

McKINNEY ECONOMIC DEVELOPMENT CORPORATION

REGULAR BOARD MEETING

May 17, 2011

The McKinney Economic Development Corporation met on Tuesday, May 17, 2011 in the Dowdy Boardroom of the Corporation office. The meeting was called to order at 8:03 a.m. by Chairman Keith Clifton. Board members present were Chairman Keith Clifton, Vice-Chairman Scott Lewis, Secretary-Treasurer Marta Gore, Director Carrie Alfieri, Director Roger Harris, Director, Director Doug Parker and Ex-officio member David Brooks. Director Ernest Lynch III was absent.

Staff present was President Jim Young, BREP Director Greg Sims, International Development Director Abby Liu, Administrative Assistant Durinda Fisher and Corporation Attorney Mark Houser.

The Board reviewed the minutes from the Regular Board meeting held on April 19, 2011. On a motion by Marta Gore, seconded by Scott Lewis, the minutes were approved. Motion carried.

The Board next reviewed the Consent Items. Ms. Fisher started with the MEDC April 2011 check requests. Servery, Inc. received their first rent reimbursement for their new offices. The company is receiving their funding under the Emerging Technology Fund in place at the MEDC. Finance Budget Director Jason Cooley introduced Adrienna Rapp with the City Finance Department. Ms. Rapp will be reviewing and reporting the MEDC's monthly operating statements to the Board. Mr. Cooley next reviewed the MEDC's balance sheet and operating statement ending April 30, 2011. Sales tax receipts for the month totaled \$564,781 which was an increase of 11% from the previous year. The projections for May showed a slight decrease of 2.2%. President Young reported that EDS received their monthly lease subsidy for the project payments along with the Servery payment. The Consent Items were approved on a motion by Scott Lewis, seconded by Carrie Alfieri. Motion carried.

President Young next reported that the TexasOne tour of the Guildhall at SMU, Zynga with Friends and The Cotton Mill all went very well with good reports back from the Governor's office. The Mayor gave out several awards at the 4-city sponsored Heavy Hitters event. The awards were given to the top commercial developers in the Metroplex. Several board members and city council members have previously attended the annual International Shopping Center Conference in Las Vegas, but have not attended in the last two years. President Young suggested that City and MEDC's representatives plan to attend next year's conference.

Greg Sims next gave his BREP report. Blockbuster continues to negotiate leasing terms and it was announced in the newspaper that the headquarters in Dallas will be moving to the McKinney location. President Young thanked Mr. Sims for keeping up with the ongoing changes and progress of the Blockbuster project. Southwest Ice Cream and local management are in the final stages of developing a pre-treatment facility which would need approval from their corporate offices. Mr. Sims reviewed with the Board several of his other company projects. Director Harris added that at the last Emerging Technology Committee meeting the group discussed about forming a letter of credit for applicants. He thanked Mr. Sims for searching out the tools for the application.

Abby Liu next gave her International Development report. Ms. Liu reported that she is organizing a "friendship city" visit with eleven delegates from Wenjiang, China to come in mid-June. Several companies in McKinney have companies located in Wenjiang. The delegates plan to be in McKinney for a 2-3 day visit. The MEDC is advertising in the daily China newspaper world wide on the front page. Ms. Liu continues to meet with Project Green Pineapple as the company reviews their options. The company will have more information on their decision in August 2011. Ms. Liu plans to meet with the company's top officials while on her visit in Taipei next month.

President Young next gave his report. There is a lack of capital with the lending institutions but the projects that the MEDC staff is currently working with all have their own money to start their projects. This is a very positive sign. More discussion of projects will be reviewed in the Executive Session.

The Board next heard the liaison reports.

City Manager Jason Gray expressed that his report would be addressed in the Executive Session...

The MADC Board Chairman John Wroten thanked the MEDC Board and Staff for their assistance in the tower dedication and for the funding of the replacement runway project. Governor Perry made an unexpected visit to the CCRA to tour the tower recently. The bidding process will be open until June 2, 2011 for the runway Project. The Addison airport is undergoing construction and several of their tenants are using the CCRA as their temporary airport. Mr. Wroten said that CCRA needs to try to keep the guests as permanent tenants at CCRA.

MCDC Executive Director Cindy Schneible reported that their Board met on April 28th

and approved a grant to the Collin County Habitat for Humanity in the amount of \$140,000 to purchase a building to relocate Habitat administrative offices and to increase the size of the ReStore. City Council will review the grant at tonight's meeting. The MCDC will be accepting applications for promotional and community grants through June 30, 2011.

Chamber President Jodi Ann LaFreniere reported that the Senate maps have been released showing the new redistricting lines. There were very little changes to the McKinney areas. Ms. LaFreniere thanked everyone for supporting the MISD school bond issue. It passed with a 74% approval rating which was the highest in the state. The City Manager's reception and recent quarterly luncheon featuring Mayor Bob Dixson from Greensburg, Kansas were both well received. Blockbuster has asked the Chamber to provide 100 informational packets for their new employees that will be coming to McKinney from their previous Dallas headquarters. The current Leadership Class will graduate on Thursday and the Chamber is now accepting applications for the 2012 Leadership Class.

McKinney Convention and Visitors' Bureau Director Diann Bayes passed out the new "Bloomin' & Boomin'" brochure which features over 100 events that will take place through the 4th of July celebration. The kick-off event will be the dedication of the Crape Myrtle Trails World Collection Park on June 10, 2011. The smart phone app will be launched next week. It will feature local hotels, restaurants and is applicable to the iPhone, iPad and Androids. The MCVB staff is offering a free four-hour hospitality training course to help provide ambassadors with better customer service for visitors to our area.

Greg Sims gave the Board an update on current legislation. House Bill 3215 is still sitting in committee. There will be no changes to the 4A/4B legislation. Ms. LaFreniere added that H.B. 2785 is a bill to form a twelve person committee which will consist of House and Senate members along with business people to review the entire structure of economic development in the state. Mayor Loughmiller has submitted his name to be on the committee.

In accordance with TX GOV'T CODE ANN. S 551.071 et. seq. the meeting was adjourned into executive session at 8:45 a.m. The Board adjourned out of executive session into open session at 10:15 a.m.

The Board next discussed the Action Items. The Board took no action regarding the Blockbuster Project and no action regarding Project Proposal #11-07.

The Board next discussed Project Proposal #11-09. On a motion by Doug Parker, seconded by Carrie Alfieri, the Board approved the following:

- (A) A forgivable loan of \$1,500,000 upon issuance of a Certificate of Occupancy and certification of a minimum of \$47MM in Real Property Improvements and Business Personal Property, not including land, by the Collin County Appraisal District on January 1, 2014.
- (B) Occupancy by December 31, 2011.
- (C) If the company is still in compliance with the above certification, the loan would be forgiven in January 2016.

Motion carried,

The next scheduled MEDC Board meeting will be on Tuesday, June 21, 2011. The meeting for July, if needed, will be on Tuesday, July 19, 2011.

On a motion of acclamation, the meeting was adjourned at 10:16 a.m.

MARTA GORE, MEDC Secretary/Treasurer