

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

JANUARY 17, 2017

The McKinney Economic Development Corporation met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on January 17, 2017 at 8:00 a.m.

Board members Present: Chairman Jason Burress, Vice Chairman Paul Merritt, Secretary/Treasurer Walter Chen, Randy Page, Kenneth Sipiora and Robert Clark.

Absent: Sharon Denny

City Council members Present: Mayor Pro Tem Randy Pogue and Council member Travis Ussery.

Staff Present: President Darrell Auterson, Executive Vice President Abby Liu, Director of BRE/Emerging Tech John Valencia, Director of Business Development Chad Walker, Economic Development Coordinator Madison Clark, Executive Assistant Sheri Van Slycke, City Manager Paul Grimes, Director of Strategic Services Chandler Merritt, Senior Financial Analyst Trevor Minyard, Airport Operations Manager Eric Pratt, MEDC Attorney Mark Houser and MCVB Executive Director Dee-dee Guerra.

There were four guests present.

Chairman Burress called the meeting to order at 8:01 a.m. after determining a quorum was present. Chairman Burress called for action on the consent items.

17-050 Minutes of the McKinney Economic Development Corporation Meeting of November 15, 2016. Board members unanimously approved the motion by Board member Clark, seconded by Vice Chairman Merritt, to approve the November 15, 2016 minutes with the understanding they will reflect the corrections requested by Chairman Burress, under agenda item #16-1149: votes stated as 4-2-1, changed to 4-2, and vote stated as 6-0-1, changed to 6-0. Under agenda item #16-1156: vote stated as 5-1-0, changed to 5-1.

17-051 Minutes of the McKinney Economic Development Corporation Meeting of December 20, 2016. Board members unanimously approved the motion by Board member Clark, seconded by Vice Chairman Merritt, to approve

the December 20, 2016 minutes.

17-052 Chairman Burress called for the Board and Liaison updates.

Board Chair – Chairman Burress, Board member Clark and President Auterson attended a number of project related meetings in December and January, as well as individual progress meetings.

City of McKinney – City Manager Paul Grimes reported the 85th Texas Legislature convened on January 10th. The SB-2 Bill has been introduced and is a tax reform bill that shackles the City's abilities to raise or generate revenues through ad valorem tax which could have a real impact on fire and police to deliver services. City Manager's office will be monitoring this bill and others very closely to keep all McKinney Board's abreast of the situation. Friday, January 20th, City Council will have their Strategic Planning meeting. Staff has developed a funds flow chart for the airport for the years 2014, 2015 & 2016 available on the City of McKinney website under the Transparency section. City of McKinney has secured the services of National Research Center to conduct the National Citizen Survey, which is the gold standard for community wide surveys. Staff has begun sending out the survey's to 1,800 McKinney citizens.

17-053 Chairman Burress called for the Consideration/Discussion of the MEDC Staff Monthly Reports. Vice Chairman Merritt requested an explanation of the EB-5 and Regional Investment Center mentioned in President Auterson's written report. Mr. Auterson explained that the EB-5 visa provides a method of obtaining a green card for foreign nationals who invest money in the US, which could enhance some of MEDC's international business initiatives since it would create another potential financing tool for attracting foreign investment. Board member Sipiora asked Director of BREP Valencia to expand his future written reports in regards to how MEDC is adding value to any expansion projects and to explain a little more in depth how MEDC assists these companies. Mr.

Valencia explained his role in these efforts to act as liaison between the company and the City, as well as building relationships with principals of local companies to be available for potential retention and/or expansion needs.

17-054 Chairman Burress called for the Consideration/Discussion of the Gateway RFQ-Assessment of Responses. Chairman Burress referred the Board to the Gateway RFQ evaluation matrix attached to the agenda. As a reminder, this evaluation matrix was finalized on January 12, 2017 by the Gateway Project Team. President Auterson reported that today, January 17th, is the deadline for responses to the RFQ that were disseminated on December 2, 2016. Once all the responses have been received by the end of today, the MEDC Gateway Committee in partnership with the Gateway Project Team and the City Council liaisons will go through an objective and transparent review process over the next few weeks.

17-055 Chairman Burress called for the Consideration/Discussion/Action on the McKinney Tech Center Request for Economic Development Funding. Chairman Burress explained that the McKinney Tech Center is the potential new branding for The WERX. President Auterson reported The WERX Board has made some decisions leading them into a transition period, which includes their executive leadership structure, their business model and their vision for the future. Mr. Valencia gave a brief synopsis of the recent WERX history and some background on the new executive leadership. Messrs. John Miller and Harry Smeenk shared the goals, financial reports and vision for The WERX (McKinney Innovation Center). Vice Chairman Merritt confirmed with Mr. Smeenk that the plan was a diminishing consumptive model over a three year period, so that after three years it would be self-sustaining, and then giving back to the MEDC. President Auterson shared he is trying to align the strategic planning timeline of MEDC with the current circumstances that the WERX

is facing. Since MEDC is still early in the process of the Strategic Plan, there hasn't been adequate due diligence to determine how The WERX or something like it can fit into the MEDC long term strategic plan. This \$47,000 will simply provide a short term bridge for the analysis and vetting to be completed. Mr. Miller explained that Mr. Smeenk would be the Executive Director, while he would be available as an ongoing consultant.

Chairman Burress called for citizen and Board comments and there were none.

Chairman Burress recessed the meeting into Executive Session at 9:06 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) and legal consultation on the following item(s). Section 551.087. Deliberation Regarding Economic Development Matters as listed on the posted agenda. Chairman Burress reconvened the meeting to open session at 11:36 a.m.

Board members approved, by a vote of 6-0, the motion by Vice Chairman Merritt, seconded by Board member Clark, to approve the revised proposal for Project 3-Tab, as discussed in Executive Session.

Board members approved, by a vote of 6-0, the motion by Board member Page, seconded by Board member Clark, to approve the revised proposal for Hisun Motors, as discussed in Executive Session.

Board members approved, by a vote of 6-0, the motion by Board member Sipiora, seconded by Vice Chairman Merritt, to defer decisions on Project Rocks pending further information, as discussed in Executive Session.

Board members approved, by a vote of 6-0, the motion by Chairman Burress, seconded by Secretary/Treasurer Chen, to approve the incentive package for Project Fishing, as discussed in Executive Session.

Board members approved, by a vote of 6-0, the motion by Board member Sipiora, seconded by Vice Chairman Merritt, to approve a grant for the McKinney

Innovation Center in the amount requested \$47,000 to be paid in four equal monthly installments.

Board members approved, by a vote of 6-0, the motion by Board member Sipiora, seconded by Board member Page, to adjourn. Chairman Burress adjourned the meeting at 11:41 a.m.

JASON BURRESS
Chairman