



McKinney Economic Development Corporation Agenda

Tuesday, December 19, 2017

8:00 AM

Council Chambers
222 N. Tennessee Street
McKinney, TX 75069

PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.002, A QUORUM OF THE CITY COUNCIL MAY BE PRESENT. NO CITY COUNCIL ACTION WILL BE TAKEN.

CALL TO ORDER

This portion of the agenda consists of non-controversial or housekeeping items required by law. Items may be considered individually by the Board or Commission member making such request prior to a motion and vote on the Consent Items.

CONSENT ITEMS

17-1216 [Minutes of the McKinney Economic Development Corporation Meeting of November 28, 2017](#)

Attachments: [Minutes](#)

17-1217 [Consider/Discuss/Act on Authorizing the Execution of Real Estate Consultant Services Agreements](#)

REPORTS

17-1218 [Board and Liaison Updates](#)

[Board Chairman](#)
[City of McKinney](#)
[Chamber of Commerce](#)
[Main Street/MPAC](#)
[MCDC](#)
[MCVB](#)

Attachments: [MCDC Report](#)
[MCVB Report](#)

17-1219 [Consider/Discuss MEDC Staff Monthly Reports](#)

Attachments: [President Report](#)
[Executive Vice President Report](#)
[Director of BREP Report](#)
[Director of Business Development Report](#)
[Director of Research and Marketing](#)

REGULAR AGENDA

17-1220 [Consider/Discuss/Act on November Financials](#)
Attachments: [November Transmittal Letter](#)
[November Financials](#)
[November Invoices Processed](#)

CITIZEN COMMENTS

BOARD OR COMMISSIONER COMMENTS

Board or Commission Comments relating to items of public interest: Announcements regarding local or regional civic and charitable events, staff recognition, commendation of citizens, upcoming meetings, informational update on projects, awards, acknowledgement of meeting attendees, birthdays, requests for items to be placed on upcoming agendas, and condolences.

EXECUTIVE SESSION

In Accordance with the Texas Government Code:

- A. 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:

- B. Section 551.072. Deliberations about Real Property
 - Real Estate Discussion

- C. Section 551.087. Deliberation Regarding Economic Development Matters
 - Southgate McKinney
 - Project A185 - Harvest
 - Volunteer Mobilization , LLC
 - Project A186 - Flip

ACTION ON EXECUTIVE SESSION

WORK SESSION ITEMS

17-1221 [Type A Economic Development Sales Tax Training](#)
Attachments: [Training Presentation](#)

ADJOURN

Posted in accordance with the Texas Government Code, Chapter 551, on the 15th day of December, 2017 at or before 5:00 p.m.

Darrell W. Auterson
President-CEO

In accordance with the Americans with Disabilities Act, it is the policy of the City of McKinney to offer its public programs, services, and meetings in a manner that is readily accessible to everyone, including individuals with disabilities. If you are a person with a disability and require information or materials in an appropriate alternative format; or if you require any other accommodation, please contact the ADA Coordinator at least 48 hours in advance of the event. Phone 972-547-2694 or email contact-adacompliance@mckinneytexas.org. Advance notification within this guideline will enable the City to make reasonable arrangements to ensure accessibility. ADA grievances may also be directed to the ADA Coordinator or filed online at <http://www.mckinneytexas.org/ada>.

17-1216



TITLE: Minutes of the McKinney Economic Development Corporation Meeting of
November 28, 2017

SUPPORTING MATERIALS:

[Minutes](#)

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

NOVEMBER 28, 2017

The McKinney Economic Development Corporation met in regular session in the Council Chambers of the Municipal Building, 222 N. Tennessee Street, McKinney, Texas on November 28, 2017 at 8:00 a.m.

Board members Present: Chairman Jason Burress, Vice Chairman Paul Merritt, Secretary/Treasurer Robert Clark, Kenneth Sipiora, Joe Minissale and Michael Jones.

Absent: Sharon Denny

City Council members Present: Mayor George Fuller

Staff Present: President Darrell Auterson, Executive Vice President Abby Liu, Director of BRE/Emerging Tech John Valencia, Director of Marketing and Research Geneva Aragon, Director of Business Development Bruce Coleman, Operations/Compliance Administrator Sheri Van Slycke, Administrative Assistant Deana Smithee, City Manager Paul Grimes, Chief Financial Officer Mark Holloway, Chamber President Lisa Hermes, City Secretary Sandy Hart and MEDC Attorney Mark Houser.

There were four guests present.

Chairman Burress called the meeting to order at 8:01 a.m. after determining a quorum was present.

17-1140 Chairman Burress called for action on the Minutes of the McKinney Economic Development Corporation Meeting of September 19, 2017, October 17, 2017 and the Special Meeting of October 17, 2017. Board members, by a vote of 6-0, approved the motion by Secretary/Treasurer Clark, seconded by Board member Jones, to approve the September 19th, October 17th and Special October 17th minutes.

17-1143 Chairman Burress called for Board and Liaison Updates.

City of McKinney - City Manager Paul Grimes reported the Airport Master Plan process is near completion with final advisory meetings to be held on December 11th and 12th and the consultant will then finalize the Airport Master Plan reports. The FBO and the Common Hangar final deal terms continue to advance. MEDC, as well as the MCDC both authorized

grants of \$4 million each for the FBO and Common Hangar new construction. Implementation of the new Intergov software system is progressing, but still has a few challenges that need to be addressed.

Chamber of Commerce - Chamber President Lisa Hermes reported Friday, December 1st the Developer's Panel will be held at Collin College. Mr. Tom Luce, Founding CEO of Meadows Mental Health Policy Institute will be the keynote speaker for the January 30th Annual and Quarterly Luncheon. Ms. Hermes invited the Board to the Chamber's Christmas Open House on December 5th. McKinney Chamber of Commerce is proud to announce having been granted a five star Chamber award, which is the highest award offered by the United States Chamber of Commerce and only three percent of the nation has this accreditation.

17-1144 Chairman Burress called for Consideration/Discussion of MEDC Staff Monthly Reports. There was no discussion.

17-1145 Chairman Burress called for Consideration/Discussion/Action on October Financials. Chief Financial Officer Mark Holloway reported the sales tax collections were flat. Board members approved, by a vote of 6-0, the motion by Board member Minissale, seconded by Vice Chairman Merritt, to approve the October Financials.

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

Chairman Burress recessed the meeting into Executive Session at 8:15 a.m. per Texas Government Code: Section 551.071, 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 and legal consultation on the following item(s): Section 551.072. Deliberations about Real Property -Real Estate Discussion, and Section 551.087. Deliberation Regarding Economic Development Matters as listed on the posted

agenda. Board member Minissale left the meeting at 10:15 a.m. and did not return.

Chairman Burress reconvened the meeting to open session at 10:31 a.m.

Board members approved, by a vote of 5-0, the motion by Board member Sipiora, seconded by Secretary/Treasurer Clark, to deny the incentive request for The WERX, as discussed in Executive Session.

Board members approved, by a vote of 5-0, the motion by Vice Chairman Merritt, seconded by Board member Jones, to approve the incentive offer for Project Harvest, as discussed in Executive Session.

Board members approved, by a vote of 5-0, the motion by Board member Sipiora, seconded by Chairman Burress, to adjourn. Chairman Burress adjourned the meeting at 10:35 a.m.

JASON BURRESS
Chairman

17-1217



TITLE: Consider/Discuss/Act on Authorizing the Execution of Real Estate Consultant Services Agreements

SUPPORTING MATERIALS:

17-1218



TITLE: Board and Liaison Updates
Board Chairman
City of McKinney
Chamber of Commerce
Main Street/MPAC
MCDC
MCVB

SUPPORTING MATERIALS:

[MCDC Report](#)

[MCVB Report](#)



December 12, 2017

TO: MEDC
FROM: Cindy Schneible, MCDC
RE: MCDC Update

Promotional and Community Event Grants

Twelve applications were received for consideration for a Promotional and Community Event Grant from MCDC. Presentations will be made to the MCDC board at the December 21st meeting. Board action will be scheduled for the January meeting. The list of applicants appears below:

Organization	2018 Event	Amount Requested
Collin County History Museum	Texas and Collin County WWI Centennial Commemoration	\$ 8,532
Community Garden Kitchen	Star-Spangled Salsa Fest	\$ 8,000
Elemental Essentialz	Gardens, Grill and Goats Pumpkin Chunkin – A Feed the Earth Event Fall in Love at the Farm (2019)	\$15,000
St. Peter’s Episcopal	Empty Bowls	\$ 7,500
Kiwanis of McKinney	Historic McKinney & Kids Triathlons	\$ 5,000
ManeGait	ManeGait Country Fair	\$ 8,000
McKinney Garden Club	2018 Garden and Home Tour	\$ 7,500
Heritage Guild of Collin County	Farmers Market, Tour de Coop, Ice Cream Crank-off	\$15,000
Project Graduation	McKinney Project Graduation	\$11,900
Smiles Charity	Smiles Charity Concert	\$15,000
The Celt	Celtic Music Festival	\$15,000
McKinney Main Street	Arts in Bloom	\$15,000
McKinney Parks & Rec	Holiday Light Display	\$15,000

Total Requested

\$146,432

Project Grants

MCDC conducts three cycles for application/review/awarding project grants annually in categories eligible under state law. The total of discretionary funds available for FY 18 is \$1,259,745. Applications will be accepted for the first cycle through Wednesday, January 3rd. Applicants will present their requests to the board at the January 25th board meeting. Board action will be scheduled for the February meeting. Eligible categories for project grant consideration are:

- Projects Related to Recreational or Community (city-owned) Facilities
- Projects Related to Affordable Housing
- Professional and Amateur sports and Athletic Facilities, including children's sports
- Entertainment, Tourist and Convention Facilities
- Public Parks and Open Space Improvements
- Mass Transit-Related Facilities or Equipment
- Certain Airport Facilities
- Projects Related to Job Training to Further Economic Development (Does not include "life skills" or "career skills" training. Must be job specific, initiated by a company, with permanent positions created and market rate salaries paid)
- Projects Related to the Creation or Retention of Primary Jobs (defined within the Texas Local Government Code)
- Infrastructure Improvement Projects Necessary to Develop New or Expanded Business Enterprises (water, sewer, utilities)

Quality of Life Award

MCDC is accepting nominations for both an individual and organization to receive the annual Quality of Life Award through January 4, 2018. The award will be presented at the McKinney Chamber's annual Community Awards Celebration on February 23, 2018.

Marketing/Promotion/Advertising

MCDC continues to place print ads, with a buy local/impact to the community – message. Publications/outlets include: McKinney Historic Preservation Calendar; Parks and Rec Guide; Craig Ranch and Stonebridge Ranch HOA News; Community Impact News; McKinney (Chamber) Online advertising; Apex Centre – digital ads and radio spots; PSA sponsorship; and retail publications -Texas Real Estate Business; RED News.

Funding support for collaborative advertising initiatives promoting McKinney for a visit, shop, dine experience includes: See McKinney First (City, MCVB, MCDC); DMagazine (City, MCDC); Modern Luxury (City, MCDC); USA Today (MCVB, MCDC); Visit Widget (MCVB, MCDC).

MEDC-MCDC-MAIN ST.

I. MCVB Room Nights Generated: TTL Room Nights: 1,060 ; TTL Revenue: \$ 127,555

WEDDINGS COMPLETED in November 2017 - TTL Room Nights: 510 TTL Rev: \$65,784

- Baidwin/Fidler Wedding – Grand Hotel: TTL room nights: 56, TTL rev: \$8834
- St John/Hoover Wedding – Grand Hotel: TTL room nights: 61, TTL rev: \$9839
- Petry Wedding – Sheraton: TTL room nights: 43, TTL rev: \$3827
- Jordon Knutson Wedding – Holiday Inn: TTL room nights: 32, TTL rev: \$3168
- Sean Jamisen Wedding- Sheraton: TTL room nights: 89, TTL rev: \$11,332
- Stephanie Elizondo Wedding – TPS: TTL room nights: 15, TTL rev: \$654, Grand Hotel: TTL room nights: 1, TTL rev: \$179
- Green/Becknell Wedding – TPS: TTL room nights: 46, TTL rev: \$5014
- Hannah Brewer Wedding – Comfort Suites: TTL room nights: 20, TTL rev: \$1800
- Bauman/Hicks Wedding – Grand Hotel: TTL room nights: 56, TTL rev: \$8856
- Amy Hernandez Wedding – Hampton Inn: TTL room nights: 12, TTL rev: \$1428
- Hayes/Lightle Wedding – Hampton Inn: TTL room nights: 44, TTL rev: \$5236
- Jules Case Wedding – Hampton Inn: TTL room nights: 12, TTL rev: \$1428
- Rodrigues/Gomes Wedding – Hampton Inn: TTL room nights: 1, TTL rev: \$2023; Comfort Suites: TTL room nights: 16, TTL rev: \$ 1602
- Aday/Sommers Wedding: Comfort Suites: TTL room nights: 6, TTL Rev; \$564

No Pick-ups on the following weddings:

- Spencer Mitchell Wedding – November 2017, Stone Crest
- Emily Jones Wedding – November 2017
- Meagan Elmer Wedding – November 2017, The Springs

ASSOCIATION/CORPORATE/SMERF COMPLETED in November 2017: TTL Room nights: 550, TTL Revenue:\$61,771

Associaton: TTL Rooms: 368; TTL Rev: \$ 42,401

- TACUPA - Sheraton: TTL room nights: 109, TTL rev: \$14,170
- Texas Downtown Association:
 - Sheraton/Holiday Inn 11/6-10/17; 259 TTL Room nights; \$ 28,231 TTL Revenue
 - Holiday Inn 11/7-10/17; 19 Room nights; \$ TTL Revenue

Corporate: TTL Rooms: 112 TTL Revenue: \$ 13,840

- Torchmark- Grand 11/5-8-17; TTL Room nights; \$ TTL Revenue- Canceled
- Emerson- Sheraton 11/6-10/17; 88 TTL Room nights; \$ 11,352 TTL Revenue
- Raytheon (Maryland) – Grand Hotel: TTL room nights: 24, TTL rev: \$2376

SMERF: 70 TTL Rooms: N/A TTL Rev: \$ 5,5530

- Vintage Market Days – Comfort Inn: TTL room nights: 70, TTL Rev: \$5530

III. Visitors: FYTD Total (November '17)

Visitors: FYTD Total (November '17): 963

Total: (includes all individuals that have come through the visitor's center)

- Out of State: 56
- Out of Country: 26
- Texas Residents: 57
- McKinney Residents: 8
- Register Total: 147
- Ticker Counter: 511

IV. RFP's: 9 (2-Association, 0-Corporate, 7-Weddings, -Social (0-Religious), 0 -Sports, 0-Day Trips)

Association: 2

- Texas Retailers Forum, Summer 2019. Preferred dates: July 21-22, 22-23, or 23-24, 2019. Total Room nights: 149, Total Attendees: 250 Attendee Profile: Large chain store, small store/boutique, and grocery store key decision makers, especially government affairs, and legislators. The majority will be driving in from Dallas, Houston, or Austin, but less than one-hour drive from the airport is preferred.
- TACVB 2018 Leadership Symposium. Preferred dates: November 13-14, 14-15, 27-28, or 28-29, 2018, or December 4-5, 5-6, 11-12, 12-13, 2018. Total Room Nights: 100, Total Attendees: 75-80.

Corporate: 0

Weddings: 7

- Bernice Medellin Wedding – March 2018; D'Vine Grace
- Kathrine Martin Wedding – March 2018; Bella Donna
- Sarah Rain Wedding – May 2018; The Springs
- Morgan Coldwell Wedding – May 2018; Stonecrest
- Brittany Tigert Wedding – July 2018; The Springs
- Brooke Von Readen Wedding – November 2018,
- Haley Spencer Wedding – November 2018, The Springs

V. Site Visits: 0

VI. Lost Business-0

VII. Advertising: Ads/materials created and submitted: Created/submitted materials (photos and text)

Blogs on our website:

- Peek Inside The Old Gough-Hughston House – 7
- Want to be in a Movie? – 4
- Benji House on Film Trail – 6
- McKinney Shop opens - 42

- Slice of McKinney: Improv 4at Comedy Arena - 0
- What's New in McKinney-Fall Update - 4
- Grants now Available – 1
- Shop Small - 17
- Food Walks of Texas - 112
- Veterans Day - 25

VIII. Visits on Homepage News Flash buttons & landing pages:

- The McKinney Shop - 40
- World-War-I-Exhibit – 0
- Plan Your Visit - 6
- Weekend Update page-100
- GetSocial#getsocial – 0
- MCVB Grants - 14

IX. Photos, Text Written, Marketing Materials and Ads Submitted

- Facebook photos
 - Fall photos at Towne Lake
 - TDA Proclamation
 - Press release at Dee-dee – Tourism College grad
 - Finalize Eventzee Clues for TDA
 - Art for selfie fans
 - Photos at TDA
 - Photos at Home for the Holidays
- Materials Submitted
 - Winter calendar info for Texas Events Calendar
 - Home for the Holidays photos to Modern Luxury Magazine
 - Event information to Dallas Child Magazine

X. Advertising- Website & Publication ROI Tracking:

- Welcome to McKinney (Visitor Map)-2
- Meeting Planners Guide: 16
- Texas-Highways-Thank-You – 2
- Faster2First-Tournament –156
- Travel-South-Readers - 0
- Welcome-Southern-Living-Readers -0
- Howdy-Dallas-Cowboys-Fans – 0
- Make-McKinney-Your-Home for the Holidays (TourTexas.com) – 86
- McKinney Lions - 3
- Boyd Broncos - 1
- Bulldogs – 1
- MCVB-Director-Guerra-Earns-CTE-Designation –2
- Welcome-TourTexas.com-Readers-40
- Make-McKinney-Your-Home-for-the-Holidays-86

#GETSOCIAL - 2017-18

MEDC-MCDC-MAIN ST.

FY 17-18	Views
OCT. 17	77
NOV. 17	
TOTALS	77

XI. Free Publicity:

FY 17-18	Budgeted Amount
Adv.	\$42,655
Promo.	\$83,710
Total	\$ 126,365

- Does not include \$20,000 for Grants

NOVEMBER 2017 - MCVB Publicity/Free Media Coverage					
Publication	Article/Topic/Writer	Print/ Broadcast Value	Web Value	PR Value	Impressions
BubbleLife Collin Co.	Shared Blog/web posts (4 times)	0	8000	24000	900000
Community Impact	MCVB Grants	0	2000	6000	150000
Courier Gazette	MCVB Grants	1025	1000	3000	49384
North Texas E- News	MCVB Grants	750	600	1800	55000
TOTALS		\$1,775	\$11,600	\$34,800	1,154,384
FY-17-18 Total		\$1,775	\$22,600	\$67,800	2,179,384

MEDC-MCDC-MAIN ST.

SOCIAL MEDIA TRACKING

FACEBOOK - 2017-18					
FY 17-18	New Likes	TTL Likes	Engaged Users	Total Reach	Impressions
Oct. 17	47	6217	92,814	850,774	4,382,210
Nov. 17	80	6295	66,475	751,207	4,365,662
TOTALS	127	6,295	159,289	1,601,981	8,747,872

OTHER SOCIAL MEDIA TRACKING – NOVEMBER 2017

Type	Number	Increase #	Percentage (+/-)
<i>Twitter</i>			
Followers	4593	+30	+15%
Tweets	6038	+106	-25%
Tweet Impressions	12.3K	(not given)	-33.4%
Profile Visits	165	-117	-42.1%
Mentions by other users	14	-12	-41.7%
<i>Google Sites</i>	<i>Views</i>	<i>Increase</i>	<i>Subscribers</i>
YouTube	4295	+280	20

VISIT WIDGET - NOVEMBER 2017						
NOVEMBER	Sessions	Users	Page Views	Pages per Session	Bounce Rate %	% New Sessions
Nov. 6-12	32	27	115	3.59	28.12	50.00
Nov. 13-16	35	33	129	3.69	25.71	71.43
Nov. 20-26	29	21	116	4.00	17.24	41.38

17-1219



TITLE: Consider/Discuss MEDC Staff Monthly Reports

SUPPORTING MATERIALS:

[President Report](#)

[Executive Vice President Report](#)

[Director of BREP Report](#)

[Director of Business Development Report](#)

[Director of Research and Marketing](#)



McKinney Economic Development Corporation

Darrell Auterson – President/CEO

December 2017

Strategic Plan Management & Communicating Results:

A. Business Retention & Expansion

- Project Arlo is a large, proposed, multi-faceted expansion project that will be discussed at the December MEDC Board meeting. The project does not appear to qualify for MEDC assistance, but City tax reimbursement consideration is on the table for discussion.
- MEDC staff met with an existing McKinney company that is evaluating a small expansion project. Staff is assisting the company with scheduling a City predevelopment meeting to explore what's needed for the approval process.
- Despite our efforts, we learned recently that Boss Fight will be relocating their headquarters to a new office building in Allen.

B. Business Attraction

- The Southgate project team met on 12/7 & received an update on the elements of the MDA as well as marketing updates for office & retail/restaurant prospects. Over 3500 corporations are being targeted to receive marketing materials. Events like CoreNet, SIOR & ICSC are planned for face-to-face interactions.
- Business development staff continues to maintain an aggressive schedule of meetings with brokers & developers.
- Construction is progressing nicely on major building projects (PACCAR, Playful Corp. & Hunt Southwest) & a January groundbreaking is now scheduled for Independent Bank.

C. Entrepreneurship

- The WERX updated MEDC staff regarding plans for the various companies located in the Cotton Mill. Some will remain in the building &



others may relocate. A high level innovation culture discussion is planned involving a number of community-based groups on 12/21.

D. Competitiveness

- A spec industrial development proposal (Project Flip) will be presented for discussion at the MEDC board meeting.
- Met with an investment group on 12/6 interested in developing shallow bay industrial product in McKinney. We have guided them to particular sites/areas where this type of development would be welcomed by the City. They continue scanning the community looking for their best options. It is likely they will approach us about incentives at some point in the future.
- Had multiple meetings during the past week with a couple of developers looking at industrial development opportunities in McKinney. Addressing infrastructure issues will be critical.

Marketing/Promotion/Connection Activities:

- Attended the McKinney Chamber's Developers Panel breakfast on 12/1. Outstanding presentations were made by David Craig, Martin Sanchez & Colin Fitzgibbons regarding exciting projects slated for Craig Ranch, Honey Creek & Southgate. Also attended the Chamber's Holiday Open House on 12/4.
- Attended the BisNow Capital Markets & 2018 forecast event on 12/12. Predictions remained strong for development trends in the coming year with capital resources remaining plentiful despite tightening conventional lending guidelines. Spoke with Dalfen America at the event & they are still very high on developing in McKinney.
- MEDC staff is getting actively involved in NAIOP to expand broker/developer contacts.

Other:

- Held a strategic plan review session with new MEDC staff on 12/11 to help educate them about the key elements of the MEDC strategic plan priorities.
- Held MEDC Holiday Dinner on 12/12.
- Attended the City of McKinney employees Christmas luncheon on 12/8.
- Sheri Van Slycke has resigned her position with MEDC & will be relocating to the San Antonio area to be closer to family.



SHERI VAN SLYCKE

OPERATIONS & COMPLIANCE ADMINISTRATOR

CONTACT

137 Meadow Ridge Dr.
Anna, TX 75409
210-378-7484 cell
972-547-2068

DARRELL AUTERSON

**PRESIDENT • MEDC • 5900 S. LAKE FOREST DR., #110 • MCKINNEY, TX
75070**

DECEMBER 5, 2017

Dear Darrell Auterson

Please accept this letter as my resignation from McKinney Economic Development Corporation effective December 31, 2017. However, my last physical day in the office will be December 21st.

I thank you and our wonderful team for three stellar years at the City of McKinney. I have worked alongside some excellent colleagues, and have had so many opportunities to grow and develop in my career field. I have been immensely impressed by your leadership, as well as your commitment to MEDC.

I will never forget my time at MEDC. Please know that because I was aware of this position becoming available to me for some time, I have been laying the groundwork for my exit to be as smooth as possible. I am happy to be of any assistance before, during and AFTER the transition.

All the best,

Sheri Van Slycke
Sheri Van Slycke



McKinney Economic Development Corporation

Abby Liu, Executive Vice President

December, 2017

Strategic Plan Management & Communicating Results:

A. Business Retention & Expansion

- A Special City Council meeting was called on November 29 for the City of McKinney to nominate PACCAR as an Enterprise Project for the company's Texas Enterprise Zone (TEZ) Application. The City Council voted to approve the item unanimously. Staff has worked intensively with Legal Counsel Lathrom, City Secretary Hart and PACCAR consultants for its TEZ nomination. PACCAR's application to Governor's Office was submitted timely to meet the deadline of December 1.
- Assistant City Manager Shelton and Staff met with PACCAR staff to assist with the process and incentives issues on December 7.
- Staff hosted a lunch meeting with Brilong Vice President to discuss the establishment and growth of the company in McKinney on November 30.

B. Business Attraction

- Staff met with a commercial real estate broker Tong focused on the foreign direct investment from Asia in historical downtown McKinney on November 9.
- Staff met with Project Harvest Vice President about Global Soft Landing Program as well as the establishment and growth of the company.

Marketing/Promotion/Connection Activities:

- President Auterson and Staff attended CoreNet Tour of Toyota North America Headquarters in Plano on November 16. (Photo attached)



- Staff attended and made a presentation on behalf of McKinney at Team Texas – European American Investment Council (EAIC) German Aviation and Aerospace Delegation in Fort Worth on November 17. (Photo attached)
- After Mayor Fuller’s interview about “PACCAR Set up in McKinney” with Dallas Chinese News Chief Editor Mak on October 31, the news was published on November 24. The positive news coverage shared McKinney’s successful Fortune 500 business attraction story with the Asian community in the Dallas/Fort Worth metroplex. Dallas Chinese News is a weekly Chinese language newspaper to serve the Asian Communities in North Texas region since 1981. The current circulation is 15,000 copies, distributed throughout the Dallas/Fort Worth/Arlington metroplex. The paper is free to pick up at about 60 different locations. (News attached – Chinese and English version)
- Staff attended 2017 Economix in New Orleans on December 5 and officially received the “Top 50 Economic Developer in North America” Award on stage in front of the site selection consultants and peer economic developers. (Photo attached)
- President Auterson, Business Development Director Coleman and Staff attended BISNOW – Dallas Capital Market and 2018 Forecast in Dallas on December 12.

Other:

- Executive Session Agenda Items:
 - Global Soft Landing Program

CORENET TOUR OF TOYOTA NORTH AMERICA HEADQUARTERS

Plano, TX | November 16, 2017



CoreNet offered a tour of the North American Headquarters for Toyota. Toyota engaged KDC and Corgan to develop and design the campus. This multi-building campus has centralized amenities, including a healthcare clinic, pharmacy, fitness center and museum. The site uses many unique touches, such as an airbag lighting scheme and an engine part sculpture.



The headquarters also provides an inspiring, connecting, flexible, innovative and sustainable workplace. The rock-climbing wall, airbags, living plant wall and engine parts sculpture are seen here.

TEAM TEXAS – EAIC GERMAN AVIATION & AEROSPACE DELEGATION

Fort Worth, TX | November 17, 2017

Meet McKinney
Economic
Development
Corporation

Connecting you to the world



- Conveniently located 30 minutes north of Dallas
- Home to McKinney International Airport, a 400-acre corporate airport with service U.S. Customs
- Approximately 30 minutes to DFW International and Love Field airports
- Highly educated workforce
- Competitive incentives
- Available land

McKINNEY
Economic Development Corporation

Team
Texas

Team Texas hosted the EAIC Delegation in Texas this month. 8 aviation and aerospace companies from Germany – who are interested in expanding their operations into the US – visited Dallas/Fort Worth for a 4-day tour. Members of the MEDC team met with the delegation through their stay; attending the multiple events through the Metroplex. A promotional package was sent to Germany for each of the delegation members from MEDC; highlighting McKinney and our offerings.



PACCAR 設廠麥肯尼市

(本報專訪) 以生產各類型卡車及貨櫃牽引車而馳名的PACCAR公司經過一年多多的勸察及篩選, 決定將在麥肯尼市興建廠房, 生產該公司旗下Dynaeraft品牌的零組件。該公司已購入毗鄰75號公路的工業用地, 計劃興建十三萬平方呎的廠房, 並於上月中旬舉行了動土儀式。

據麥肯尼市經濟發展公司執行副總裁高琳(Abby Lim)指出PACCAR公司是美國貨櫃牽引車最主要的生產商, 旗下的Kenworth、Peterbilt和DAF品牌廣為人知, 目前是名列財星500大企業的第164位。根據協議, 該公司在麥肯尼市的投資總額將超過二千萬元, 廠房落成後可創造約二百個工作機會。這是繼生產汽車保險儀器的台灣東陽集團及生產越野車的重慶靈潔集團之後, 另一家與汽車行業相關的企業選擇落戶麥肯尼市, 為該市近年來積極吸引外資邁向更高的目標。

本報記者特別在動土儀式後走訪新任的麥肯尼市市長喬治·富勒(George Fuller)。



麥肯尼市市長George Fuller(左)與麥肯尼市經濟發展公司執行副總裁高琳

記者:麥肯尼市最讓您引以為傲的是什麼呢?
市長:我認為是多年來我們一再被評選為全美「最宜居城市」的美譽。麥肯尼市標榜的是獨特的自然生態(Unique by Nature), 這可以說是得天獨厚的地理位置及地形地貌。這裡有高大的樹木和原始的森林, 也有起伏不平的丘陵。我們鄰近達拉斯, 但又遠離大都市的塵囂; 高速公路縱橫交錯, 既有「出行」的方便, 也有「家居」的寧靜。無論您經過那一個社區, 都可以看到綠樹成蔭的景緻, 這也是吸

引我在此定居超過二十年的最主要原因。

記者:您是新任的市長, 您對麥肯尼市的未來有什麼願景呢?

市長:簡單的說, 保持「最宜居城市」的美譽, 並進一步發展為宜居又宜商的城市。您可以看到近年來我們對外招商引資的努力, 商業發展可為本市帶來穩定的稅收和就業機



DYNACRAFT
A PACCAR COMPANY

計劃興建的廠房藍圖

會, 但我們必須注意不能為了發展經濟而影響我們的居住環境, 高品質的生活是構成宜居城市最重要的元素。

記者:市府年度預算中最大的支出是那些項目呢?

市長:歷年來都是在公共安全方面, 這包括警察、消防和急難救助, 接近預算總額的一半。就本財政年度來說, 警察佔25%(\$34,237,016), 消防佔21%(\$28,311,646)。這也是成為最宜居城市的代價, 當然優良的學區也是同等的重

要。

記者:您就任市長以來, 面臨最重要的工作是什麼?

市長:正如您所知道的, 麥肯尼市近十年來發展非常快速, 我希望城市的規劃不但要追得上發展, 更要超前。為未來一二十年奠定穩固的基礎。在這個目標下, 我們必須投注更多心力, 將規劃做好。譬如說, 現行的土地使用法規沿襲多年前所訂的, 當時並未考虑到城市的蛻變, 有些不合時宜的就應從速修訂, 就如今天PACCAR的建廠計劃, 十年前我們是無法想像的。我認為麥肯尼已不能只重視住宅



圖為麥肯尼市府團隊在PACCAR廠房動土儀式上合照

社區的發展, 也需要規劃出商業區和工業區, 所以土地用途的全面檢視是最重擔子。

記者:您認為麥肯尼市如何可以在相鄰的城市如布蘭諾(Plano)及費斯可(Frisco)中脫穎而出呢?

市長:我想我們是各具優勢的。在地理位置上, 我們是沒辦法改變的, 您說的兩個城市都有它們在地理上的優勢; 但布蘭諾市能開發的土地已所剩無幾了, 費斯可市面臨的交通擁擠和房價高漲問題也是到了發展的瓶頸。回頭看麥肯尼市, 可開發的土地相對的十分充裕; 住宅價格亦相對的低廉, 不正是安居樂業的首

選嗎? 別忘了, 我們還擁有一個未來發展最有幫助的區域性商用機場, 毗鄰75及121公路, 有全長7,000呎的跑道及新建的塔台, 可升降任何國內線航機, 並設有24小時作業的塔台, 其重要性與日俱增。

記者:您計劃吸引更多來自亞洲地區的投資嗎?

市長:我們非常歡迎海外的投資, 包括已有多家來自台灣及中國大陸的企業落戶麥肯尼市。我們有多方面的配套優惠政策, 這方面有執行副總裁高琳女士全力支持, 我們更有高效的市政團隊, 過去許多成功的案例就是最好的證明。

PACCAR小檔案

PACCAR Inc成立於1905年, 總部設在華盛頓州Bellevue市, 主要生产卡車、貨櫃牽引車及柴油引擎, 旗下著名廠牌包括Kenworth、Peterbilt、DAF、Leyland等, 業務遍及全球。2016年總資產68億元, 營運收入170億元, 共有23萬員工。最新財報顯示約五成營業收入及利潤來自美國以外地區, 在全球有2,100代理商。

PACCAR



達拉斯新聞

DALLAS CHINESE NEWS

Nov. 24, 2017



George Fuller, Mayor of McKinney(L) pictured with Abby Liu, Executive Vice President of MEDC.



The McKinney Economic Development Corporation held a groundbreaking ceremony of a new manufacturing facility of PACCAR's Dynacraft division.

PACCAR sets up plant in McKinney

After more than a year of exploration and site selection, PACCAR decided to build a plant in the city of McKinney to manufacture the company's Dynacraft parts and assembly lines. The company purchased industrial land adjacent to Highway 75 with plans to build a 130,000 square foot facility and held a groundbreaking ceremony in mid-October.

According to Abby Liu, Executive Vice President of McKinney Economic Development Corp., PACCAR is the leading manufacturer of container trucks and diesel engines in the United States. Its Kenworth, Peterbilt and DAF brands are widely known, and the company is ranked 164th amongst Fortune 500 companies. According to the agreement, the company's total investment in the city of McKinney will exceed 20 million dollars. After the completion of the plant, 200 jobs will be created. This follows the success of Taiwanese Tong Yang Group, which produces automobile bumpers/accessories and China's Hisun Motors Corp., which produces utility vehicles, and another manufacturer related to the automobile industry, which has chosen to settle in the city of McKinney. This also continues the effort of attracting more foreign investments to McKinney.

Our reporter interviewed the newly elected Mayor George Fuller after the ceremony. The following are the highlights from the interview:

Reporter: As the Mayor of McKinney, what aspect of your city are you the most proud of?

Mayor: I think it is our reputation as one of the best places to live in the United States for many years. Our slogan is "Unique by Nature", which represents our unique geographical location and topography. We have plenty of tall trees and forests, as well as rolling hills. We are close to Dallas, but far away from the hustle and bustle of the metropolitan area; the highways are crisscrossing, making it easy to travel around and enjoy a country-like relaxing living. No matter where you pass through in the community, you can see the tree-lined scenery, which is also the main reason that has attracted me to settle here for more than two decades.

Reporter: You are the new mayor. What is your vision for the future of McKinney?

Mayor: Maintaining the reputation of being the best place to live and further developing into a livable and desirable city. You can see our efforts in attracting foreign investment in recent years. Commercial development can bring in stable tax dollars and employment opportunities to the city. However, we must be careful not to compromise our living environment in order to develop our economy. That is the most important element of the best place to live city.

Reporter: What is the biggest spending for the city?

Mayor: For many years the answer is public safety which includes police, fire and emergency relief. We spend close to half of our annual budget on public safety. For the current fiscal year, police accounted for 25% (\$ 34,237,016) and fire 21% (\$ 28,311,646). This is also the price tag to be the best place to live city. Of course, an excellent school district is equally important.

Reporter: Since assuming office as mayor, what is the most important task you face?

Mayor: As you know, the development of the city of McKinney has been very fast in the past decade. I hope that the city's planning will not only catch up with the development but also forward-looking, laying a solid foundation for the next 10 to 20 years. In this goal, we must put forth more efforts to plan well. For example, the existing zoning ordinances have been adopted for many years and some are outdated. At that time, no huge urban developments and population growths were envisaged. Some outdated ordinances should be amended as soon as possible. Just as today PACCAR's construction plan was unimaginable ten years ago. I think McKinney's focus is not only limited to the development of its residential community but also the commercial and industrial areas. Therefore, a full review of land use is the challenge we must deal with.

Reporter: How do you distinguish McKinney from neighboring cities like Plano and Frisco in terms of attracting foreign investment and company relocation?

Mayor: I think we all have advantages. We cannot change geographically, both cities you mentioned have their geographical advantages, but Plano is basically in a landlocked situation, which means they have few vacant lands, while Frisco is facing with traffic congestion and the sky rocketing land prices for both commercial and residential developments. Looking back at the city of McKinney, the land that can be exploited is relatively abundant; housing prices are still relatively affordable. We are the first choice for people to raise a family and have a peace of mind regarding education and jobs. Don't forget, we also have one of the most convenient regional commercial airports for the future. With a 7,000 feet runway and a new tower adjacent to highway 75 and 121, it can accommodate any domestic airline and has a 24-hour Customs. It is becoming more important when it comes to competing with surrounding cities.

Reporter: What is your plan to encourage international economic development, specifically targeting Asian countries like China and Taiwan?

Mayor: We very much welcome overseas investment, including a number of companies from Taiwan and mainland China that have called the city of McKinney their homes. We have a wide range of incentives to attract foreign investments. In this regard, Ms. Abby Liu, our Executive Vice President of MEDC has been working diligently with our City Council to explore all opportunities to attract more foreign companies to relocate here in the city of McKinney. The many successful cases speak for themselves.

PACCAR at a glance:

Founded in 1905 and headquartered in Bellevue, Washington, PACCAR Inc. manufactures medium and large trucks, container tractors and diesel engines. Its well-known labels include Kenworth, Peterbilt, DAF, Leyland and others. In 2016, its total assets were 6.8 billion dollars and its operating income was 17 billion dollars, with a total of 230,000 employees. The latest earnings report shows that about 50% of revenue and profits were generated from countries outside of the United States. PACCAR has a total of 2,100 dealers worldwide.



A rendering of the new manufacturing facility in McKinney.



“TOP 50 ECONOMIC DEVELOPER IN NORTH AMERICA”

ECONOMIX 2017

New Orleans, LA | December 5, 2017



ECONOMIX is an organization for economic development professionals that provides an environment that brings insights, practical knowledge, and networking tools to enhance the members' respective communities.



A. Liu and R. Kitchens (Managing Director, Consultant Connect); Honored recipients at the award ceremony.

Abby Liu was honored with the “Top 50 Economic Developer in North America” award. Our host at the event, Consultant Connect, Ron Kitchens, and his team powered the event.



McKinney Economic Development Corporation

John Valencia-Director of BREP

December 2017

Strategic Plan Management & Communicating Results:

A. Business Retention & Expansion

- Simpson Strong-Tie expansion continues. The Warehouse and plant expansion on the north end is pretty much completed, punch list checked off and they have moved in. Construction trailers are being prepped for removal for final clean up and “detail” and I get a tour next month!!!
- Project Todd - Previous - I was contacted by a development team retained by the client to help navigate their project to build an approximately 100K sf, two story Class A office complex that has 50K sf floor plates. Site would be in the 8-10 acre range. The development team is gathering intel for presentation before the client’s December Board of Director’s meeting. Early schedule is to have the CO and move in Q4 of 2019 or early Q1 of 2020. Update now for this report: I was contacted within the last week from the Client and shared the following: *We are still in the middle of the programming work with our architect. As soon as we finish up (I imagine sometime in January), the groups will be in touch and then we can discuss next steps. Have a great rest of your year!*
- Project Sweet - Previous - New Retention & Expansion opportunity is in discussion. With recent discussions and development in our community regarding annexation, this has become a relocation, retention and expansion opportunity. The short term effort will be to maintain current location and have some square footage increases, along with job growth. And over the next 6 to 12 months, to design, build and occupy a totally different location and facility. Update for this report: A Pre Development meeting has been scheduled for January 12th between the City Team and the Project Sweet Team to discuss the annexation subject matter and to look a preliminary layout plans of an onsite small expansion for their administrative operations. This is ongoing and continues to be worked.
- Project Lilly - Previous - Offer Letter has been presented but per the client, they are letting the offer elapse. Their business model may be changing in the near future and if it does and they continue to need to expand, they will reapply under a different



application. They have extended their current location and lease until July 31, 2018. Update for this report: Project Lilly, Boss Fight Entertainment, has made the decision to move to One Bethany East in Allen. See the following for details...

- <http://bossfightentertainment.com/2017/12/boss-fight-announces-new-corporate-office/>
- Playful - I am sure all of you have been watching Davis on the Square grow and grow. And now very soon you'll see Playful grow! Most of the site work being done has been at grade level, behind Lucky's Blue Construction Fence! Shortly you will see them grow as well. See the attached aerial photos of the tilt walls being formed. It won't be too long and these will be raised and set. What was a Fox Hole... will become a Fox Castle!

B. Business Attraction

-

Marketing/Promotion/Connection Activities:

- NA

Other:

On December 21st, Paul Grimes has called a meeting titled: Culture of Innovation, with an agenda to define, assess, and understand the gaps or ways to improve a culture of innovation in our region.

He is assembling about a dozen people from the City, Collin College and corporate, large and small. Darrell and I will both join this meeting and see where it leads. In my recent research of this subject matter of entrepreneurship and innovation I pulled up the directory of Texas Business Incubators. The following is the link if you'd care to flip through it with the following preface.

https://businessintexas.com/sites/default/files/11/06/15/business_incubators_directory.pdf

Texas has a strong entrepreneurial spirit that inspires innovative thinking and visionary action. Throughout the state, Texas business incubators provide entrepreneurs with inexpensive startup environments and a range of administrative, consulting, and networking services. These incubation programs come in many shapes and sizes and serve a variety of industry sectors. They are generally managed by economic development agencies, chambers of commerce, local governments, for-profit businesses, colleges, or universities. This directory relies on the National Business Incubation Association's (NBIA) definition of business incubators, also referred to as accelerators, which are dedicated to serving entrepreneurs and startups. The U.S. Small Business Administration's (SBA) Small Business Development



Centers (SBDC) are not included in this definition, since they serve small businesses in all stages of development. Of the 103 Texas incubators identified in this directory, 61 percent are focused on high tech fields, with specializations ranging from biotechnology, communications, energy, to information technology. Among these high tech incubators, thirteen are solely dedicated to biotechnology, while four others are wholly energy-focused. Many other incubators take a broader approach and work with clients across industries. These multiple-industry incubators account for 33 percent of all business incubators in Texas. By state region, Central Texas accounts for 31 percent of the directory's incubators, followed by North Texas with 28 percent, West Texas with 20 percent, the Gulf Coast with 18 percent, South Texas with 11 percent, and East Texas with less than one percent. In addition to this publication, information about business incubators and other business support services can be obtained from a range of sources, including local economic development entities, chambers of commerce, city and county government offices, institutions of higher education, and the U.S. SBA. The Texas incubators/accelerators listings in this directory are representational, in large part because these entities are very dynamic: going in and out of existence and changing their names, points of contact, services, and focus.

Contents Completed April 2015









McKinney Economic Development Corporation

Bruce Coleman – Director of Business Development

December 2017

Strategic Plan Management & Communicating Results:

A. Business Retention & Expansion

- Held introductory meeting with major McKinney employer regarding potential expansion project.

B. Business Attraction

- Encouraged current project members to pursue development of industrial land within McKinney.
- Discussed opportunity for automotive-related manufacturing plant in McKinney with New York City-based firm.
- Met with industrial development firm to strategize marketing of their new industrial project to end users. Sent out their leasing brochure to over 100 brokers and other contacts in Dallas.

C. Entrepreneurship

D. Competitiveness

Marketing/Promotion/Connection Activities:

- Conducted over 80 cold-calls to Dallas commercial brokerage firms and real estate service providers.
- Conducted 3 tours of McKinney for industrial/of fice/mixed use developers and commercial brokers.
- Held meetings with international CPA firm to encourage connections with their business clients.
- Met with Regional Director of the US Department of Commerce in Ft Worth



Other:



McKinney Economic Development Corporation

Geneva Aragon-Director of Marketing and Research

November 2017

Highlights:

In the month of November, MEDC marketing and research focused on:

- materials for business development
- meetings with business development
- RFI Project Patriot (11/09/2017)
- high level marketing strategy with communications and marketing team
- early analysis of research platforms/tools; including demos, training, research and discussing with other economic resources including University of Oklahoma
- the necessary HR steps to post the research analyst JD, and prepare to hire an individual

Facebook Comparison of Insights:

Facebook and Twitter screenname: McKinneyTxEDC.

Reporting Period: November 1, 2017 – December 8, 2017; FB Posting Information for December 8, 2017

The Facebook dashboards below reflects how MEDC's posts resonated with its audience, in the month of November.

Top Facebook post by reach^a:

- Monthly Average of Unique Page Impressions^b: 1,563
- Engagement^c: 94 people on 11/8/2017; number of people who engaged on our most active day
- Viral Impressions^d: 1,299 Viral Impression from November 1 – November 30.
Note: Although we had no post for the month of November, our content from October continued to be in other news feeds.



568 People Reached

20 Reactions, Comments & Shares

16 Like	8 On Post	8 On Shares
2 Love	2 On Post	0 On Shares
0 Comments	0 On Post	0 On Shares
2 Shares	2 On Post	0 On Shares

19 Post Clicks

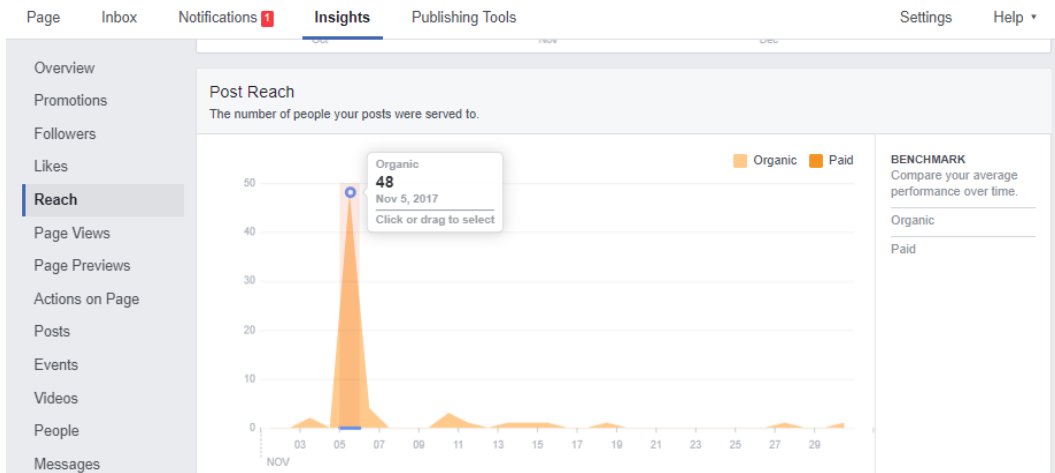
9 Photo Views	0 Link Clicks	10 Other Clicks
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NEGATIVE FEEDBACK

0 Hide Post	0 Hide All Posts
0 Report as Spam	0 Unlike Page

Reported stats may be delayed from what appears on posts.

Outstanding Organic Reach November 5th. There were a total of 48 unique people who were shown our post through unpaid distribution and without new post.



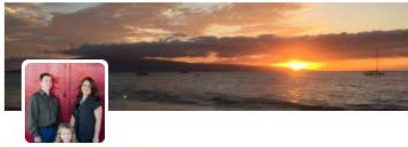
Twitter Insights:

Top Tweets by Impressions^e:

Nov 2017 • 30 days

TWEET HIGHLIGHTS

Top Follower followed by 115 people



Shannon Judd

@rdnkmommy | **FOLLOWS YOU**

just doing what i do

[View profile](#)

[View followers dashboard](#)

Top mention earned 15 engagements



Lance L. Black

@lancelblack · Dec 1

[@arete_athletics](#) serving more sports to the McKinney community!

[@McKinneyTxEDC](#) [@CityOfMcKinney](#)
#community #youthsports
pic.twitter.com/PUDZTDbftx



1 4

[View Tweet](#)

NOV 2017 SUMMARY

Tweet impressions

780

Profile visits

12

New followers

5

- Monthly Average Impressions^c: 780 for November.

Glossary of Terms:

- **^aReach:** Number of unique people who saw your content.
- **^bUnique Page Impressions:** The number of people who have seen any content associated with your Page. (Unique Users)
- **^cEngagements:** The number of people who engaged with your Page.
- **^dViral Impressions:** The number of times users saw your posts via stories published by their friends. (Total Count)
- **^eTweet Impressions:** Number of times users saw the tweet on Twitter.

17-1220



TITLE: Consider/Discuss/Act on November Financials

SUPPORTING MATERIALS:

[November Transmittal Letter](#)

[November Financials](#)

[November Invoices Processed](#)

November Monthly Financial Report

December 15, 2017

Each month, city staff provides a financial report to the McKinney Economic Development Corporation's board to apprise them of the financial status of the corporation. In an effort to continue providing meaningful financial updates, this transmittal letter includes links to the interactive online financial tool for the month of November. The following is a brief analysis of each section of the corporation's financials.

November Analysis

MEDC Revenue-

Revenue of the McKinney Economic Development Corporation is above budget YTD by 0.8%. Sales tax figures came in 2.5% above last year's collections through November. Below is a link to the current year-to-date revenue of the MEDC:

[MEDC Revenues - November](#)

MEDC Expenditures-

Expenditures of the McKinney Economic Development Corporation are under budget due to savings in rebate expenditures paid out for incentives. During the month of November there were no significant expenses to report out-side of normal operating expenses.

[MEDC Expenditures - November](#)

Sales Tax Analysis-

Below are three links that show some unique analysis for the sales tax of the McKinney Economic Development Corporation and the City of McKinney at large. The first two links relate directly to the sales tax performance, and the third is a picture of the city's collection by industry:

[FY2018 Monthly Sales Tax Comparison](#)

[MEDC – Historic Sales Tax Comparison: November](#)

[City of McKinney – Sales Tax by Industry](#)

Project Details-

Project details for the McKinney Economic Development Corporation are provided as an attachment.

Checks Issued-

Below is a link to the checks that were issued by the McKinney Economic Development Corporation during the month of November:

[MEDC November Checks Issued](#)

Conclusion-

The information included in the interactive monthly financial report is intended to provide a status update on the operations of the McKinney Economic Development Corporation. Staff is available to answer any additional questions you may have.

Sincerely,

Mark Holloway

Chief Financial Officer

City of McKinney

McKinney Economic Development Corporation
 Balance Sheet
 November 2017

	MEDC Operations	Interest and Sinking	Reserve Fund	Long-Term Debt	General Fixed Assets	Total
Assets						
Cash and Cash Equivalents	\$ 242,627	\$ 527,623	\$ 17,404	\$ -	\$ -	\$ 787,654
Investment Pools	37,483,601	-	1,525,487	-	-	39,009,088
Accounts Receivable/Other Taxes & Franchise Fees	2,231,360	-	-	-	-	2,231,360
Deposits/Security Deposits	5,528	-	-	-	-	5,528
Land	-	-	-	-	14,789,413	14,789,413
Land Improvements (Net of Depreciation)	-	-	-	-	12,889	12,889
Machinery & Equipment (Net of Depreciation)	-	-	-	-	628	628
GASB 68 TMRS/Actuarial	-	-	-	15,101	-	15,101
GASB 68 TMRS/Investment	-	-	-	110,441	-	110,441
GASB 68 TMRS/Contributions	-	-	-	69,624	-	69,624
Total Assets	\$ 39,963,117	\$ 527,623	\$ 1,542,891	\$ 195,166	\$ 14,802,930	\$ 57,031,726
Other Debits						
Deferred Charges/Unamortized Advance Refunding	\$ -	\$ -	\$ -	\$ 103,547	\$ -	\$ 103,547
Amount Available for Debt Service	-	-	-	1,682,428	-	1,682,428
Amount Provided for Retirement of Long-term Debt	-	-	-	10,838,899	-	10,838,899
Total Other Debits	\$ -	\$ -	\$ -	\$ 12,624,874	\$ -	\$ 12,624,874
Total Assets and Other Debits	\$ 39,963,117	\$ 527,623	\$ 1,542,891	\$ 12,820,040	\$ 14,802,930	\$ 69,656,601
Liabilities						
Vouchers Payable	\$ 11,943	\$ -	\$ -	\$ -	\$ -	\$ 11,943
Compensated Absences Payable	-	-	-	69,979	-	69,979
Accrued Interest Payable	-	-	-	27,727	-	27,727
Note Payable to Primary Government	-	-	-	1,623,919	-	1,623,919
Bonds Payable	-	-	-	10,635,000	-	10,635,000
TMRS Pension Liability	-	-	-	449,979	-	449,979
TMRS Actuarial Experience	-	-	-	13,436	-	13,436
Total Liabilities	\$ 11,943	\$ -	\$ -	\$ 12,820,040	\$ -	\$ 12,831,984
Fund Balances/Equity						
Reserve for Encumbrances	\$ 236,695	\$ -	\$ -	\$ -	\$ -	\$ 236,695
Reserve for Prepaids	26,668	-	-	-	-	26,668
Unreserved Fund Balance	39,687,810	527,623	1,542,891	-	-	41,758,324
Investment in Capital Assets	-	-	-	-	14,802,930	14,802,930
Total Fund Balances/Equity	\$ 39,951,173	\$ 527,623	\$ 1,542,891	\$ -	\$ 14,802,930	\$ 56,824,617
Total Liabilities and Fund Balances	\$ 39,963,117	\$ 527,623	\$ 1,542,891	\$ 12,820,040	\$ 14,802,930	\$ 69,656,601

McKinney Economic Development Corporation
Summary Operating Statement
November 2017 (17% of FY Complete)

Revenues	FY18 Adopted Budget	Monthly Actual	YTD Actual	Remaining Budget	Budget Received	Monthly Comparison		YTD Comparison	
						Monthly Budget	Monthly Variance	YTD Budget	YTD Variance
Sales Tax	\$ 13,482,272	\$ 1,208,295	\$ 2,235,280	\$ 11,246,992	16.6%	\$ 1,123,523	\$ 84,772	\$ 2,247,045	\$ (11,766)
Interest Income	275,000	36,983	74,982	200,018	27.3%	22,917	14,066	45,834	29,147
Total Revenues	\$ 13,757,272	\$ 1,245,278	\$ 2,310,261	\$ 11,447,011	16.8%	\$ 1,146,439	\$ 98,838	\$ 2,292,880	\$ 17,382
Expenditures	FY18 Adopted Budget	Monthly Actual	YTD Actual	Remaining Budget	Budget Spent	Monthly Budget	Monthly Variance	YTD Budget	YTD Variance
MEDC Operations									
Personnel	\$ 1,333,270	\$ 79,033	\$ 141,879	\$ 1,191,391	10.6%	\$ 111,106	\$ 32,073	\$ 222,212	\$ 80,333
Supplies	33,700	2,551	3,176	30,524	9.4%	2,808	258	5,617	2,441
Maintenance	29,000	-	-	29,000	0.0%	2,417	2,417	4,833	4,833
Services/Sundry	895,519	35,760	83,237	812,282	9.3%	74,627	38,866	149,253	66,016
Total MEDC Operational Exp.	\$ 2,291,489	\$ 117,344	\$ 228,292	\$ 2,063,197	10.0%	\$ 190,957	\$ 73,614	\$ 381,915	\$ 153,623
Projects									
Committed Projects	\$ 7,000,000	\$ -	\$ -	\$ 7,000,000	0.0%	\$ 583,333	\$ 583,333	\$ 1,166,667	\$ 1,166,667
Other Project Expenses	150,000	-	(580)	150,580	-0.4%	12,500	12,500	25,000	25,580
Total Project Expenses	\$ 7,150,000	\$ -	\$ (580)	\$ 7,150,580	0.0%	\$ 595,833	\$ 595,833	\$ 1,191,667	\$ 1,192,247
Non-Departmental									
Other - Adm Fee	\$ 269,000	\$ 22,417	\$ 44,833	\$ 224,167	16.7%	\$ 22,417	\$ -	\$ 44,833	\$ -
Insurance & Risk Fund	1,708	142	285	1,423	16.7%	142	-	285	-
MEDC I & S Fund	2,307,118	192,260	384,520	1,922,598	16.7%	192,260	-	384,520	-
Total Non-Departmental Expenses	\$ 2,577,826	\$ 214,819	\$ 429,638	\$ 2,148,188	16.7%	\$ 214,819	\$ -	\$ 429,638	\$ -
Total Expenses	\$ 12,019,315	\$ 332,162	\$ 657,350	\$ 11,361,965	5.5%	\$ 1,001,610	\$ 669,447	\$ 2,003,219	\$ 1,345,870
Net	\$ 1,737,957	\$ 913,115	\$ 1,652,912			\$ 144,830	\$ 768,285	\$ 289,661	\$ 1,363,251
FY18 Beginning Fund Balance	\$ 38,298,262								
Add FY18 Budgeted Revenue	13,757,272								
Less FY18 Budgeted Expense	(12,019,315)								
FY18 Proj. End Fund Balance	\$ 40,036,219								

Project Details

November 2017

Committed Projects		Prelim Prior Year Budget Balance	FY18 Adopted Budget	FY18 Budget Transfers	Monthly Actual	YTD Actual	Remaining Budget	YTD Budget Disbursed
Raytheon	E13005	\$ 1,530,000	\$ -	\$ -	\$ -	\$ -	\$ 1,530,000	0.0%
Statlab	E13007	157,500	-	-	-	-	157,500	0.0%
Hisun	E13011	126,000	-	-	-	-	126,000	0.0%
Wistron II	E14002	240,000	-	-	-	-	240,000	0.0%
O'Hara Flying Service	E14003	96,000	-	-	-	-	96,000	0.0%
Headington Energy	E14010	160,000	-	-	-	-	160,000	0.0%
Encore Wire	E14017	930,000	-	-	-	-	930,000	0.0%
AIM	E14021	69,000	-	-	-	-	69,000	0.0%
Popular Ink II	E15005	24,000	-	-	-	-	24,000	0.0%
Wright IMC	E15007	108,000	-	-	-	-	108,000	0.0%
Accent Care	E15008	169,020	-	-	-	-	169,020	0.0%
Horizon Data Center	E15010	51,000	-	-	-	-	51,000	0.0%
Blount Fine Food Corp	E16001	510,000	-	-	-	-	510,000	0.0%
Cookies-N-Milk	E16002	44,480	-	-	-	-	44,480	0.0%
Werx (Grant Match)	E17001	108,097	-	-	-	-	108,097	0.0%
SFMC	E17002	768,000	-	-	-	-	768,000	0.0%
TPUSA	E17003	610,000	-	-	-	-	610,000	0.0%
Paccar	E17004	3,300,000	-	-	-	-	3,300,000	0.0%
Cotiviti USA	E17005	792,000	-	-	-	-	792,000	0.0%
Simpson Strong Tie	E17006	467,000	-	-	-	-	467,000	0.0%
Playful	E17007	2,334,400	-	-	-	-	2,334,400	0.0%
3-TAB Beacon	E17008	248,500	-	-	-	-	248,500	0.0%
Lone Star Reel	E17009	224,982	-	-	-	-	224,982	0.0%
Undesignated FY 18		-	6,500,000	-	-	-	6,500,000	0.0%
Total Committed Projects		\$ 13,067,979	\$ 6,500,000	\$ -	\$ -	\$ -	\$ 19,567,979	0.0%

Emerging Technologies		Prelim Prior Year Budget Balance	FY18 Adopted Budget	FY18 Budget Transfers	Monthly Actual	YTD Actual	Remaining Budget	YTD Budget Disbursed
Undesignated FY 18		\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000	0.0%
Total Emerging Technologies		\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000	0.0%

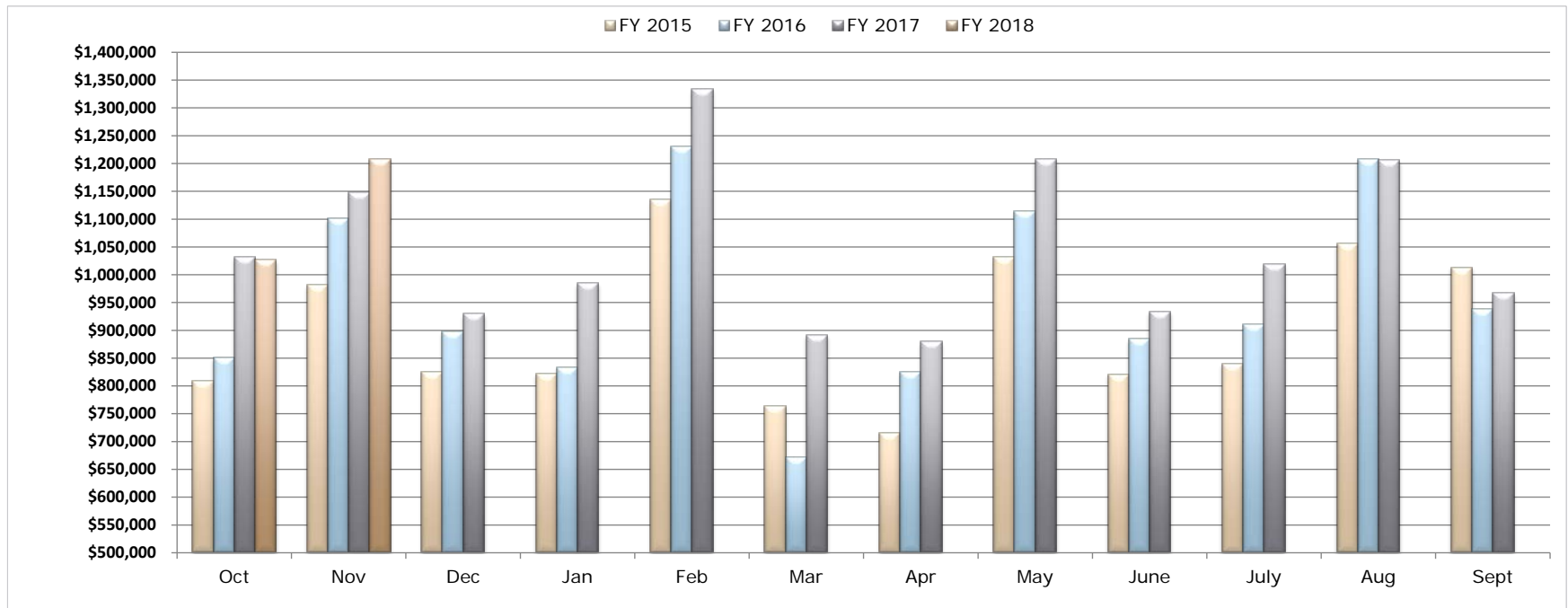
Total Projects		\$ 13,067,979	\$ 7,000,000	\$ -	\$ -	\$ -	\$ 20,067,979	0.0%
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McKinney Economic Development Corporation

Sales Tax Revenue

November 2017

Month Received	FY 2013 Received	FY 2014 Received	FY 2015 Received	FY 2016 Received	FY 2017 Received	FY 2018 Received	Difference to FY 2017	Variance to FY 2017	% of Budget				
October	\$716,718	\$780,694	\$809,613	\$851,178	\$1,032,847	\$ 1,026,985	\$ (5,862)	-0.6%	7.6%				
November	1,039,163	938,090	982,351	1,101,106	1,148,939					1,208,295	\$59,356	5.2%	9.0%
December	722,045	770,221	826,009	897,304	929,699								
January	669,397	744,988	821,731	833,503	985,393								
February	1,231,993	1,043,205	1,136,044	1,231,183	1,334,043								
March	666,620	681,914	764,445	671,518	891,649								
April	676,334	677,086	716,258	825,953	880,093								
May	903,002	978,399	1,031,572	1,114,575	1,208,091								
June	703,897	765,309	820,908	884,501	932,936								
July	694,500	787,000	840,355	910,886	1,019,409								
August	951,437	980,251	1,055,774	1,207,558	1,206,441								
September	725,552	928,323	1,013,186	938,767	967,150								
Total	\$9,700,659	\$10,075,479	\$10,818,246	\$11,468,033	\$12,536,690	\$ 2,235,280	\$ 53,494	2.4%	16.6%				

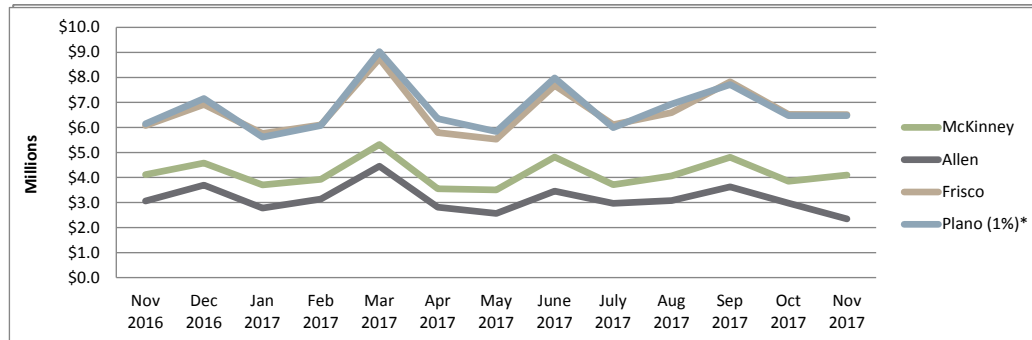


TOTAL SALES TAX COLLECTED

Sister City Comparison

Nov 2017	McKinney	Allen	Frisco	Plano (1%)*
Diff to LY	\$237,008	\$48,558	\$643,297	\$265,416
Var to LY	5.2%	1.3%	9.3%	3.7%

Year To Date	McKinney	Allen	Frisco	Plano (1%)*
Diff to LY	\$216,532	-\$667,640	\$1,083,935	\$584,423
Var to LY	0.4%	-1.7%	1.4%	0.7%



Year-to-Date Collections

FY 2017	McKinney	Allen	Frisco	Plano 1% *
Oct 2016	\$4,116,182	\$3,061,944	\$6,075,708	\$6,150,300
Nov 2016	\$4,580,493	\$3,694,686	\$6,916,761	\$7,160,454
FY 2017 Total	\$8,696,674	\$6,756,630	\$12,992,468	\$13,310,755

FY 2018	McKinney	Allen	Frisco	Plano 1% *
Oct 2017	\$4,095,706	\$2,345,746	\$6,516,345	\$6,469,308
Nov 2017	\$4,817,501	\$3,743,244	\$7,560,058	\$7,425,871
FY 2018 Total	\$8,913,207	\$6,088,989	\$14,076,403	\$13,895,178

* State Comptroller reports 1% sales tax for City of Plano and 1% for DART. All other Sister Cities represent 2% sales tax.

McKINNEY ECONOMIC DEVELOPMENT CORPORATION

Invoices Processed-November 2017

<https://mckinneytexas.opengov.com/transparency>

- 1) Choose "Checkbook" from the left column
 2) Choose the dropdown arrow in the "Funds" column and search for "McKinney Economic Development Corporation"

DATE	#	DESCRIPTION	AMOUNT	INVOICE #	FPO #	PO #
11/2/2017	30	Mileage Reimbursement (J. Valencia)	\$ 126.80	VALEN103117	F34573	
11/2/2017	31	D Magazine (Advertisement)	\$ 1,527.50	14670		180641
11/2/2017	32	Mileage Reimbursement (A. Liu)	\$ 161.98	LIUAB110217	F34572	
11/2/2017	33	Vianco Enterprises	\$ 1,820.50	3182/3172		180353
11/3/2017	34	Lake Forest McKinney Investors				
		Rent	\$5,492.12			180671
		Electric	\$576.40			180671
11/8/2017	35	Expense Reimbursement (S. Coleman)	\$ 70.54	COLEM110617	F34598	
11/8/2017	36	Office Team (S. Coleman)	\$ 693.00	49597810		180683
11/8/2017	37	Standard Coffee Service	\$ 51.07	11952659102717		180352
11/9/2017	38	Office Team (S. Coleman)	\$ 693.00	49437507		180683
		Office Team (S. Coleman)	\$ 693.00	49546054		180683
		Office Team (S. Coleman)	\$ 693.00	49463209		180683
		Office Team (S. Coleman)	\$ 271.51	49437506		180683
11/10/2017	39	Brown & Hofmeister (General)	\$ 1,632.00	34855		180535
11/10/2017	40	Brown & Hofmeister (Hunt SW)	\$ 1,536.00	34859		180535
11/10/2017	41	Brown & Hofmeister (PACCAR)	\$ 352.00	34858		180535
11/10/2017	42	Brown & Hofmeister (Board Meetings)	\$ 1,552.00	34856		180535
11/10/2017	43	Brown & Hofmeister (Independent Bank)	\$ 128.00	34857		180535
11/10/2017	44	TEDC (B.Coleman - Workshop)	\$ 175.00	7234	F34633	
11/17/2017	45	Office Team (S. Coleman)	\$ 693.00	49647514		180683
11/17/2017	46	Foliage Design System	\$ 130.00	1952		180744
11/21/2017	47	4-D Property Maintenance	\$ 1,872.00	2016-337		180425
11/22/2017	48	Mileage Reimbursement (B. Coleman)	\$ 424.35	COLEM111017	F34690	
11/22/2017	49	Dimaco (Thank You Cards)	\$ 194.74	1711-065M		180676

17-1221



TITLE: Type A Economic Development Sales Tax Training

SUPPORTING MATERIALS:

[Training Presentation](#)



Type A Economic Development Sales Tax

McKinney Economic Development Corporation

October 17, 2017

What is the tax rate for a Type A sales tax?

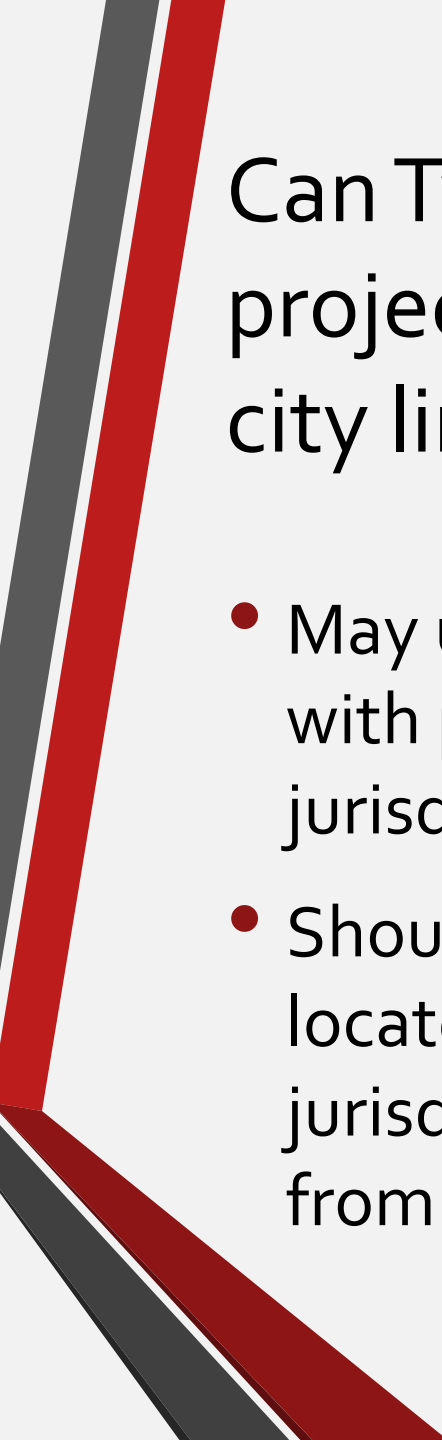
- The sales tax rate for a Type A sales tax is in increments of $\frac{1}{8}$ th of one-percent ($\frac{1}{8}$ th to two (2) percent).
- The total rate for all local sales and use taxes may not exceed two (2) percent.
 - Tex. Loc. Gov't Code Ann. §§504.252(b) and 505.252(b) (as amended by H.B. 157 (2015)).

Can Type A corporations grant or gift Type A proceeds to a business entity without a performance agreement?

- Must enter into a performance agreement with the business enterprise.
- Performance agreement must contain the following:
 - schedule of additional payroll or jobs to be created or retained,
 - schedule of capital investment to be made, and
 - specify the terms for any repayment.
 - Tex. Loc. Gov't Code §501.158.

Can Type A corporation hire an independent third party to conduct business recruitment or development?

- The Act requires a written contract approved by the board of directors for third party business recruitment efforts.
- The penalty is
 - Up to \$10,000 fine
 - Texas Attorney General's Office may bring an action to recover the penalty in Travis County District Court or the district court in which the violation occurred.
 - Tex.Loc.Gov't Code §502.051.



Can Type A corporation undertake projects which are located outside the city limits of the eligible city?

- May undertake projects outside of the city limits with permission of the governing body that has jurisdiction over the property. §501.159(a).
- Should corporation decide to undertake a project located completely in the city's extraterritorial jurisdiction or beyond, it should get approval from the county commissioners court.

Who administers and oversees a Type A sales tax?

- Type A sales tax is administered by non-profit corporations.
- Corporations are governed by the Development Corporation Act, Chapters 501 to 505 of the Texas Local Government Code, and Texas Non-Profit Corporation Act.
- The corporations through a board of directors determine which projects to fund.
- City council retains approval authority over all expenditures of the corporation through approval of MEDC annual budget.
§501.073(a) and 501.054(b)(2).

Who administers and oversees a Type A sales tax? (cont'd)

- In Texas Attorney General Opinion JC-0488 (2002) (“Before addressing the City’s principal concern, we address its assumption that the City, rather than its section 4B development corporation, may expend the sales tax proceeds for the purposes authorized by the voters. This assumption is contrary to the Act.”)
- Section 501.054 of Texas Local Government Code – A corporation “with respect to a project, may exercise all powers necessary or appropriate to effect a purpose for which the corporation is organized, subject to the control of the governing body of the corporation’s authorizing unit.”

Does city council have to approve expenditures for permissible Type A projects?

- The Type A corporation has the power to expend the sales tax revenue.
- Yet, city council retains authority to “approve all programs and expenditures of a corporation.” §501.073(a) through the budget approval process.

Does city council appoint the directors of the Type A corporation?

- Type A board of directors consists of at least five (5) directors.
 - MEDC – 7 member board
- Type A board members are appointed by city council and can be removed with or without cause.

Who receives the Type A sales tax proceeds?

- State Comptroller remits Type A sales tax proceeds to the city.
- The city upon receiving its local sales tax allotment from the Comptroller must remit the sales tax to the Type A corporation.
 - §§504.301 and 505.301.

How long a term do Type A board of directors serve?


- Type A board of directors serve a term not to exceed six (6) years. §504.051(c).
 - MEDC – 2 year terms

Can a Type A director be reappointed to a subsequent term?

The Attorney General concluded Type A board member could be reappointed to a subsequent term, absent any contrary provision in the articles of incorporation or bylaws, or in a city charter, ordinance or resolution of the city.

- Op.Tex.Att’y Gen. No. JC-0349 (2001).

City of McKinney Board Policy – three (3) consecutive, full two-year terms.




Who determines which board members serve as president, secretary and other officers of the corporation?

The board of directors appoint the officers to serve as president, secretary, and other officers.

- Tex. Loc. Gov't Code §§504.052 and 505.053.

How long a term do the president, secretary and other officers serve as an officer?

- One term as officer is the term provided for in the certificate of formation or bylaws.
- But, one term cannot exceed three (3) years.
 - MEDC – officers have 1 year term
- If the certificate of formation or bylaws do not address the term of office, the officers are elected annually.
 - Tex.Loc.Gov't Code §501.065(b).



Must a Type A board member be a resident of the city?

- The Development Corporation Act does not require a Type A director to be a resident of the city.

Can city council members serve as directors on the Type A corporation?

- The Development Corporation Act does not address whether council members may serve on the Type A board.
 - In Texas Attorney General Opinion JC-0547 (2002), the Attorney General noted service on the board of directors is not a “public officer.” Accordingly, such dual service on the Type A board would not violate the common-law doctrine of incompatibility nor dual office holding.

What constitutes a quorum of the Type A board of directors?

- A majority of the board constitutes a quorum.
- **Type A**: Generally, three (3) members of a five (5) member Type A board constitute a quorum.

§504.053.

- MEDC – quorum is 4 of the 7




Are Type A board of directors paid?

The directors serve without compensation but must be reimbursed for actual expenses.
§501.062(d).

Are the board meetings of Type A board subject to the Open Meetings Act?

- Type A corporations are subject to the Open Meetings Act. §501.072.
- All meetings of the Type A board must occur within the city limits.



Are Type A corporations subject to the Public Information Act?

Type A corporations are subject to the Public Information Act. §501.072.

Can a Type A corporation amend its bylaws?

- Are authorized to adopt and amend bylaws not inconsistent with:
 - certificate of formation; or
 - state law.
- Amendments to the bylaws must be approved by resolution of the city council.
 - Tex. Loc. Gov't Code §§501.064(c).

Must Type A corporations conduct public hearings prior to funding Type A projects?

- Type A corporations are required to obtain city council approval of its project budget.
- Type A corporations generally do not have additional public notice and public hearings requirements on individual projects.


Must Type A corporations publish notice of any hearings on proposed projects?

- Generally, Type A corporations are not required to publish notices of proposed projects.
- When a Type A board pursues a particular project, city council must approve the project.
- Three exceptions requiring the publishing of notices:
 - sports venue projects,
 - pursuing Type B projects, and
 - maintenance and operating costs of a project.

Economic Development Corporation Report

- Section 502.151 of the Texas Local Government Code provides the following:
 - Requires all Type A corporations to submit an annual report to the State Comptroller's Office
 - The report must be submitted by February 1 each year
 - \$200 penalty failure to file
 - Comptroller must report to Legislature in even numbered years.

Economic Development Corporation Report


 01-138
 (Rev. 10/2003)

TEXAS COMPTROLLER OF PUBLIC ACCOUNTS
ECONOMIC DEVELOPMENT CORPORATION REPORT
 —Fiscal Year Ending 2003

Corporation name			
Contact person		Title	
Street address			
City		State	ZIP code
TEXAS			
Phone (Area code and number)	FAX (Area code and number)	E-mail address (if applicable)	Type of corporation <input type="checkbox"/> 4A <input type="checkbox"/> 4B

As required by Vernon's Ann. Civ. St. Art. 5190.6 §4C, please complete and return this form to the Comptroller's office by February 1, 2004. Your reply must be postmarked no later than February 1, 2004. Please use the enclosed self-addressed envelope. You may also complete and fax this form to 512/475-0664 no later than the due date. Failure to file a completed report form by February 1, 2004 may result in an administrative penalty. Instructions are on the back of this form.

- Indicate your corporation's fiscal year _____
- Check the corporation's primary economic development objective(s):

<input type="checkbox"/> Job Creation/Job Retention	<input type="checkbox"/> Infrastructure Projects
<input type="checkbox"/> Tourism	<input type="checkbox"/> Other (You may use a separate sheet to provide additional information, if desired.)
<input type="checkbox"/> Sports Facilities/Recreation	
- List the corporation's total revenues during the preceding fiscal year.

Sales Tax Revenue	\$ _____
State/Federal Grants and Matching Contributions	_____
Rental/Lease/User Fees Income	_____
Bond Proceeds/Loans Obtained	_____
Other Revenue	_____
TOTAL FISCAL YEAR-END 2003 REVENUES	\$ _____
- List the corporation's total expenditures during the preceding fiscal year in each of the following categories:

Personnel	\$ _____
Administration	_____
Marketing and Promotion	_____
Direct Business Incentives (Do not include payments to other taxing units)	_____
Job Training	_____
Debt Service	_____
Capital Costs	_____
Affordable Housing	_____
Payments to Taxing Units (e.g., school districts, municipalities, counties, etc.)	_____
Other	_____
TOTAL FISCAL YEAR-END 2003 EXPENDITURES	\$ _____
- List the corporation's capital assets. (Exclude office equipment.)

_____	_____	_____
_____	_____	_____

PERSON COMPLETING THE FORM

Print name		Title	
sign here		Signature	Phone (Area code and number)

If you have questions concerning the instructions or survey, call the Comptroller's Local Government Assistance Division, toll free at 1-800-531-5441, ext. 3-4679. The Austin number is 512/463-4679.

Type A Sales Tax Permissible Projects



What are permissible Type A projects?

- Currently, Type A corporations may fund the following projects which must create or retain primary jobs:
 - manufacturing and industrial facilities;
 - research and development facilities;
 - military facilities;
 - recycling facilities;
 - distribution centers;
 - small warehouse facilities;
 - primary job training facility by institutions of higher education; and
 - regional or national corporate headquarters.
 - Tex.Loc.Gov't Code §§501.101 and 504.103.

What are permissible Type A projects? (cont'd)

- Additionally, Type A corporations may fund the following projects without creating or retaining primary jobs:
 - job training classes;
 - certain targeted infrastructure;
 - career center not located within the taxing jurisdiction of a junior college district;
 - general aviation business airport which is an integral part of an industrial park;
 - port related facilities; and
 - development, improvement, maintenance commuter rail, light rail, or motor buses.

Sec. 501.103. Certain Infrastructure Improvement Projects.

- In this subtitle, “project” includes expenditures that are found by the board of directors to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, limited to:
 - streets and roads, rail spurs, water and sewer utilities, electric utilities, or gas utilities, drainage, site improvements, and related improvements;
 - telecommunications and Internet improvements; or
 - beach remediation along the Gulf of Mexico.

Tex. Loc. Gov't Code §501.103.

What is a “Primary Job”?

- In 2003, the Texas Legislature required most Type A projects create or retain primary jobs.
- The term primary job means
 - a job that is . . . available at a company for which a majority of the products or services of that company are ultimately exported to regional, statewide, national, or international markets infusing new dollars into the local economy; and
 - is included in one of nearly sixteen (16) NAICS sector codes.

What is a “Primary Job”?

- The NAICS sector code categories include:
 - crop production;
 - animal production;
 - forestry and logging;
 - commercial fishing;
 - support activities for agriculture and forestry;
 - mining;
 - utilities;
 - manufacturing;
 - wholesale trade;
 - transportation and warehousing;
 - information;
 - securities, commodity contracts, and other financial investments and related activities;
 - scientific research and development services;
 - management of companies and enterprises;
 - telephone call centers;
 - correctional institutions; and
 - a job included within National Security sector number 928110.

Sales Tax Proceeds for Promotional Purposes?

- Type A corporations may spend no more than ten percent (10%) of the corporate revenues for promotional purposes.
- Texas Attorney General Opinion GA-0086 (2003)
 - Promotional purpose is a question of fact for the board of directors to resolve in the first instance.
 - The City Council could approve or disapprove of a particular promotional expenditure.
 - The Attorney General noted a corporation may not spend more than ten percent (10%) of its current annual revenues for promotional purposes in any given year. Yet, unexpected revenues specifically set aside for promotional purposes in past years may be expended for such purposes.

Can Type A corporations expend sales tax proceeds for job training classes?

- A corporation may spend tax revenue received under this Act for job training offered through a business enterprise only if the business enterprise has committed in writing to:
 - create new jobs that pay wages that are at least equal to the prevailing wage for the applicable occupation in the local labor market area; or
 - increase its payroll to pay wages that are at least equal to the prevailing wage for the applicable occupation in the local labor market area.
- Tex.Loc.Gov't Code Ann. §501.162.

Streets and Sewers

Could a Type A corporation fund street and/or sewer projects?

Section 501.103

- “Project” includes expenditures found by the board of directors to be required or suitable for **infrastructure** necessary to promote or develop new or expanded business enterprises, limited to: **streets and roads**, . . . , water and **sewer utilities**, . . . **drainage**,.

Streets and Sewers (cont'd)

Attorney General Opinion GA-320 (2005)

- An expenditure for road construction may qualify as a “project” under section 2(11)(A)[now 501.103] of the Development Corporation Act . . . provided the board of directors of an industrial development corporation finds that the expenditure is “required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises.”

Streets and Sewers - Questions

1. Can Type A repave all streets within a city or fund the installation of a sewer pipeline in the city?
2. Can Type A funds be used to pave/repave streets in a commercial district or fund the installation of a sewer pipeline in a commercial or industrial park?
3. Can Type A pay for streets or installation of sewer pipelines to a new residential subdivision?

Streets and Sewers - Questions

You decide a particular street or sewer project is permissible. What “costs” can you pay related to the street or sewer project?

- a) Can you pay for right-of-way acquisitions?
- b) Can you purchase the land for the street or sewer?
- c) Can you purchase easements?
- d) Can you pay for engineering, surveying, and legal cost related to the street or sewer project?

Definition of “Cost” – Section 501.152

“Cost” with respect to a project, means the cost of the acquisition, cleanup, construction, reconstruction, improvement, or expansion of a project, including

(1) the cost of acquiring all land, rights-of-way, property rights, easements, and interests; . . .

(9) the cost of engineering or legal surveys;

(10) the cost of plans, specifications, or surveys;

(11) other expenses necessary or incident to determining the feasibility and practicability . . .

Public Parks

Can Type A corporation fund park projects?

- **Section 505.152** “Project” includes land, buildings, equipment, facilities, expenditures and improvements found by the board of directors to be required or suitable for use for professional and amateur sports, including children’s sports, athletic, entertainment, tourist, convention, and **public park purposes** and events, **including** stadiums, ball parks, auditoriums, amphitheaters, concert halls, **parks and park facilities**, open space improvements, . . .

Type A Pursuing a Type B Project

- Election on uniform election date authorizing Type A sales tax proceeds for Type B project, or “specific category of projects.”
- Project or category of projects must be clearly described on the ballot.
- If maintenance and operating costs are to be paid, the ballot language must clearly state that fact.
 - Tex. Loc. Gov’t Code Ann. §504.152.

Type A and Retail

- If a Type A corporation wishes to assist with retail development, the Type A corporation may provide economic development assistance in the following areas:
 - Section 501.103 – targeted infrastructure
 - Section 504.105 – promotional expenditures
 - Section 501.162 – job training classes