

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

NOVEMBER 15, 2016

The McKinney Economic Development Corporation met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on November 15, 2016 at 8:00 a.m.

Board members Present: Walter Chen, Paul Merritt, Robert Clark, Jason Burress, Kenneth Sipiora and Sharon Denny. Absent: Randy Page.

City Council members Present: Mayor Brian Loughmiller, Mayor Pro Tem Randy Pogue, Council members Travis Ussery and Chuck Branch.

Staff Present: President Darrell Auterson, Executive Vice President Abby Liu, Director of BRE/Emerging Tech John Valencia, 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, MCDC President Cindy Schneible, Chief Financial Officer Mark Holloway, Deputy City Manager Jose Madrigal, Assistant Airport Director Mark Jaraczewski, MEDC Attorney Mark Houser, MCVB Executive Director Dee-dee Guerra and McKinney Chamber President Lisa Hermes.

There were four guests present.

Board member Clark called the meeting to order at 8:04 a.m. after determining a quorum was present. Mr. Clark called for the election of officers.

16-1149 Election of Officers. Board member Clark nominated Mr. Burress. Board member Chen nominated Mr. Sipiora. The Board unanimously approved the motion by Board member Merritt, seconded by Board member Chen, to close the nominations. Mr. Burress was elected Chairman by a majority vote of 4-2. Chairman Burress called for the nominations of Vice Chairman. Board member Sipiora nominated Mr. Chen. Board member Clark nominated Mr. Merritt. The Board unanimously approved the motion by Board member Clark, seconded by Board member Chen to close the nominations. Mr. Merritt was elected Vice Chairman by a majority vote of 4-2. Chairman Burress called for the nominations of

Secretary/Treasurer. Vice Chairman Merritt nominated Mr. Chen. The Board unanimously approved the motion by Board member Clark, seconded by Chairman Burress to close the nominations. Mr. Chen was elected Secretary/Treasurer by a majority vote of 6-0.

16-1150 Chairman Burress called for the Minutes of the McKinney Economic Development Corporation Meeting of October 18, 2016. Board members unanimously approved the motion by Board member Denny, seconded by Board member Clark, to approve the minutes of the October 18, 2016 meeting.

16-1151 Chairman Burress called for the Board and Liaison Updates.

Board Chair – Chairman Burress expressed his gratitude in being elected Chairman and promises to support the Board and staff in their efforts to be as effective as possible. Mr. Burress congratulated the Chamber for their efforts in hosting the State of the City event and thanked Mayor Loughmiller for his many years of service to McKinney.

City of McKinney – City Manager Paul Grimes shared an article from the San Antonio Express Newspaper regarding property tax reform in Texas. Mr. Grimes stated the article summarized the issues that municipalities had with the Senate Select Committee on Property Tax Reform, and felt it was important for all policymakers to be informed of the situation with the call to action being to contact your state legislators. Mr. Grimes announced that the McKinney Police Department was awarded the national CALEA accreditation for professional excellence. Only 850 out of 18,000 law enforcement agencies in the country are accredited by CALEA.

MCDC – President Cindy Schneible congratulated the Chairman, Vice Chairman and Secretary/Treasurer on their newly acquired elected positions. Ms. Schneible reported the MCDC has welcomed a new Board member, Jackie Brewer. The new officers for the MCDC Board are Chairman Kurt Kuehn, Vice-Chairman Dave Clarke, Secretary

Hamilton Doak and Treasurer Dave Myers. Ms. Schneible provided a summary of the grants provided by the MCDC Board in the previous fiscal year. MCDC has two Promotional and Community grant cycles per year, with a pool of \$50,000 per cycle to award to recipients. The Promotional and Community grants criteria are that the funds are used strictly for advertising and promotion of events in McKinney that encourage business development, tourism and promotion of the City. MCDC offers three Project grant cycles per year for events that benefit the community and fit within the CDC criteria. The Apex Centre is holding open registration for membership November 19 – 20th, with a Grand Opening schedule for February 4th, 2017.

MCVB – MCVB Executive Director Dee-dee Guerra reported the MCVB Board's newly elected officers were Chairman Wayne Hill, Vice-Chairman Jim Bressler and Secretary/Treasurer Sally Huggins. MCVB was honored with ConventionSouth's Annual Readers' Choice Award. Vanesa Rhodes has been promoted to Sales Manager and has hit the ground running. The MISD and the City of McKinney have agreed to share the \$95,000 cost to bring the National Association of Intercollegiate Athletes event to McKinney. The determination is still pending. The Texas Downtown Association will be the first conference the MCVB officially brought to McKinney and will include about 300 attendees.

McKinney Chamber – Chamber President Lisa Hermes reported the State of the City event was highly successful with over 500 participants and Ms. Hermes expressed her appreciation for the partnership with MEDC, Collin College and the MISD. Ms. Hermes asked the Board to mark their calendars for the Community Awards Celebration on February 17th at the Sheraton Hotel. Ms. Hermes shared that part of the Chambers strategic plan is to be an information source for businesses and the community through www.mckinneyonline.com. The Chamber Board has approved their Legislative agenda for 2017, and will be heavily focused

on the concerns and solutions of rising property taxes in Texas. McKinney Chamber is partnering with other Collin County Chambers to participate in and support Collin County Days.

McKinney Airport/McKinney Air Center – Assistant Airport Director Mark Jaraczewski reported staff is working on a master plan update that will provide a 20 year synopsis of the situation with hangars and infrastructure at the McKinney Air Center. The airport is growing with record numbers. Operations in 2013 were 94,000 take-offs and landings and this year we hit 118,000. McKinney Air Center was nominated as Number One Air Center in the United States by the Pilots Choice Awards in 2016. McKinney Airport is the front door for the City as more and more families and businesses move to McKinney. McKinney Airport has added about 200 jobs since the City has taken over the assets of the FBO in 2013. McKinney Airport is in serious need of expansion to support the demand.

16-1152 Chairman Burress called for the Consideration/Discussion of MEDC Staff Monthly Reports. Chairman Burress asked President Auterson to expand on the mention of the Harwood International visit on October 28th. Mr. Auterson expressed his appreciation to Executive Vice President Liu for her efforts in orchestrating the Harwood visit. MEDC staff was joined by City Manager Grimes, Assistant City Manager Shelton and Development Services Executive Director Quint for a grand tour. Harwood staff expressed a genuine interest in developing in McKinney and particularly at Gateway.

16-1154 Chairman Burress called for the update on October Financials. Senior Financial Analyst Trevor Minyard reported that the financials for the month of October will be officially presented at the December meeting. However, as an overview, Mr. Minyard reported the revenue is above budget YTD by 16.37%. Sales tax figures came in 13.27% above last

year's collection through October. Expenditures are significantly under budget due to savings in rebate expenditures paid out for incentives.

16-1153 Chairman Burress called for the WERX Update. Mr. John Minnis, WERX Board Liaison reported The WERX is running at 94% of revenue with the actual rent revenue running above the forecast by about 5%. Expenditures are below expectation and in alignment with the revenue. Co-working residents are currently at 35 companies with 69 people. WERX is working to not only encourage the entrepreneurial community in McKinney, but also to maintain them in McKinney after they outgrow The WERX.

16-1155 Chairman Burress called for the Consideration/Discussion/Action on 2016 MEDC Bond Refunding. Senior Financial Analyst Trevor Minyard reported staff went out to bid for competitive refunding and resulted with the lowest bid at 2.9%, down from 4.5 to 5%. This will result in a savings of \$796,000 over the next ten years of payments. Board members unanimously approved the motion by Secretary/Treasurer Chen, seconded by Vice Chairman Merritt, to approve the 2016 MEDC Bond Refunding. President Auterson expressed his thanks to the finance department and the advisors at PFM for protecting the interests of the MEDC.

16-1156 Chairman Burress called for the Consideration/Discussion/Action on a License Agreement with the Mario Sinacola Companies Regarding Approximately 4-5 Acres of MEDC Property at the Intersection of SH 5 and Old Mill Road for the Limited Use as a Construction Storage and Staging Area for TXDOT's FM 546 Relocation Project. MEDC Attorney Mark Houser reported the purpose of bringing this item to the Board today is to see if the Board is interested in moving forward with an agreement to allow the Sinacola company to lease the property mentioned from MEDC for use as a staging area during construction, which would likely be for a couple of years. Once all the details have

been worked through, the Board can definitively approve or reject the agreement. Board member Sipiora expressed concern that entering into an agreement that could possibly encompass two years, might limit the usability of the property for development. Mr. Auterson explained that the property in question, at this time, is largely unusable for development due to being in a 100 year flood plain. Board members approved the motion by Board member Sipiora, seconded by Secretary/Treasurer Chen, to approve President Auterson and legal counsel to continue with investigation of all the possibilities of the license agreement and bring before the Board to make the final approval with a vote of 5 - 1, Chairman Burress voting against.

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

Chairman Burress recessed the meeting into Executive Session at 9:05 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), if any: Section 551.087. Deliberation Regarding Economic Development Matters as listed on the posted agenda. Chairman Burress reconvened the meeting to open session at 10:31 a.m.

Board members unanimously approved the motion by Vice Chairman Merritt, seconded by Secretary/Treasurer Chen, to approve the incentive for Project 3-Tab as presented in Executive Session.

Board members unanimously approved the motion by Board member Clark, seconded by Secretary/Treasurer Chen, to approve extending the date to November 30 for the i6 Grant letter for The WERX.

Board members unanimously approved the motion by Vice Chairman Merritt, seconded by Board member Clark, to adjourn. Chairman Burress adjourned the meeting at 10:33 a.m.

JASON BURRESS
Chairman