

## MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

**SEPTEMBER 20, 2022**

The McKinney Economic Development Corporation met in regular session in the City Hall Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on Tuesday, September 20, 2022, at 8:00 a.m.

Board members Present: Chairman Michael Jones, Vice Chairman Joe Minissale, Secretary/Treasurer Kurt Kuehn, Kenneth Sipiora, Julie Williams, Thad Helsley, and Brian Loughmiller.

Absent: Mohamed Kacem

City Council members Present: Mayor George Fuller and Councilman Rick Franklin.

Staff Present: President Peter Tokar, Senior Vice President Michael Talley, MEDC Operations Manager Deana Smithee, MEDC Executive Assistant Melanie Molina, MEDC Marketing and Social Media Manager Luke Gajary, City Manager Paul Grimes, MEDC Attorney Mark Houser, Financial Compliance Manager Chance Miller, and MCDC President Cindy Schneible.

There were 2 guests present.

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

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

**22-0855** Chairman Jones called for the Minutes of the McKinney Economic Development Corporation Meeting of July 26, 2022.

**22-0856** Chairman Jones called for the Minutes of the McKinney Economic Development Corporation Meeting of August 16, 2022.

Board members unanimously approved the motion by Board member Williams, seconded by Secretary/Treasurer Kuehn, to approve both the July 26, 2022, and August 16, 2022 Minutes.

**22-0857** Chairman Jones called for Board and Liaison Updates.

City of McKinney- City Manager Paul Grimes announced today at the City Council Work Session, Council would be discussing the assembly of a bond committee, specifically as it pertains to the airport. On September 27 there will be a City Council Special Meeting where the bond committee will be considered, and likely adopted. The committee will meet throughout this fall and make a report to City Council on whether to hold a bond election. 35 or 40 members are expected to be elected to the bond committee. Mr. Grimes announced the 2023 legislative priorities work is underway, staff led by Director of Strategic Services, Trevor Minyard, are working with federal and state lobbyists as well as legislative representatives to assemble the legislative strategy the upcoming year. The legislative strategy will be presented to City Council, who will discuss and adopt it this fall as the official legislative priorities for 2023. Mr. Grimes announced if you drive by the future City Hall site on the north side of Virginia, east of Highway 5, you will see dirt moving. The lot formerly known as "Ice House", Big Bass Towing has been removed and the soils are being remediated and removed. City Council will consider the contract for the notice to proceed on construction around mid-October. Mr. Grimes thanked Board Member Sipiora for his six-plus years on the MEDC Board, his work as Chairman, and his leadership, guidance, and presence.

MCDC- MCDC Board Member Kathryn McGill thanked Board Member Sipiora for his service and wished he and his wife Lynn enjoyable mornings together with his newfound time. Ms. McGill announced the first cycle for 2023 promotional and community grants opens in November and runs through the end of November. The MCDC board will hear the presentations from applicants at their December meeting and action will be taken in January 2023. Ms. McGill announced the retail development infrastructure grant received one applicant (from the Cotton

Mill) for funding support for sewer infrastructure improvements. The MCDC board will take action at the September 22 MCDC board meeting. Ms. McGill announced the steel is finally going up at the Tupps Brewery project, sewer infrastructure is going in, and progress is marching forward. Ms. McGill announced there are a lot of MCDC-supported events this fall including Oktoberfest September 23-25, Millhouse Outdoor Fest the first weekend of October, Dracula at the McKinney Repertory Theatre October 7-15, a chili cookoff at Adriatica October 9, the Legacy Keepers Día de los Muertos celebration on October 15 as well as the McKinney Wine and Music Festival on October 15, the La Crosse tournament for high school boys on October 15 and 16, and the McKinney Philharmonic Orchestra's Halloween spectacular on October 22. Ms. McGill announced there was \$245,732.00 awarded and split between the Collin County History Museum and McKinney Main Street. The Collin County History Museum will be adding a new "Created in Collin" exhibit, and McKinney Main Street will be making downtown lighting improvements and speaker upgrades. A grant was also awarded to the Adriatica Business Association to complete the project for privately and publicly accessible Harbor Park at Adriatica (retaining wall seating and grade-level observation deck improvements). McKinney Parks and Recreation has a 2023 allocation of \$5,500,000.00 to improve community parks, hike and bike trails, expansion of playground replacements, and vehicle equipment. Ms. McGill announced the community partnership project for the City of McKinney has a grant of \$7 million. This will be used for open space development at the plaza at the new municipal complex.

Board Chairman- Chairman Jones thanked Board member Sipiora. Chairman Jones noted there has been no one who has offered support, phone calls and constructive criticism like Board member Sipiora. Chairman Jones said a lot of the knowledge the Board has gained

between the time President Tokar joined MEDC to present came from Board member Sipiora. Chairman Jones thanked Board member Sipiora and presented him with a golf bag embroidered with Board member Sipiora's term dates.

Board member Sipiora thanked Chairman Jones for the kind words. He thanked former Mayor Brian Loughmiller, current Mayor George Fuller, and past and present City Council members from during his tenure on the MEDC board. Board member Sipiora thanked all current and former MEDC board members he has served with for their partnership, support and collegiality. Board member Sipiora stated under their leadership, the MEDC has come a long way. Strategies, reporting, finances, marketing, branding, processes and procedures are all at leading practice standards. We now enjoy a destination position in the marketplace, billions of dollars in new commercial values have been added to the city, and hundreds of good-paying jobs have been added to the economy. Board member Sipiora thanked MDCD, Visit McKinney, The City of McKinney, and the McKinney Chamber of Commerce for their support. Board member Sipiora thanked MEDC staff and called for them to continue to support one another, challenge one another, and hold each other accountable in the spirit of continuous growth and improvement. Board member Sipiora thanked his wife Lynn and stated that none of his success would be possible without her love and support.

Chairman Jones called for Board Comments. Board member Loughmiller thanked Board Member Sipiora for his service to the MEDC Board and to the City. Board Member Loughmiller noted there is a reason Board Member Sipiora served for so long. As Mayor you look for Board members with business acumen who have worked in that capacity. Board member Loughmiller again thanked Board member Sipiora for his service to McKinney. Vice Chairman Minissale announced when Chairman Jones and himself joined the Board, the City and the EDC

were going through a transformation. From small projects in a medium-sized city to much bigger projects. Vice Chairman Jones noted Board member Sipiora was instrumental in leading that transformation and thanked him for his contribution to the board.

**22-0858** Chairman Jones called for the MEDC monthly organizational report. President Tokar announced he had nothing verbal to add to the organizational report but would like to thank Board member Sipiora. Mr. Tokar has really appreciated the guidance and leadership Mr. Sipiora has given him and he will miss his presence on the MEDC Board. Mr. Tokar noted Board member Sipiora is one of the few remaining Board members who were serving when he was hired. Mr. Tokar stated he will continue to live up to the promise he made to the original Board members who gave him the opportunity to serve as MEDC President.

**22-0859** Chairman Jones called for the MEDC Monthly KPI Metrics Report. President Tokar announced there is an incredible volume of project activity this year with at least three new very large projects in the last month alone. Things are taking longer these days so a project we start working on today may potentially not be realized until 12-18 months later. We are going through a rebuilding year with strange real estate occurrences. We have \$49 million dollars in pending contracts that are either waiting on the client to finalize site plans, site locations, or some other issue keeping them from signing the contract. Mr. Tokar noted we are still holding at \$13.6 million in current signed deals and hope more will be added to that amount. Our project pipeline activity is strong, email marketing rates are where they need to be, website traffic is increased, and staff is working hard to get projects closed.

**22-0860** Chairman Jones called for the July 2022 Financials. Financial Compliance Manager Chance Miller announced there are ten days until the fiscal year closes, and October will start the new budget season. For

the month of July, we received \$1.6 million in sales tax revenue, and \$17,000 in interest income for a total of \$1.61 million for July. For operations we had \$175,000 in operational expenses. Project expenses was \$2.6 million. For sales tax, July sales tax collections are May sales tax. Last year there was a big audit collection, and this year there was a negative audit collection, making the true period-to-period increase 15.3%. May was the first month of seeing interest rate hikes, but June was the first month to see it be notable. Looking at sister cities, Allen had a 3.4% increase, (their true increase was 5%). Frisco had a 27.4% increase (a true 34% increase). Plano had a 17.1% increase (a true increase of 12%). McKinney year-to-date is 16.6%, having budgeted a 7% increase. Allen is at 8%, Frisco 24%, and Plano at 17.6%. McKinney is budgeting a 5% increase for next year. Mr. Miller noted retail trade had a decrease of \$74,000 but he believes it is a one-time fluke. Construction had a significant increase, but that is expected in the industry.

Board members unanimously approved the motion by Board member Loughmiller, seconded by Board member Helsley, to approve the July 2022 Financials.

**22-0861** Chairman Jones called for a Resolution Amending the Innovation Fund Guidelines. City Attorney Mark Houser announced the purpose of the resolution is to update and clarify some policy changes regarding the Innovation Fund that have evolved over the last few years. Mr. Houser noted one update is for the MEDC President to have some authority regarding agreement certification and payment. This resolution is also intended to make sure everyone knows it covers all the different Innovation categories. This resolution should allow for smoother review and payment to customers, while still allowing the subcommittee to override the MEDC President and bring any issues to the MEDC Board.

Board members unanimously approved the motion by Vice Chairman Minissale, seconded by Secretary/Treasurer Kuehn, to approve the Resolution Amending the Innovation Fund Guidelines.

Chairman Jones recessed the meeting into Executive Session at 8:36 a.m.

Chairman Jones reconvened the meeting into open session at 9:09 a.m.

Board members unanimously approved the motion by Board member Loughmiller, seconded by Chairman Jones, to amend both agreements for Independent Bank as discussed in Executive Session.

Board members unanimously approved the motion by Board member Julie Williams, seconded by Board member Helsley, to amend the Blue Mountain agreement as discussed in Executive Session.

Board members unanimously approved the motion by Board member Joe Minissale, seconded by Board member Thad Helsley, to amend the KDP /D-121 I, LP agreement as Discussed in Executive Session.

Board members unanimously approved the motion by Board member Loughmiller, seconded by Vice Chairman Minissale, to Adjourn.

Chairman Jones adjourned the meeting at 9:13 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: October 18, 2022

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MICHAEL H. JONES  
Chairman

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KURT KUEHN  
Secretary / Treasurer