

## MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

**JULY 21, 2015**

The McKinney Economic Development Corporation met in regular session in the Dowdy Board Room, 5900 S. Lake Forest Drive, McKinney, Texas, on July 21, 2015 at 8:00 a.m.

Board members Present: Chair Darrell Tate, Vice Chair Lance Lindsay, Secretary/Treasurer Robert Clark, Julie Fort, and Randy Page. Council Present: Mayor Brian Loughmiller, Mayor Pro Tem Travis Ussery, and Council members Randy Pogue and Chuck Branch.

Staff Present: Interim President Abby Liu; Director of Business Retention, Expansion and Emerging Technology John Valencia; Director of Business Development Chad Walker; Director of Marketing Cayti Stein; Administrative Assistant Sheri Van Slycke; Interim City Manager Tom Muehlenbeck; Assistant City Manager Rob Daake; Interim Assistant to the City Manager Chandler Merritt; Chief Financial Officer Rodney Rhoades; Financial Analyst Trevor Minyard; Development Services Project Manager Dedra Bates; Communications and Media Manager Anna Clark; MEDC Attorney Mark Houser; and MCVB Tourism Services Specialist Vanesa Rhodes.

There were 6 guests present.

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

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

- 15-692** Minutes of McKinney Economic Development Corporation Meeting on June 16, 2015
- 15-693** Minutes of McKinney Economic Development Corporation Meeting on June 23, 2015
- 15-700** Chairman Tate called for the consideration/discussion/action on June financials. Financial Analyst Trevor Minyard reported the revenues are 4.8% over the projected budget, and expenses are at 50% of the budget

while we are 75% of the way through year. There was an uptick in operational expenses in the month of June, however still trending under the budgeted totals. June 2015 sales tax collected did supersede June 2014 collections. Chief Financial Officer Rodney Rhoades gave the board a short tutorial for online budget reports and offered options for consideration on how delivery of reports would be available for the future. Board members unanimously approved the motion by Vice Chair Lindsay, seconded by Board member Page, to approve June financials.

**15-701** Chairman Tate called for the Consideration/Discussion/Action on Additional Support Staff. Interim President Abby Liu expressed the need for an Economic Development Coordinator to the board. Staff has been in need of such a support person, and at this transition time, it is especially deemed necessary. Mr. Rhoades explained he sees no budget concerns in adding this position. Board members unanimously approved the motion by Vice Chair Lindsay, seconded by Secretary/Treasurer Clark, to hire an Economic Development Coordinator.

**15-702** Chairman Tate called for the Consideration/Discussion/Action on a Management Audit. Ms. Liu reported during her weekly meetings with Interim City Manager Tom Muehlenbeck, the topic of a management audit was discussed. Ms. Liu indicated she has not had any prior experience with management audits and deferred to Mr. Muehlenbeck to offer an explanation to the board. Mr. Muehlenbeck mentioned that there has been discussion in the past as to whether or not our EDC staff was organized well, and if the staff was the right size and/or placed well within the organization. He continued that this may be an opportune time to examine these issues with a management audit, since there will be a new CEO coming onboard. Mr. Muehlenbeck further expressed that budget for a management audit is available should the board be so inclined to

move forward with it. Board members unanimously approved the motion by Secretary/Treasurer Clark, seconded by Board member Page, to approve Interim President Liu to attain an RFP for an outside vendor to conduct a management audit.

**15-694** Chairman Tate called for the Board and Liaison Updates:

Board Chairman – Chairman Tate expressed his thanks to the MEDC staff for their continuing efforts during this difficult time of transition. He continued his thanks to Ms. Liu for doing such a fabulous job and for keeping the Chairman and the board well informed.

City of McKinney – Mayor Pro Tem Ussery expressed his welcome to Council member Pogue as co-council liaison. The Aquatics and Fitness Center ground breaking was a great success and it will be a terrific contribution to the City of McKinney.

MCVB - MCVB Tourism Services Specialist Vanesa Rhodes reported June's walk-in's at 197, highlighting the out of state visitors at 93, and 14 out of country. Staff assisted with capturing 523 hotel room nights for a total of \$38,555. The Made in McKinney Store is up 44% in June sales year over year. Dee-dee conducted both associate and corporate sales calls in Houston. MCVB processed over 3000 leads that came from Tour Texas, Southern Living, Texas State Travel Guide, and See Texas First publications. The Texas Fly-Fishing Festival is currently on hold, however, finalization of the logistics and details should happen soon.

MCDC – Marketing Director Cayti Stein stated the CDC, Parks and Recreation, and the City of McKinney had a great partnership event with the groundbreaking for the Aquatic and Fitness Center located at Gabe Nesbitt Park. The CDC has a board meeting Thursday, July 23<sup>rd</sup>, and has received seven promotional grants totaling \$54,000, and \$50,000 will be awarded at the August board meeting.

Main Street/MPAC - Mayor Pro Tem Ussery stated the Main Street board

met last Thursday, July 16<sup>th</sup>. The discussion centered around Oktoberfest and the accompanying festivities.

**15-695** Chairman Tate called for the Director of Business Development Report. Director of Business Development Chad Walker reported quite a bit of activity since the last board meeting, and a significant increase in project activity over the last few weeks. Some older projects gained new life, and several new projects have begun. Mr. Walker traveled to Chicago with the Dallas Regional Chamber to call on site consultants at the end of June and included on the trip were representatives from Denton, Frisco, Fairview, and Plano. Collin County was well represented, and it was beneficial to present the benefits of the entire area as well as the distinguishing factors that set McKinney apart.

**15-696** Chairman Tate called for the Director of BRE/Emerging Tech Report. Director of BRE/Emerging Tech John Valencia reported on the retention front, Erchonia has their building up for sale and are looking to move to Melbourne, Florida. The move is due to family ties. There are a number of interested parties looking at the remaining 23 acres of MEDC land in the Bray Central area. At this time, MEDC has six active companies in the BREP program, please see report attached. The Werx now has 25 resident companies, with 28 people working there. The Werx board will be making their six month report for the board today.

**15-697** Chairman Tate called for the Director of Marketing Report. Director of Marketing Cayti Stein mentioned the three Bisnow networking events for commercial realtors, developers, and construction companies MEDC has committed to sponsor. These include, July 22<sup>nd</sup>, Data Centers at the Infomart Dallas; August 5<sup>th</sup>, Mixed Use Developments at the Westin Galleria; and August 24<sup>th</sup>, Capital Markets, location to be determined. Ms. Stein attended the Team Texas Showcase event on July 10-12,

which was well attended by brokers, site consultants and Team Texas members. MEDC's website is managed and maintained by Ms. Stein and the City of McKinney's website coordinator, Susan Mardele, and all website's will be updated and revamped beginning in January or February 2016.

**15-698** Chairman Tate called for the Interim President Report. Interim President Abby Liu expressed her sincere appreciation to the board for all their support during this time of transition. Ms. Liu continued her thanks to Mr. Muehlenbeck for his help, support and shared knowledge. Thanks are also due to the HR department and IT for their extra help right now. Ms. Liu explained that she and the Executive Committee will be meeting regularly in the future, although the schedule has not yet been decided. Project Catch will be updated in executive session. Project compliance is being worked on diligently. Ms. Liu attended TexasOne in New York City led by Governor Abbott on July 13 & 14, 2015.

**15-699** Chairman Tate called for The Werx Six Month Update. The Werx Executive Director Christine Smith and board members Terry Casey, Steve Tucker, Mark Cottam, and John Minis were in attendance for the six month update to answer any questions. The Werx pro forma indicates The Werx is on track and revenues are 97% of projected. The Werx has 26 resident companies, up from nine when started. The Werx has received approval for the 1024 Federal Tax Exemption, which was one of the requirements. And, now as a result of the tax exemption status, the corporate sponsorship activity is ramping up.

Chairman Tate called for citizen comments and Mr. Lewis McClain, a McKinney resident, stated his concerns and questions in reference to Servergy, Inc. and MEDC's involvement with them. The board indicated they will review his questions and reply to each one at a later time, as a

group and individually.

Chairman Tate called for board comments and there were none.

Chairman Tate recessed the meeting into executive session at 8:45 a.m. per Texas Government Codes: 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) and legal consultation on the following item(s); Section 551.072. Deliberations about Real Property; Section 551.074. Personnel Matters; Section 551.087. Deliberation Regarding Economic Development Matters as listed on the posted agenda.

Chairman Tate reconvened the meeting to open session at 9:20 a.m.

Board members unanimously approved the motion by Vice Chair Lindsay, seconded by Secretary/Treasurer Clark, to adjust the job criteria in the incentive offer from \$107,000 to \$95,000 for Project Fox II, as discussed in executive session.

Board members unanimously approved the motion by Vice Chair Lindsay, seconded by Board member Julie Fort, to adjourn. Chairman Tate adjourned the meeting at 9:30 a.m.

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DARRELL TATE  
Chairman