

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

JUNE 20, 2017

The McKinney Economic Development Corporation met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on June 20, 2017 at 8:00 a.m.

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

Absent: Randy Page

Council members Present: Mayor George Fuller, Council members Chuck Branch and Scott Elliott

Staff present: President Darrell Auterson, Director of BRE/Emerging Tech John Valencia, Business Development Specialist Madison Clark, Operations/Compliance Administrator Sheri Van Slycke, MEDC Temporary Administrative Assistant Sterrett Coleman and MEDC Intern Einar Longva, City Manager Paul Grimes, Assistant to the City Manager Trevor Minyard, MCVB Director Dee-dee Guerra, Senior Financial Analyst Eric Corder, Chief Financial Officer Mark Holloway, Chamber President Lisa Hermes and MEDC Attorney Mark Houser.

Chairman Burress called the meeting to order at 8:00 a.m. after determining a quorum was present. Chairman Burress called for action on the consent items.

17-610 Minutes of the McKinney Economic Development Corporation Meeting of May 16, 2017. Board members approved, by a vote of 6-0, the motion by Board member Sipiora, seconded by Board member Denny, to approve the Minutes of the McKinney Economic Development Corporation Meeting of May 16, 2017.

17-611 Chairman Burress called for Board and Liaison Updates.

Board Chairman – Chairman Burress reported a busy month for the MEDC, which included finalizing the Strategic Plan along with the approval process. Mr. Burress stated the Serve McKinney event was well attended, including Mayor George Fuller. Several Board members, MEDC staff and City staff toured the PACCAR plant in Denton.

Chairman Burress requested a meeting with a construction/site selection company that focuses on new market tax credits which proved to be a productive meeting and President Auterson was in attendance with Chairman Burress. Mr. Burress expressed his appreciation for Mayor Fuller's engagement with the economic development of McKinney and his support of the MEDC.

City of McKinney – City Manager Paul Grimes reported staff is busy onboarding three new City Council members. A special legislative session begins July 18th that include issues of annexation and local level tax restrictions. Texas Municipal League is keeping all involved abreast of the issues. City of McKinney has been honored with several awards including First Place for the Best Website in the entire state, Second Place award of Excellence for the Electronic Annual Report, and a Second Place award of Excellence for the MCDC's Buy Local Marketing Campaign. Staff intends to present the City's final 2017/2018 Budget to City Council on August 4th and then prepare for adoption of that budget on September 19th.

Chamber of Commerce - Chamber President Lisa Hermes reported the Chamber is reapplying for accreditation through the U.S. Chamber of Commerce and are aiming at a five star rating. The Business to Business Guide is in process and the goal is to have this excellent resource completed this summer. The Chamber has scheduled a Hail and Farewell event for the outgoing and incoming City Council members on July 27th. The Chamber sponsored Leadership McKinney program is entering its 30th year of service with 46 applicants this year. The up to 28 candidates will be selected and announced in early July. The Chamber will be rolling out a soft launch of their new logo and brand that will partner well with the City of McKinney's branding images at the next Quarterly Luncheon.

MCVB – MCVB Executive Director Dee-dee Guerra expressed her gratitude to Wendy Gallagher for her years of partnership as manager of the Made in McKinney store. MCVB has a new agreement with the McKinney Shop and continues to have a retail presence. In the month of May, MCVB secured 421 room nights with a revenue of \$46,615, which consisted of about 12 weddings, two social events, two corporate events and one sporting event. Special thanks to MEDC Executive Vice President Abby Liu for referring the PACCAR staff to MCVB to assist them with accommodation's for the PACCAR groundbreaking.

17-612 Chairman Burress called for Consideration/Discussion on MEDC Staff Monthly Reports. President Auterson introduced the new MEDC Intern Einar Longva and shared the hopes of a continuing MEDC internship program. Mr. Auterson stated that the gentleman of whom accepted the position of Director of Business Development informed staff he would have to decline the position due to an unforeseen family situation. The Director of Marketing position is in the phone interview stage. President Auterson assured Board members that their participation in the Spec Light Industrial RFP evaluation process will be welcomed and encouraged. Vice Chairman Merritt along with Board members Clark and Sipiora volunteered to be part of the Spec Light Industrial RFP evaluation process. Board member Clark expressed his concerns over delays in the Spec Light Industrial RFP process.

17-613 Chairman Burress called for Consideration/Discussion on a Proposed FY18 Budget for Submission to the City Manager for Review. President Auterson explained his budget presentation procedure to the Board and asked for the Board's patience since this is his first stab at the MEDC Budget process. President Auterson discussed the staffing needs and adjustments necessary for the future, which is one element that affects the upcoming budget year. In addition, the office lease has been renewed for another five years and there has been an incremental

increase in that budget item. Overall, between the line items that were re-evaluated and reduced, and the few items that were increased, the yearly budget has expanded over last year's budget by only about \$8,800. The Strategic Plan drove a number of the line item increases that included marketing material and programming. Board members requested a more detailed spreadsheet and presentation, as well as more information on the marketing and grant budgets. Board members approved, by a vote of 6-0, the motion by Chairman Burress, seconded by Board member Denny, to approve Chairman Burress appointing a Finance sub-committee to help with the FY18 budget decisions with Board members Clark, Sipiora and Secretary/Treasurer Chen.

17-614 Chairman Burress called for Consideration/Discussion on TIRZ Overlay Incentive Opportunities. President Auterson stated the Strategic Plan has a Goal category related to competitiveness, and McKinney's competitiveness hinges on the ability to improve our product. Unfortunately, McKinney has severe deficiencies in infrastructure, ready sites and ready buildings. As a result, President Auterson would like to explore the possibilities of utilizing a TIRZ Overlay, in combination with the resources of the MEDC, as a tool to encourage development or re-development. Other cities in Texas use this tool commonly, however the funds created are limited to use within that TIRZ area only.

17-615 Chairman Burress called for Consideration/Discussion/Action on May Financials. Chief Financial Officer Mark Holloway reported the revenue of the MEDC is above budget YTD by 18.95%. Sales tax figures came in 17.36% above last year's collection through May. Expenditures continue to be under budget due to savings in rebate expenditures paid out for incentives. However, during the month of May, MEDC paid \$205,000 to Horizon Data Centers and \$24,000 to O'hara Flying Service. Board members approved, by a vote of 6-0, the motion by Board member

Clark, seconded by Vice Chairman Merritt, to approve the May Financials.

17-616 Chairman Burress called for Consideration/Discussion/Action on an Amendment to Articles V and VI and Related Sections on the Sixth Amended Bylaws of the McKinney Economic Development Corporation to Modify the Operational/Supervisory Relationship Between the President and the City Manager. Board member Sipiora expressed his support of the amendment as good governance and Board stewardship. Board members approved, 6-0, the motion by Chairman Burress, seconded by Secretary/Treasurer Chen, to approve an amendment to MEDC's Sixth Amended Bylaws to revise and reverse all of the language added or deleted in 2015 regarding the MEDC President's Organizational and Supervisory relationship to the City Manager; and further revising the bylaws provision on training to allow for economic development training from our general counsel to prepare and circulate the bylaws revisions to the MEDC Board in accordance with the Notice provisions for amendment in furtherance of conducting a formal Board vote thereon at the earliest of our July Board meeting or any special Board meeting that may be called.

Chairman Burress called for citizen comments and there were none. Chairman Burress called for Board or Commissioner comments. Chairman Burress expressed his appreciation of the united efforts of the current MEDC Board, and expressed special thanks to Board member Sipiora for the relationship that they have built.

Chairman Burress recessed the meeting in Executive Session at 9:11 a.m. Texas Government Code: A. Section 551.071 (2). Consultation with MEDC 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 and legal consultation on the following item(s), if any: Section 551.072. Deliberations about Real Property: Spec Light Industrial RFP Update, and Section 551.087. Deliberation

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Regarding Economic Development Matters as listed on the posted agenda. Chairman Burress reconvened the meeting to open session at 9:57 a.m.

Board members, by a vote of 6-0, to approve the motion by Board member Denny, seconded by Secretary/Treasurer Chen, to adjourn. Chairman Burress adjourned the meeting at 9:58 a.m.

JASON BURRESS
Chairman