

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

JUNE 21, 2022

The McKinney Economic Development Corporation met in regular session in the City Hall Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on Tuesday, June 21, 2022, at 8:00 a.m.

Board members Present: Chairman Michael Jones, Vice Chairman Joe Minissale, Secretary/Treasurer Kurt Kuehn, Brian Loughmiller, Kenneth Sipiora, Julie Williams, Thad Helsley.

Absent: Mohamed Kacem

City Council members Present: Mayor Pro Tem Rainey Rogers, Councilman Rick Franklin.

Staff Present: President Peter Tokar, Business Retention Expansion Manager Madison Clark, MEDC Marketing and Social Media Manager Luke Gajary, MEDC Executive Assistant Melanie Molina, City Manager Paul Grimes, MEDC Attorney Mark Houser, Financial Compliance Manager Chance Miller, MEDC President Cindy Schneible, and Visit McKinney Sales Manager Rachel Tamez.

Absent: MEDC Vice President Michael Talley, MEDC Operations Manager Deana Smithee.

There was 1 guest present.

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

22-0527 Chairman Jones called for the Minutes of the McKinney Economic Development Corporation Meeting of April 19, 2022

Board members unanimously approved the motion by Secretary/Treasurer Kuehn, seconded by Vice Chairman Minissale, to approve the Minutes.

22-0528 Chairman Jones called for the Minutes of the McKinney Economic Development Corporation Meeting of May 24, 2022

Board members unanimously approved the motion by Secretary/Treasurer Kuehn, seconded by Vice Chairman Minissale, to approve the Minutes.

22-0529 Chairman Jones called for Board and Liaison Updates. Chairman Jones congratulated MEDC staff on attending the International Economic

Development Council Fall Forum to officially accept the Accredited Economic Development Organization award. Chairman Jones announced MEDC is sponsoring the annual McKinney Police Association Golf Tournament next week. Chairman Jones recognized Abby Liu for her 11 years with MEDC, thanked her for her contributions to MEDC, and wished her well on her future endeavors.

City of McKinney- City Manager Paul Grimes congratulated MEDC on the AEDO achievement and said the City is very excited for the MEDC for obtaining that status. Mr. Grimes congratulated Abby Liu and said she would be missed. Mr. Grimes announced the City is working in collaboration with MEDC on a broadband RFP. Mr. Grimes said staff is currently evaluating them and it is a part of 5G, or Information and Communications Technology that evolves over time. Mr. Grimes said we are very excited to be evaluating what is out there in the marketplace to help McKinney expand broadband infrastructure. Mr. Grimes announced there are two tools being brought to City Council tonight for approval regarding affordable housing. One tool is the formulation of a City land trust, with the City setting the guidelines in the application process and a private-nonprofit sector operating the community land trust. The other tool is a public facilities corporation that would allow the proposer for a project, for example a multifamily project, that they could do under a public facilities corporation which allows more flexibility with regards to the number of affordable units with any market project. Mr. Grimes announced we are seeing a bit of cooling off in single family permitting. We are seeing this with inflation pressures, cost pressures, and interest rate pressures. We still had 97 single family permits issued for the month of May, but the year before there were 204 permits issued. Mr. Grimes announced if you have an opportunity to, drive by and see artist Guido Van Helten out there painting the grain silo mural. Artist Guido Van Helten will be there for four to six weeks. Mr. Grimes noted we have an

idea of what the murals will look like based on ideas given to the artist, but we will not know exactly what it looks like until the reveal, which will be by the end of summer.

Chamber of Commerce- McKinney Chamber of Commerce President Lisa Hermes announced the business development update hosted in partnership with MEDC will be Tuesday the 28 of next week. Ms. Hermes said the focus is on development trends in mixed use development with a lens of building wellbeing in an authentic community. Ms. Hermes said a fantastic group of professionals would be there to speak. The event will be at the Collin College Conference Center. Ms. Hermes announced the quarterly luncheon will be July 19 with speaker AJ Rodriguez from Texas 2036. Texas 2036 is a data-driven, fact-focused organization to influence policy in areas that keep Texas competitive. Ms. Hermes announced McKinney Leadership received sixty-five applicants, thirty-one of which will be selected as members. Ms. Hermes announced the Chamber will be gearing up a group of volunteers to help with the campaign to get the liquor petition passed. Ms. Hermes noted the petition will be the last item on the ballot for November.

MCDC- MCDC President Cindy Schneible announced this spring the MCDC board went through their annual priority setting conversations and established six priorities. Priorities include low-income housing, multi/mixed use destination entertainment projects, historic cultural district support and east side development, park and open space development and preservation of open space, community gathering facility to support cultural and community events, collaborative projects involving community partners including MEDC, City of McKinney, and nonprofits in the community. Ms. Schneible announced the MCDC Board approved four project grants at the May meeting and are currently accepting applications for the final cycle of project grants for the current fiscal year through June 30. These will be presented to the MCDC Board

in July and voted on in August. Ms. Schneible announced at the MCDC Board meeting this week, the board will hear presentations on eleven promotional and community event grants that have applied for funding. MCDC is excited that three of those are first-time applicants. Ms. Schneible announced the Tupps construction project is still looking at November 2 as a substantial completion date.

Visit McKinney- Visit McKinney Sales Manager Rachel Tamez announced their new Executive Director, Aaron Werner started on June 2 and looks forward to seeing us next month. Ms. Tamez announced at the end of April to first of May, we had the USA Pickleball regional tournament, held at the Courts of McKinney. The tournament had 900 players from 31 states, and it was the second year to host the tournament in McKinney. Hotels that week reached an occupancy of 77.63%, estimated hotel occupancy tax (HOT) revenue was a little over \$30,000 which is an increase of 32% from the prior year. Ms. Tamez announced the estimated early attendance for the AT&T Byron Nelson was 135,000 for this year. Hotels reached 79.36% occupancy and rose to 81% for Thursday through Sunday. Estimated HOT revenue that week was \$56,653 which is an increase of 25% from last year. Ms. Tamez noted planning for the next Pickleball tournament and Byron Nelson start in the fall. Ms. Tamez announced the Drum Core International will be at MISD Stadium on Tuesday, July 26 at 8:00 p.m. There will also be a drum battle event at Tupps on Monday, July 25 at 6:00 p.m. You can find more information and tickets at visitmckinney.com/dcimckinney. Ms. Tamez announced April HOT tax as reported by the City was \$217,005 for an increase of almost 28% from prior year, and May HOT tax was \$225,482 for an increase of 40% from last year.

22-0530 Chairman Jones called for the MEDC Monthly Organizational Report. MEDC President Peter Tokar had no further updates to the report.

22-0531 Chairman Jones called for the MEDC Monthly Metrics Dashboard Report. Mr. Tokar announced the active project pipeline was averaging over 30 projects last year and has scaled back to 28. Mr. Tokar noted only 1 major announcement has signed their contract. We had three or four approved projects where the company made a decision and signed our letter, but a real estate issue arose. We are still waiting on execution on those contracts. For BRE, we will 100% meet our target this year for sixty visits. Mr. Tokar noted website traffic is up, email marketing rates are up, everything is going well aside from the one hiccup with projects, but hopefully those contracts will get executed this summer.

22-0532 Chairman Jones called for the April 2022 Financials. Financial Compliance Manager Chance Miller announced April revenue was \$1.387 million, and about all of that was sales tax revenue. Mr. Miller noted interest rate income would start to pick up as the interest rate is dictated by the Federal Government. With Federal Interest rates increasing, the City's would increase as well, but that would not come into play until next fiscal year. Mr. Miller announced April expenses were \$2.5 million, with \$1.7 million of that for project expenses Mr. Miller announced April sales tax says "April", but applies to February collections. February is typically one of the lowest-collecting months of the year. We saw a 24.1% increase, Allen saw a 13.6% increase, Frisco saw 45.8% increase, Plano saw a 19.7% increase. Looking at audit collections they all look like pretty true increases. Mr. Miller noted retail trade increased by \$3 million but every industry has been growing.

22-0533 Financial Compliance Manager Chance Miller announced sales tax revenue for May was \$2.1 million and expenses were \$1.4 million. We had a little over \$1 million in project expenses, due to the timing of companies meeting their milestones and receiving their payouts. Mr. Miller noted these project expenses are budgeted for. Mr. Miller announced sales tax applies to March. Another difference is March is

one of the biggest months. There was a 15.3% increase, Allen saw a decrease of 2.8%, Frisco had an increase of 23.9%, and Plano had an increase of 32.1%. McKinney had an audit collection of over \$500,000 so our true increase was a little over 8%. Plano also had an audit collection, so their true increase was only 9%. Frisco's number of 23.9% was a true increase. Allen, McKinney, and Plano are not seeing the same degree of increases that we have been seeing throughout the year. Mr. Miller announced sales tax by industry looked standard across all industries. Mr. Miller noted August will be the first collection month to see how the economy and inflation rates are impacting us. Mr. Miller noted if we start to see a decrease, August would be the first month to start to see that.

Board members unanimously approved the motion by Board member Loughmiller, seconded by Board member Helsley, to approve both the April 2022 and May 2022 Financials.

22-0534 Chairman Jones called for discussion on the Amendment to the Grant Agreement by and Between Active Security Consulting and McKinney Economic Development Corporation. Chairman Jones noted it was just a date correction from June 2022 to June 2023.

Board members unanimously approved the motion by Secretary/Treasurer Kuehn, seconded by Board member Williams, to approve the amendment to the Grant Agreement by and Between Active Security Consulting and McKinney Economic Development Corporation.

Chairman Jones recessed the meeting into Executive Session at 8:36 a.m.

Chairman Jones reconvened the meeting to open session at 9:02 a.m.

Board members unanimously approved the motion by Board member Loughmiller, seconded by Board member Helsley, to approve Project Bluesky as discussed in Executive Session.

MEDC MINUTES

June 21, 2022

PAGE 7

Board members unanimously approved the motion by Board member Helsley, seconded by Board member Williams, to approve Project Anchor as discussed in Executive Session.

Board members unanimously approved the motion by Vice Chairman Minissale, seconded by Board Member Helsley, to Adjourn.

Chairman Jones adjourned the meeting at 9:05 a.m.

A video recording of this meeting is available through the City of McKinney meeting archive.

These minutes approved by the MEDC members on Tuesday, July 26, 2022.

MICHAEL JONES
Chairman

KURT KUEHN
Secretary / Treasurer