

## **MCKINNEY ECONOMIC DEVELOPMENT CORPORATION**

**MARCH 17, 2015**

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

Board members Present: Chairman Darrell Tate, Vice Chair Lance Lindsay, Secretary/Treasurer Robbie Clark, Pablo Ruiz, Chuck Branch, Julie Fort, and Randy Page.

MEDC Staff Present: President/CEO Jim Wehmeier; Executive Vice President Abby Liu; Director of Business Retention, Expansion and Emerging Technology John Valencia; Director of Marketing Cayti Stein; and Administrative Assistant Sheri Van Slycke.

City Staff Present: Interim City Manager Tom Muehlenbeck; Chief Financial Officer Rodney Rhoades; Corporation Attorney Mark Houser; City Secretary Sandy Hart; Director of Planning Michael Quint; Mayor Pro Tem Travis Ussery; and Council Member Geralyn Kever.

There was one guest present.

**15-265** Minutes of the McKinney Economic Development Corporation Meeting of February 17, 2015. Board members unanimously approved the motion by Board member Lindsay, seconded by Board member Ruiz, to approve the Minutes of the McKinney Economic Development Corporation Meeting of February 17, 2015.

**15-266** Chairman Tate called for Consideration/Discussion/Action on February Financials. Chief Financial Officer Rodney Rhoades updated the Board on February Financials. Mr. Rhoades stated that the Finance Department provided the Board with an EDC Financial Packet that includes a Long-Term Budget. Mr. Rhoades continued that the historical activity is what was used to build this report. Revenues are running ahead of the Monthly and Year-to-date budget and are genuinely seeing a positive trend with Sales Tax collections higher than previous years. Operating Expenditures

are running below previous years. President Wehmeier, Executive Vice President Liu, and Attorney Mark Houser are working together on Project Agreements to develop a process where Mr. Rhoades can better assist MEDC verify and validate the requirements in current agreements now and in the future. Mr. Rhoades asked the Board to consider page three and four of the Financial Report and inform him how helpful these pages are to the Board. These detailed pages could be provided on a Quarterly or Yearly basis, instead of Monthly, which would allow the Financial Department to focus more on the Summary page each month, and cut down on their report building time. Board Member Ruiz stated he appreciates the report monthly, but will accept a “by category” percentage breakdown. Secretary/Treasurer Clark stated he prefers to have these reports monthly, as well, but also agreed to a “by category” percentage breakdown with the understanding that should he need more information it can be gathered by a phone call. Mr. Rhoades agreed that would be helpful in terms of time intensive work and agreed to provide the Operating Statement by category percentages in the future. President Wehmeier indicated that full itemized report was very important from his operational point of view, however, it did not need to be provided before Board Meetings. Mr. Rhoades agreed he would supply a system report for President Wehmeier. Mr. Rhoades proposed a better report layout for our Sister City Comparisons Report with concurrence from the Board and the Board agreed. Board members unanimously approved the motion by Board member Ruiz, seconded by Secretary/Treasurer Clark, to approve the February Financials.

**15-267** Chairman Tate called for Consideration/Discussion/Action on McKinney Economic Development Corporation Marketing Consultant. Executive Vice President Abby Liu presented the options for DCI, which is the current Marketing Consultant for MEDC, and a new contender which is

ROI. Board members unanimously approved the motion by Vice Chair Lindsay, seconded by Board member Fort, to approve an agreement for option B with ROI as McKinney Economic Development Corporation Marketing Consultant.

**15-268** Chairman Tate called for Board and Liaison Updates

Board Chair: Chairman Tate stated he and a small contingency went to Austin for Collin County Days and he shared his experiences with the Board. Chairman Tate hopes that all the Board will be able to attend next year.

City of McKinney: Interim City Manager Muehlenbeck thanked Board Members Julie Fort and Randy Page for their help with the selection process of our new Chief of Police. Mr. Muehlenbeck stated that an announcement will be made later today. Mr. Muehlenbeck recognized City Secretary Sandy Hart for being selected as one of eight outstanding women in Public Administration for Collin County by the League of Women Voters. Ms. Hart gave a knock-out speech and made us all proud. Mr. Muehlenbeck also stated that City Council is working hard to finalize the Bond Committee in order for work to begin on the Bond referendums.

**15-269** Chairman Tate called for the Director of Business Development Report.

President Wehmeier stated that Chad Walker, Director of Business Development is in California on official business. Mr. Walkers' report is included in the packet for the Board's review. Please direct questions to Mr. Wehmeier or by email to Mr. Walker.

**15-270** Chairman Tate called for the Director of BRE/Emerging Tech Report.

Director of BRE/Emerging Technology Valencia stated that the software "Salesforce" has been implemented and although he has not used it yet, he is currently inputting the necessary data to make the software useful. Mr. Valencia mentioned that "Salesforce" is going to be a tremendous

tool. Chairman Tate asked for an update on the construction on Highway 75. Council member Kever stated that drivers will have to make an adjustment entering our City due to some rerouting of frontage roads, but in general, there is no change to report on the construction of US 75. Ms. Kever stated that the intersection of Eldorado Parkway and US 75 is where they are concentrating their efforts. Ms. Kever has a Texas Department of Transportation Collin County report she will forward to Chairman Tate.

**15-271** Chairman Tate called for the Director of Marketing Report. Director of Marketing Cayti Stein referred to an attachment to her report is an article by the Dallas Catalyst referring to the McKinney Urban Village project. In addition, Ms. Stein mentioned a second article attached to her report from Dallas Business Journal Real Estate Awards states that Texas Crossing & Craig Ranch have been nominated for Dallas Best Real Estate Deal of the Year.

**15-272** Chairman Tate called for Executive Vice President Report. Abby Liu, Executive Vice President reported on the Projects Compliance updates. Wistron GreenTech Texas Corporation Loan Agreement has met all requirements and conditions. MEDC forgiveness letter was sent. MEDC is setting up a meeting with Experian to discuss historical and current payments. Staff is working with legal counsel and Finance for the compliance. MEDC staff worked with Hisun staff for clarification of compliance of Loan Agreement. Ms. Liu also reported to the Board concerning her Mid-Atlantic Business Mission in late February 2015, which was planned by DCI. This Mission included appointments in Maryland, Washington DC, and Virginia that entailed five business meetings, two of which were site selection consultant meetings.

**15-273** Chairman Tate called for the President-CEO Report. President/CEO Wehmeier mentioned that he had previously offered to email to the Board

a list of committees of the MEDC Board and those that we may have some tertiary involvement. The list is included in the meeting packet. The MEDC Board members are welcome to attend any of these committee meetings. Mr. Wehmeier pointed out the Legislative Update from Angela Hale that is provided behind the President's Report in the meeting packet, however going forward the Legislative Update will only be provided electronically. Mr. Wehmeier stated that Salesforce has the capability of providing specialty reports that can be provided to the Board once it is fully operational. Director of Marketing Stein stated that Salesforce can track of all contacts we receive that we are not able to help, so that in hindsight, MEDC will be more educated on how to move forward with projects. Ms. Kever expressed thanks to Mr. Wehmeier for his weekly updates. She further commented on the list of committees indicating the Gateway Committee, after the MOU was signed the City Council gave Mr. Muehlenbeck and Mr. Wehmeier direction to take the lead vetting through the terms of the development agreement and the Airport Joint Committee is an historical committee.

Chairman Tate called for Citizens Comments and there were none.

Chairman Tate called for Board Comments and there were none.

Chairman Tate recessed the meeting into executive session at 9:03 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 11:05 a.m.

Board members unanimously approved the motion by Board member Lindsay, seconded by Board member Fort, to approve to coordinate dates for the Encore Wire incentive agreements on the same basis as the City of McKinney's as discussed in Executive Session.

Board members unanimously approved the motion by Board member Lance Lindsay, seconded by Board member Pablo Ruiz, to approve incentives for Project Ernst as discussed in Executive Session.

### **STRATEGIC PLANNING**

**15-274** Discuss Target Industries. Board discussed target industries that included five target markets: Aerospace Aviation/Defense; Clean Manufacturing; Corporate Headquarters/Office; Healthcare and Medical Device Manufacturing; and High Tech. It was discussed to change the Airport target market to Aviation Related Industries and to incorporate Financial Services to the description of the Corporate Headquarters/Corporate Office market. It was discussed that it would be advantageous to target areas and markets that are already in the community.

**15-275** Discuss Target Geographic Development Areas. Director of Planning Michael Quint discussed geographic areas of the City that would be marketable based on the target markets previously discussed. Mr. Quint stated that the City is moving forward with the removal of the applicability of the REC overlay zoning district in the southwestern portion of the City. The existing REC overlay zoning district would remain on the properties currently developed, but any future zoning would be handled as a straight zoning or PD zoning. Mr. Quint mentioned that many of the northern areas of the City and ETJ will not see widespread development until infrastructure is installed; namely bridges at key locations. These locations include Stonebridge Drive and Ridge Road over Wilson Creek and Community/Bloomdale, and the FM543 Connector. Mr. Quint stated that the City will also be updating the Comprehensive Plan that has not been revised since 2004. Mr. Wehmeier expressed gratitude to Mr. Quint and his staff for all the day to day interaction and help they provide continuously.

**15-276** Discuss Incentive. Mr. Wehmeier expressed he would like the discussion on Incentives to be geared towards creating an Incentive policy, but not necessarily having a complete process today. He would also like the discussion to be idea driven and an open free discussion based on the guideline discussion points provided in the meeting packet and requesting from the Board general input. Mr. Wehmeier noted the inclusion of the TED Sales Tax Primer for Local Officials included in the meeting packet. In the past, MEDC incentives were tallied almost exclusively based on taxable value and really didn't consider jobs. At this point, we consider both, and maintain it is important to do so, but to what degree will be up to the Board. One of the reasons we really need to revamp our Incentives Policy is the last four to seven years we have been varying from the policy a lot with our discretionary abilities. Mr. Clark offered an example of a possible excel type matrix to help delineate the particulars in the proposed Incentive Policy. Mr. Page expressed that he agrees we need a process, however, is questioning why we need a consistent matrix. Every deal will be different and maybe should be handled on a case by case basis. Mr. Wehmeier responded that while MEDC and Board always have the ability to adjust to each situation, it would be very helpful to have a starting off point. Ms. Fort and Mr. Page put forth the importance of making this more of a tool as opposed to a written policy. Mr. Wehmeier agreed that the incentive matrix simply be a tool as a jumping off point. Mr. Wehmeier also explained how full time job creation is also included in the incentive formula, which includes salaries that must be 101% of the county average for any particular job description. The Board asked that Mr. Wehmeier put together a proposed incentive tool to discuss at the next meeting.

**15-277** Discuss Staffing Today and in the Future. Mr. Wehmeier discussed the needs of the MEDC concerning staffing and the need of a new staff

member. He also provided information in the Board meeting packet to review in relation to current staff members responsibilities. Ms. Fort requested from each staff member to explain their work loads. Marketing Director Stein expressed that her usual work load is 50 hours per week. Chairman Tate explained that he supports the idea of an additional staff member to take some of the operational duties off of President Wehmeier and Executive Vice President Liu's shoulders and allow him more time out in the field bringing in more business. A consensus of the Board agreed that a new operational staff member could help fulfill the organizational needs of the office.

#### **TROLLEY TOUR**

**15-278** Trolley left the MEDC office at 2:30pm. Trolley Stop #1 - Presentation and Tour of McKinney National Airport - Approximately 3:00 p.m. Trolley Stop #2 - Brief Tour of TYG Manufacturing Facility - Approximately 4:00 p.m. Trolley Stop #3 - Return to MEDC Office -5:15 p.m. Chairman Tate adjourned the meeting at 5:15pm.

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DARRELL TATE  
Chairman