligence Holly Immler, MEDC Office Supervisor Deana Smithee, Mayor George C. Fuller, Mayor Pro Tem Rainey Rogers, Councilman Scott Elliott, City Manager Paul Grimes, MEDC Attorney Mark Houser, and Financial Compliance Manager Chance Miller

Absent: Project Manager Madison Clark, Technology and Infrastructure Specialist Michael DePaola, and MEDC Administrative Assistant Joanne Isom.

No guests were present.

Chairman Sipiora called the meeting to order at 8:01 am after determining a quorum was present.

Chairman Sipiora called for Public Comments for items on the agenda and there were none.

20-0298 Chairman Sipiora called for the Minutes of the McKinney Economic Development Corporation of March 27, 2020. Board members unanimously approved the motion by Board member Minissale, seconded by Secretary/Treasurer Loughmiller, to approve the minutes.

20-0299 Chairman Sipiora called for Board and Liaison Updates. Chairman Sipiora thanked the board for their attendance and Board member Rath for joining remotely. Chairman Sipiora expressed sympathies on behalf of the Board for the loss of Board member Cloutier's mother.

City of McKinney - City Manager Grimes reported on the changes in the City's operations due to COVID-19. City Manager Grimes noted there are several departments effectively not operating. The City furloughed some part-time employees, mainly in the Parks and Recreation department, as well as the Library and a few other ancillary areas. City Manager Grimes noted the finance team is working to monitor the impact on revenues due to COVID-19. City Manager Grimes noted the community driven organization One Heart McKinney is serving as a central clearinghouse for citizens who may need help or want to help. One Heart McKinney is organized around five areas 1.) Food 2.) Shelter and Housing 3.) Education and Daycare 4.) Jobs and Employment 5.) Physical and Mental Health. If a citizen needs help in one of these areas or wants to help, they can visit OneHeartMckinney.com. City Manager Grimes reported North Texas Water District Executive Director Tom Kula announced his retirement. They are in transition from a leadership standpoint, but the interim director is former McKinney Finance Director Rodney Rhoades. Several cities in the water district have filed a petition with the Public Utilities Commission on the water rate structure. McKinney is working to resolve the ongoing dispute. City Manager Grimes noted City Council will meet today at 4:00 pm and will discuss an initiative by the MCDC (McKinney Community Development Corporation) and the Chamber of Commerce to aid in business recovery, primarily for small businesses in the community. City Manager Grimes reported McKinney has been selected as the location for the Byron Nelson Classic. The City of McKinney will host the Byron Nelson Classic starting in May 2021 and the next five years after.

20-0300 Chairman Sipiora called for the consideration/discussion of the MEDC Monthly Organizational Report. President Tokar introduced new employee Holly Immler. She will serve as the Director of Business Intelligence. She joins MEDC with a background in real estate, heavy on

the data side. President Tokar asked Director of Business Intelligence Immler to introduce herself. Director of Business Intelligence Immler noted she is looking forward to bringing her skills to the City of McKinney and the MEDC. She noted in business intelligence she will collect data and be a steward of the data so every decision the MEDC makes can be underpinned by data-driven evidence. This will assist in making smarter and faster decisions that matter most to the community. Chairman Sipiora stated he met with Director of Business Intelligence Immler last week and noted the data she will provide is actionable data to help drive our efforts forward. President Tokar noted the Salesforce software has been implemented. Salesforce will allow the MEDC to have a strong database to track projects and streamline the process on a more accessible platform. President Tokar noted the Strategic Goals and Priority Session will be rescheduled once the City begins to open back up.

20-0301 Chairman Sipiora called for the consideration/discussion of the MEDC Monthly Metrics Dashboard Report. President Tokar noted the current marketing efforts are centered on the epidemic. The MEDC website now includes a COVID-19 response page. This is an emergency addition made to the website to direct businesses to the proper resource when seeking assistance. President Tokar reported month over month increased traffic to the website. President Tokar noted Business Intelligence Director Immler will begin utilizing the data around development opportunities and turn the data into a visual campaign to run through social media. President Tokar noted there are certain metrics on the dashboard that will maintain a lower percentage rate as they are more driven by a person to person interaction.

20-0302 Chairman Sipiora called for the consideration/discussion of the MEDC Subcommittees Updates.

MEDC Marketing Subcommittee - Board member Minissale noted improvements have been made over the last year with the Marketing campaigns. Board member Minissale noted the quarterly Business Development newsletter was very successful with a 65% open rate and the next one is slated to roll out. Board member Minissale reported the MEDC has made an offer to a candidate for the Marketing Manager position. Board member Minissale noted the MEDC will begin to solicit bids from other outside marketing agencies, as well as give Centipede Digital an opportunity to requote their services. Board member Minissale noted the price of the contract with Centipede Digital stair steps down from year one to year three.

MEDC Real Estate Subcommittee - Secretary/Treasurer Loughmiller reported the Real Estate Subcommittee discussed the impact on projects due to lower sales tax numbers based on the current pandemic. Secretary/Treasurer Loughmiller noted decisions the board makes are based on anticipated projections and estimates of sales tax revenue in the future, especially meeting projects funded partially through bonding. Secretary/Treasurer Loughmiller noted the Real Estate Subcommittee is working on large-scale multiphase projects that will take several years to bring to completion and are focused on keeping those projects moving. Secretary/Treasurer Loughmiller noted the Real Estate Subcommittee discussed the MEDC staff having the ability to approve a project under the Innovation Fund if it meets the criteria already approved by the board. Secretary/Treasurer Loughmiller noted the Real Estate Subcommittee assists in evaluating different projects to ensure the project fits in the framework of the MEDC to bring to the board.

MEDC Finance Subcommittee - Vice Chairman Jones noted the Finance Subcommittee met six times last year. Vice Chairman Jones

noted the Finance Subcommittee reviewed fiscal year 2020 budget. Vice Chairman Jones noted the finance committee developed the policy of unbudgeted expenses over \$10,000 be presented to the committee for review to ensure the expense is in line with economic development. Vice Chairman Jones noted there are different expenditures for different projects and the Finance Subcommittee is well engaged on how the projects fit the economic development budget. Vice Chairman Jones noted the Finance Subcommittee will be reviewing the budget for fiscal year 2021.

Chairman Sipiara thanked all the subcommittee members for their time and effort. Chairman Sipiara noted a request from City Manager Grimes to speak.

Visit McKinney – City Manager Grimes noted a request from Executive Director Guerra to mention the McKinney Strong t-shirts. The t-shirts can be ordered on the Chamber of Commerce, Main Street McKinney, or Visit McKinney's website. City Manager Grimes noted the Chamber of Commerce, MCDC, and Visit McKinney are working very closely together on serving our business community. Visit McKinney is working closely with hotels and promoting events for when we open back up. Board member Cloutier noted he received a request from Executive Director Guerra to mention the following organizations need donations: Community Lifeline, Baby Booties Diaper Bank, and Meals on Wheels. Chairman Sipiara requested before leaving the topic of subcommittees, the Board consider adding a more consistent process for the evaluation of Innovation Fund projects. Chairman Sipiara requested volunteers from the board to work on a subcommittee specifically tasked to develop a process for the Innovation Fund. MEDC Attorney Houser noted Chairman Sipiara can make the appointments, however, there will need to be an action item on the next agenda to formalize the approval of the subcommittee. MEDC Attorney Houser confirmed Chairman Sipiara was

able to appoint the subcommittee members and charge them with work and it would be considered a ratification for next meeting. President Tokar clarified if this will be a creation of a new subcommittee or a task force. MEDC Attorney Houser recommended based on the scope and the intent the group, it should be an ad hoc instead of a subcommittee as defined by the MEDC Bylaws.

20-0303/ Chairman Sipiora called for the consideration/discussion/action on the
20-0304 February and March Financials. Financial Compliance Manager Miller reported there was \$560,000 in planned project expenditures in February and \$180,000 in March. These payments went to companies meeting the guidelines of their agreement to earn economic incentives. Financial Compliance Manager Miller reported February financials reflect the December sales tax. Financial Compliance Manager Miller reported a 17.7% increase over last year and the March financials reflect the January sales tax of a 12% increase over last year. Financial Compliance Manager Miller reported February will be the next month of normal financials and March will reflect the effects of COVID-19 on the sales tax. Chairman Sipiora noted a 17% and 12% increase is positive, however, we anticipate those numbers cannot hold up. Financial Compliance Manager Miller noted preliminary February sales tax is at a 28% increase but emphasized they will need to look in more detail to see if the increase is due to audit adjustments. Chairman Sipiora noted the Finance Subcommittee will be working closely with staff on budget, perhaps looking at a decrease in revenues. Financial Compliance Manager Miller noted the MEDC is aware and budgeting to reflect the decrease. Board members unanimously approved the motion by Board member Cloutier, seconded by Board member Feltus, to approve the February / March 2020 financials.

Chairman Sipiora called for Citizen Comments and there were none.

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Chairman Sipiora recessed the meeting into Executive Session at 8:40 am.

Chairman Sipiora reconvened the meeting into open session at 10:16 am.

Board members unanimously approved the motion by Board member Feltus, seconded by Vice Chairman Jones, to approve Project Beets as discussed in Executive Session.

Board members unanimously approved the motion by Board member Cloutier, seconded by Secretary/Treasurer Loughmiller, to approve Project Immune as discussed in Executive Session.

Chairman Sipiora stated Project Pixel has been tabled until the next board meeting.

Board members unanimously approved the motion by Board member Minissale, seconded by Board member Rath, to approve Project Sim 2 as discussed in Executive Session.

Board members approved the motion by Secretary/Treasurer Loughmiller, seconded by Board member Feltus, to approve Project Catnip as discussed in Executive Session with a vote of 6 - 1 - 0, Board member Cloutier voting no.

Board members unanimously approved the motion by Vice Chairman Jones, seconded by Board member Minissale, to approve Project Autograph as discussed in Executive Session.

Chairman Sipiora stated Project Tiger has been tabled until the next board meeting.

Board members unanimously approved the motion by Board member Minissale, seconded by Board member Feltus, to adjourn.

Chairman Sipiora adjourned meeting at 10:21am.

Kenneth T. Sipiora
Chairman