

McKINNEY ECONOMIC DEVELOPMENT CORPORATION

REGULAR BOARD MEETING

October 12, 2010

The McKinney Economic Development Corporation met on Tuesday, October 12, 2010 in the Dowdy Boardroom of the Corporation office. The meeting was called to order at 8:00 a.m. by Vice-Chairman Keith Clifton. Board members present were Vice-Chairman Keith Clifton, Secretary-Treasurer Marta Gore, Director Carrie Alfieri, Director Roger Harris, Director Scott Lewis, Director Ernest Lynch III and Director Doug Parker. Ex-officio member present was David Brooks. Vice Chairman Clifton welcomed Ernest Lynch, III to his appointment to the Board.

Staff present were President & CEO David Pitstick, Director of Business Development Jim Young, BREP Director Greg Sims, Marketing Director Sheri Ellington, International Development Director Abby Liu, Administrative Assistant Durinda Fisher and Corporation Attorney Mark Houser.

City Secretary Sandy Hart issued the Oath of Office to reappointed Directors Carrie Alfieri, Marta Gore and newly appointed, Director Ernest Lynch, III.

The Board reviewed the minutes from the Regular Board meeting held on September 21, 2010. On a motion by Carrie Alfieri, seconded by Marta Gore, the minutes were approved. Motion carried.

The Board next reviewed the Consent Items. Ms. Fisher reviewed the September check requests. An incentive payment to Perfectly Green was made for their rent subsidy. Jason Weeks, Assistant Finance Director, reported that since the board meeting was so early in the month no financials were available for the month of September. He did report that projected sales receipts for the month of October were up 3.3% from October 2009. The "Sister Cities" report showed all the cities up from the previous year's calculations. The auditors will be starting their process with the city soon. Jim Young reported that EDS received their monthly rent subsidy, as did Perfectly Green. President Pitstick reminded the Board that the Project Payment spreadsheet lists every MEDC project. The Consent Items were approved on a motion by Scott Lewis, seconded by Marta Gore. Motion carried.

Sherie Ellington gave the Marketing Report. Per Ms. Gore's request, Ms. Ellington gave an update on the traffic hits on the MEDC web site. The web site had 730 hits which 72% were new hits. Fifty-one hits were from the Dallas Business Journal or from business journals in general including Atlanta. She also included stats on marketing efforts internationally which showed 18 hits from China, 2 from India, 2 from Mexico and 48 inquires from the World Economic Development trade show. Ms. Ellington attended the Game Developers Conference in Austin where NewToy made a presentation. The Governor's staff met with NewToy at the conference to discuss their expansion and possible incentives through the state. NewToy hopes to have 160 employees by the end of next year and will be launching two new games by the end of this year.

Abby Liu reintroduced herself to the Board and gave an overview of her background. Ms. Liu was born and raised in Taiwan. She came to the United States for her studies and had previously worked for the City of Farmers Branch for eighteen years. Ms. Liu invited the Consul General of the People's Republic of China in Houston to come to McKinney for a visit. The Consul General accepted and a reception has been planned in her honor for October 26, 2010. The event will be held at the McKinney Chamber's offices. Ms. Liu recently attended a dinner honoring the Chinese Ambassador of China, which was his first visit to the State of Texas. Ms. Liu met with Jeff Chen from Tong Yang. The company plans to increase their production in McKinney and said they are excited that the City is expanding more internationally.

Greg Sims next gave his BREP report. Mr. Sims has started a new program named "Project Development Advocacy". The new program will be a round table setting to discuss, review, counsel and communicate the development process for commercial development projects. The first meeting will be held on October 27, 2010. A flyer has been distributed to local businesses to promote assistance through the BREP program. Encore Wire was approved for their Enterprise Zone application. Mr. Sims coordinated a meeting with Perfectly Green and the McKinney Medical Center regarding the hospital's cafeteria disposal of used cooking oil. President Pitstick added that Mr. Sims attended his first TEDC quarterly board meeting as their newly appointed board member.

David Pitstick gave his President's Report. Mr. Pitstick reported that he had met with the Mayor and Council members to discuss a site for a corporate park. He also met with Bill Guthrie with KDC (Developer of the Craig Ranch Corporate Park) discussing target industries, prospect activity and a long range view on planning. A follow-up meeting is planned for next month with Mr. Guthrie. A plan to expedite the project at Hwy. 546 and the land owned by the MEDC at Old Mill Road is being discussed. When TxDOT reviews these types of projects they will take into consideration the traffic relief and the possibility for more economic development and aviation projects. The project could be set by TxDOT as high priority. Discussions regarding the Board Retreat will be reviewed later in the meeting.

The Board next heard the Liaison Reports.

City Councilman David Brooks reported that the Council's number one focus is appointing a new City Manager. The Council hopes to have one in place by the end of the year. Council recently had a retreat and the resources of the MEDC and MCDC were reviewed. Council will be working on the results of the retreat in the next four to six weeks.

CCRA Board Chairman, John Wroten, reported that Cutter completed their move to the airport. He thanked the MEDC for their efforts on assisting Cutter with their move to McKinney. The glass for the newly installed tower should be in place in the next few weeks and be ready for the colder weather. The tower will be completely finished in time for air traffic related to the Super Bowl in February.

MCDC Board of Director, George Fuller, reported that their Board approved to assist the Samaritan Inn in the expansion of their facilities.

McKinney Chamber President, Jodi LaFreniere, reminded the Board that their quarterly luncheon would be held today with featured speaker Congressman Sam Johnson. The "Try It Local.com" campaign launches today which will feature buying locally throughout the City and Collin County. The membership drive starts next week.

McKinney Visitor's & Convention Bureau Director Diann Bayes, reported that their staff has been marketing McKinney outside of the community. Staff sent out 100 press kits to travel writers and by doing that more articles about McKinney get into the travel magazines. Their web site is getting hits from Texas, California, Illinois, Arkansas, Ohio and Michigan. Their Board wants to work more closely with the MEDC to bring in more visitors, which brings in more sales taxes and bed taxes.

Greg Sims next introduced Matt Scow, VP of Real Estate Services for Blockbuster. The distribution center in McKinney currently services over 3,000 facilities all over America. Mr. Scow stated that no one is ever going to stop watching movies and Blockbuster believes that they can remain #1 in the industry even with the difficulties that the company is currently facing. Their stores are open 365 days a year whereas their competitor, Net Flex, is only available through the mail. The company is considering consolidating several of their offices into the McKinney facility. The company currently has 300 employees in the Dallas offices along with 100 contractors. Director Parker asked how many Kiosks' does Blockbuster presently have in place. Mr. Scow said they have 6,800 compared to their competitors, who have 25,000. Blockbuster plans to increase their number of Kiosks. The company will celebrate their 25th anniversary which began in Dallas.

Jim Young next introduced Steve Brainerd, Parks Development Superintendent. The Parks would like to obtain a 90 foot wide easement on the property that the MEDC owns along Old Mill Road near the Pecan Grove Cemetery. The easement would be used to build a bike and hike trail. The project would be built by the City and will be an asset for future development. Mr. Brainerd said the trail would not impact anything planned for the future of the Old Mill Road project. The City is working with DART regarding their railroad track and they are also working with the Municipal Water District. The plans are for the trail to run under Hwy. 5 and under DARTS's rail. Councilman Brooks added that the trail would be for used for leisure and trail bike riding not for high-speed bikes.

The Board took a short break at 9:00 a.m. In accordance with TX GOV'T CODE ANN. S 551.071 et. seq. the meeting was adjourned into executive session at 9:15 a.m. The Board adjourned out of executive session into open session at 9:31 a.m.

The Board next considered the election of MEDC officers. Attorney Mark Houser conducted the procedures. Mr. Houser informed the members that each office is a one year position and would need a majority vote. He then asked for nominations.

Roger Harris nominated Keith Clifton for Chairman of the MEDC Board, seconded by Doug Parker. Keith Clifton was elected as Chairman by acclamation.

Roger Harris nominated Scott Lewis to the Vice-Chairman position, seconded by Carrie Alfieri. Scott Lewis was elected as Vice-Chairman by acclamation.

Doug Parker nominated Marta Gore as Secretary/Treasurer of MEDC, seconded by Keith Clifton. Marta Gore was elected as Secretary/Treasurer by acclamation.

Mr. Houser said that at the next Board meeting the Chairman would appoint the members to various committees.

The Board next reviewed the Action Items.

The Board reviewed Prospect Proposal #10-13. On a motion by Marta Gore, seconded by Scott Lewis, the Board approved the MEDC staff recommendations to grant the easement to the City's Park Department for the bike and hike trail. Director Parker suggested that a claw back be inserted in the agreement in case the land was ever needed for a roadway. Director Lewis also suggested that part of the MEDC's land be used as a future park for the City. Motion carried.

The Board next discussed future Board meeting dates. President Pitstick reminded the Board that the Board usually meets in the third week of each month and that we try to maintain the third week. In order to abide by the open meetings rule, a posted date needs to be established and a notice needs to be posted 72 hours before the date of the meeting. The Board decided to leave the Board meeting date on the third Tuesday of each month.

The Board next reviewed the proposed Agenda for the Strategic Planning Retreat to be held on Tuesday, November 9, 2010. Several speakers have been invited which include Carlton Schwab, President of the Texas Economic Development Council; Brent Wicker with Wicker & Associates; and, Jeff Kenmer and David Carr with Hines Development. James

Chen from the Governor's International offices has also been invited. The speakers will present in the morning and the afternoon will be covered by the MEDC staff. Ray Eckenrode has also been invited to review local real estate activity. President Pitstick asked that the Board review the proposed Agenda and to let staff know if they would like to have anything added.

Chairman Clifton suggested that TIP Strategies could come and report on the status of their study on future land use in McKinney. Director Harris suggested that an update on the airport could also be added to the Agenda.

Several Board members stated that they would not be available for the next scheduled Board meeting on Tuesday, November 16, 2010. It was suggested that the Retreat and Board meeting be combined on Tuesday, November 9th.

There being no further business, on a motion by Marta Gore, seconded by Carrie Alfieri, the meeting was declared adjourned by Chairman Keith Clifton at 9:59 p.m.

MARTA GORE, MEDC Secretary/Treasurer