

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

FEBRUARY 17, 2015

The McKinney Economic Development Corporation met in regular session in the Dowdy Board Room, 5900 S. Lake Forest Drive, McKinney, Texas, on February 17, 2015 at 8:00 a.m.

Board members Present: Chairman Darrell Tate, Vice Chair Lance Lindsay, Secretary/Treasurer Robbie Clark, Pablo Ruiz, Julie Fort, and Randy Page. Board member Chuck Branch arrived at 8:05 a.m.

Council Liaisons Present: Mayor Pro Tem Travis Ussery and Council Member Geralyn Keever.

MEDC Staff Present: President/CEO Jim Wehmeier; Executive Vice President Abby Liu; Director of Business Development Chad Walker; Director of Business Retention, Expansion and Emerging Technology John Valencia; and Director of Marketing Cayti Stein.

City Staff Present: Interim City Manager Tom Muehlenbeck; City Secretary Sandy Hart; and Financial Analyst Trevor Minyard.

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

- 15-166** Minutes of the McKinney Economic Development Corporation Meeting of January 20, 2015
- 15-167** Chairman Tate called for Consideration/Discussion/Action on January Financials. Financial Analyst Trevor Minyard presented the January Financial Report. Mr. Minyard stated that the financials are done on an annual basis and what is shown on the January report shows 33% of the year completed. The revenues are right on par with where they should be. Sales tax is up 10.3% compared to January of 2014. Sales tax revenues are staying ahead of where they were last year and are in alignment with our Sister cities. Mr. Wehmeier went over the Long Term Financial Plan report that was prepared by the Finance Department. Mr. Wehmeier stated that he would like to work with the Finance Department

to potentially include a report that would show future committed projects instead of projections in future years to give a more clear picture of capacity. The projections are based on 4% sales tax increase and 2% other revenues. Board members unanimously approved the motion by Board member Clark, seconded by Board member Page, to approve the January Financials.

15-168 Chairman Tate called for Consideration/Discussion/Action on Appointment to the McKinney Werx Board of Directors. Board members unanimously approved the motion by Board member Ruiz, seconded by Board member Clark, to appoint John Minnis to the McKinney Werx Board of Directors

15-169 Chairman Tate called for the Presentation by Angela Hale of Red Media on Legislative Issues. Ms. Hale provided an update of Legislative bills that have been filed in Austin. Ms. Hale stated Governor Abbott would like to eliminate the Emerging Technology Fund but keep the Enterprise Fund. Ms. Hale went over bills affecting 4A/4B funds, rollbacks, and revenue caps. Mr. Muehlenbeck stated that there are several bills that are not favorable to City government. One bill is proposing to reduce the roll back from 8% to 4%. Another bill would be to prohibit the City or MEDC from hiring a lobbyist or for McKinney to belong to the Texas Municipal League since they lobby on behalf of cities.

15-170 Chairman Tate called for Board and Liaison Updates.
Board Chairman. Chairman Tate discussed the Marguiles Communications and the expense of \$4,000 per month as a retainer. Interim City Manager Tom Muehlenbeck stated suggested that the type of stories that are sent to the Marguiles Communication should be prioritized on what is more important with the City supplementing those efforts. It could be better to utilize them on a case by case basis and not on a monthly retainer.

Chamber of Commerce – no report given.

City of McKinney – Interim City Manager Tom Muehlenbeck updated the board on the current status of McKinney’s 10 year CIP plan and bonding. He stated that he expected holding a November bond election.

MCDC – McKinney Community Development Corporation President Cindy Schneible state that the Sheraton Hotel will host their grand opening on February 26th. MCDC completed a bond sale to finance a portion (\$24,000,000) of its funding commitment for McKinney Aquatics and Fitness Center on February 3rd. Blended interest rate for the 20-year, taxable bonds is 3.67%. MCDC board and Council approved an amended McKinney Aquatics and Fitness Center project with budget not to exceed \$34.5 million at their respective meetings on February 3rd.

MCVB – Director of Marketing Cayti Stein provided the following for DeeDee Guerra: There were 129 walk-ins with 64 from out of state, 16 from out of Country, 57 Texas residents, and 55 from McKinney. MCVB processed 3,371 leads and assisted with blocking a total of 55 hotel room nights and three weddings.

Main Street/MPAC – no report given.

McKinney National Airport – Interim City Manager Muehlenbeck stated that the new transient hangar will be full before it is completed. There are discussions underway for a second transient hangar.

15-171 Director of Business Development Report – Director of Business Development Chad Walker stated this has been an exciting month. Several substantial new projects have come in, and we are getting closer to having Salesforce up and running. There have been a lot of activity during this month. Mr. Walker stated that he will be leaving next week for the DCI Mid-Atlantic trip.

15-172 Director of BRE/Emerging Tech Report. Director of Business Retention, Expansion and Emerging Technology John Valencia stated that Highlander Partners LP out of Dallas area bought Popular Ink. They currently have 21 employees and anticipate having 35 by the end of this

year. Last month it was reported that Encore will have equipment up and running this month. Although there is still ongoing installation, HR reports movement and growth. They are on schedule to be fully going in the June timeframe. Today they have in excess of 1,300 employees and anticipate with this plant coming online to have 1,500 by the end of this year. Statlab - plan on an opening date of May first. Emerging Technology - Servergy has announced a cloud storage program called Cyphre. The Werx is off and running. There are 15 Resident companies with 19 people working there as of today. Mr. Valencia thanked the board for the appointment of Mr. Minnis to complete the Board for Werx.

15-173 Director of Marketing Report. Director of Marketing Cayti Stein stated that Collin College is hosting their annual scholarship fundraiser that is a Trivia event this Saturday evening at 6 p.m. The video "Building On Success" was launched with over 1,500 views so far. When it was loaded on MEDC's Facebook page over 16,000 people saw it.

15-174 Executive Vice President Report. Executive Vice President Abby Liu stated that Chamber Awards Ceremony at the Cottonmill went very well. Managing Director Japan Mehta attended the event on behalf of Barclays McKinney to receive the honor from Mayor Loughmiller. Staff coordinated with Barclays executives to be present to receive The Spirit of McKinney Moving Forward Award. The new Director General from Taiwan is visiting McKinney and requested a tour of Tong Yang Group and Wistron GreenTech Texas Corp. Ms. Liu stated that the 2015 Greater Dallas Taiwanese Chamber of Commerce Chinese New Year Charity Gala was held last Friday. McKinney businesses that participated include Tong Yang Group, Wistron GreenTech Texas Corp., and Hisun Motors.

15-175 President-CEO Report. President Jim Wehmeier stated that they have hired the new Administrative Assistant position and will be starting later this week. She has fifteen years of office management experience. Mr. Wehmeier discussed how the Board could move to a paperless agenda

and packet. The Strategic Planning session is scheduled for March 17th.

Chairman Tate recessed the meeting into executive session at 10:10 a.m. per Texas Government Code Section 551.071 (2) Consultation with City 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), Section 551.087 Discuss Economic Development Matter as listed on the posted agenda. Chairman Tate recessed to the open session at 11:11 a.m.

Chairman Tate called for Action on Executive Session

Board members unanimously approved the motion by Board member Lindsay, seconded by Board member Branch, to Approved to approve incentives discussed in Executive Session for Project Bug conditioned upon on its lease of a commercially-zoned property in McKinney.

Board members unanimously approved the motion by Board member Lindsay, seconded by Board member Clark, to approve incentives for Project River to be paid in arrears based upon performance of the employee hiring conditions and with employee salary requirements based on a mean and median methodology as discussed in Executive Session.

Board members unanimously approved the motion by Board member Lindsay, seconded by Board member Ruiz, to adjourn. Chairman Tate adjourned the meeting at 11:15 a.m.

DARRELL TATE
Chairman

