

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

AUGUST 19, 2014

The McKinney Economic Development Corporation met in regular session in the Dowdy Board Room, 5900 S. Lake Forest Drive, McKinney, Texas, on August 19, 2014 at 8:00 a.m.

Board members present: Vice Chair Darrell Tate, Secretary/Treasurer Lance Lindsay, Julie Fort, Robbie Clark, and Pablo Ruiz.

Absent: Chairman Ernest Lynch III and Board member Chuck Branch.

Staff present: President/CEO Jim Wehmeier, Executive Vice President Abby Liu, Business Retention and Expansion & Emerging Technology Director John Valencia, Marketing Director Cayti Stein, Director of Business Development Chad Walker, Corporation Attorney Mark Houser, and Administrative Assistant Deb Hass.

Guests Present: Mayor Pro Tem Travis Ussery, Council member Geralyn Keever, Interim City Manager Tom Muehlenbeck, Assistant to the City Manager Darrek Ferrell, MCVB Executive Director Dee-Dee Guerra, Chamber of Commerce Communications Director/Managing Editor Peggy Smolen, McKinney Airport Development Corporation (MADC) Chairman John Wroten, Executive Director McKinney National Airport Ken Wiegand, and Chief Finance Officer Rodney Rhoades.

Vice Chair Tate called the meeting to order at 8:02 a.m. after determining a quorum present.

14-823 Minutes of the McKinney Economic Development Corporation Meeting of July 15, 2014. Board members unanimously approved the motion by Board member Lindsay, seconded by Board member Ruiz, to approve the Minutes of the McKinney Economic Development Corporation Meeting of July 15, 2014 with a correction to Pablo Ruiz name.

14-824 Board and Liaison Updates – Interim City Manager Tom Muehlenbeck stated that City Council had arrived at a consensus for a new downtown parking garage. The garage is identified as site number two. It is an

existing surface parking lot which is owned by the City and will be the site for a remote police annex. The site is north of Davis street, bounded by Wood street to the west, and Kentucky street to the east. Access will probably be provided off of Davis street. Several questions have to be decided, regarding the height of the facility, the garage is going to be paid or free the facilities height, whether the garage is going to be paid or free, and what steps the City will take regarding security. The City anticipates picking up 306 net new parking spaces. The parking garage will cost \$6.7 million. Mr. Muehlenbeck stated that City Council will conduct its first Public Hearing on its 2015 Operating Budget on August 19, 2014.

McKinney Community Development Corporation (MCDC) - MEDC President/CEO Jim Wehmeier spoke on behalf of MCDC President Cindy Schneible. MCDC updated the City Council on the Aquatic Facility on August 18, 2014. Mr. Wehmeier asked if Council member Kever would update the Board on that presentation. Ms. Kever stated that it was a very good report presented primarily by the architect. The goal is for the facility to open May or June of 2016.

McKinney National Airport – Executive Director McKinney National Airport Ken Wiegand reported that MADC will meet on Thursday, August 21, 2014. City Council has changed the airports lease rate from thirty cents a square foot, to a range of forty five to sixty five cents a square foot. The MADC has made certain change recommendations to City Council about the airport layout plan. Mr. Wiegand gave an update on Monarch Air and the progress of their relocation from Addison Airport to McKinney National Airport.

McKinney Convention & Visitor's Bureau (MCVB) – Executive Director Dee-Dee Guerra presented the MCVB report. She noted that in July, either text or photo advertising was done in *Dallas Child, Louisiana Life, a Natural Awakenings North, and Convention South*. Ms. Guerra also reported that MCVB ran a Facebook campaign on July 2, 2014 that

reached over 3600 people, and then another campaign on July 17, 2014 that ran for two days and reached over 299 new fans with a total of 6000 people reached. Last month, MCVB had 249 walk-ins, 115 out of state visitors, 19 out of country visitors, 77 Texas residents, and 38 McKinney residents. The top five cities requesting information are Houston, San Antonio, Chicago, Dallas, and Austin. The top states requesting information are Texas, Illinois, Florida, Louisiana, and New York. MCVB saw two day trips, and 2 site visits. Staff received six requests for proposals and filled 185 welcome bags. Staff is working with other departments to put together an information sheet detailing McKinney home prices, and geographic locations of the homes for Toyota visitors.

Chamber of Commerce – Communications Director/Managing Editor Peggy Smolen presented the Chamber report. The Chamber just held its new teacher breakfast with over 500 in attendance, where McKinney businesses showcased their businesses. The Chamber is having its second Competitive Edge series, which is a business and education series, on August 19, 2014. The focus will be on Human Resources. The Chamber interviewed six candidates for its Presidents position. The Chamber is focusing heavily on the McKinney Magazine and its growth. They are adding a business to business issue that will be coming out his fall. The magazine has hired John Dugan as the Business Development Specialist hoping to grow the business issue. Ms. Smolen reported that she is now the publisher of the magazine. An associate editor also has been added to the staff of the magazine.

14-825 Director of Business Development Report. Chad Walker, Director of Business Development presented the report. Mr. Walker traveled to Chicago with the Dallas Regional Chamber and met with multiple site selectors, resulting in positive discussions on the benefits of relocating to the McKinney area. Workforce and real estate availability are two of the

primary project drivers. It was noted that some states have better and more flexible workforce training programs. Mr. Walker reported that there are several active projects in the pipeline this month. Mr. Walker continues to stay in touch with two manufacturing prospects from out of state.

14-826 Director of Marketing and Research Report. Cayti Stein presented her report first by presenting the update on an aerial map of McKinney. Ms. Stein also has updated a McKinney Independent School District flyer. Prior to this flyer MISD has had no marketing material. Ms. Stein has also updated the McKinney National Airport flyer. Ms. Stein has started an on-line advertising campaign that is running through Google. The campaign is specifically targeting areas in California. There has already been one qualified lead from that campaign. Ms. Stein stated that Toyota employees will be visiting the area from August 21, 2014 through March 2015 twice a week every Thursday and Saturday. Each department in the City has one month that they will be responsible for covering the McKinney booth to showcase McKinney. MEDC has the month of October. Ms. Stein displayed the video of McKinney that was shown to the Toyota visitors, and has been placed on YouTube. The video has already had 5,000 hits. The video will be used to showcase McKinney and to recruit new businesses to the area. The Board commented on the Margulies Report and its effectiveness. Ms. Stein commented that she felt that Margulies was very beneficial. The Wall Street Journal on-line picked up the story on the expansion of Encore. A short summary of the Margulies report was requested by the Board for the next meeting.

14-827 Director of Business Retention and Expansion Report. John Valencia reported that on the Business Retention & Expansion Program and that he hoped the Board has seen the work going on with the expansion of

Encore Wire, and the airport. StatLab has their foundation poured. Manner and Perfectly Green continue to move forward on their site energy generation plan. Mr. Valencia reported that Adelphoi is up and running and that Munzee is in their new renovated downtown location. Currently the City has 10 active participants in the Emerging Technology program, and one more company signing papers this week. Staff continues to find a site management team for the Collide Center. At this time there are 2 very good prospects. Christine Smith is on site now for the MEDC efforts for the day to day. The Collide Center has 11 active, with five that started August 15th for a total of 16 entities. There are four applicants pending. Mr. Valencia updated the Board on the US 75 construction. The big effort is to try to support those businesses at Eldorado Parkway and 75.

14-828

Executive Vice President Report. Abby Liu reported that most of the attention in the last month has been towards the Toyota visit that was held from August 10-14. McKinney had a very strong presence on every day. A welcome reception was held on Sunday, August 10th and was led by Mayor Pro Tem Ussery with the McKinney Chamber and McKinney EDC participating. A healthcare panel was held on Monday, August 11th with Medical Center of McKinney participating with Chair Lynch being one of the panelists. On day three, August 12th a quality of life and education panel was held with MISD and Collin County Community College participating. On day four, August 13th McKinney had a half a day with Mayor Loughmiller leading the city tour. The morning started with the community services fair at Craig Ranch. A lunch was catered at MPAC. Day five, August 14th a speed networking was held as McKinney's farewell event. Employee feedback was that McKinney was their favorite city. Ms. Liu commented on what a huge collaboration this event was with many city departments. Ms. Liu

commented that the employees that will be transferring to the North Texas area are from California, Kentucky and the New York/New Jersey area.

14-829 President-CEO Report. Jim Wehmeier began his report by commenting on how organized the Toyota visit was. Mr. Wehmeier mentioned to the Board that he has emailed the forms for his annual review and needs the forms back as soon as possible. Mr. Wehmeier noted that he has finished all staff reviews. Mr. Wehmeier updated the Board on the open Comptroller position. The position has been put on hold after conversations with staff on what the true needs of the office were. Mr. Wehmeier welcomed Deb Hass as the new Administrative Assistant, and felt it was wise to see what level of expertise she has with the structure of the office before hiring a new position. The budget today still shows an open Comptroller position. After conversations with Mr. Muehlenbeck, Ms. Schneible and the rest of staff, there was a consensus that there might be more of a need in another area. Mr. Wehmeier said that he would keep the Board posted on what direction he decides is best for the office. Mr. Wehmeier stated that Council will approve FY 15 budget in September. The City has done an internal audit, and our internal costs of services from the City have increased. Per the Board's request, a policies and procedures have been put in place. Because some of the policies were not clearly in line with the bylaws, Mr. Houser has written a Resolution to bring the bylaws, articles of incorporation, and policies all together. Mr. Wehmeier stated that he was working with Mr. Muehlenbeck on a concept of a round table of "C" level executives. Mr. Muehlenbeck gave his perspective on the concept. Board member Lindsay offered his help in recruiting CEO's.

Vice Chair Tate thanked the staff for all the work they do on their reports.

14-830 Consider/Discuss/Act on Financial Report. Chief Finance Officer Rodney Rhoades presented the July financial report. Mr. Rhoades commented that it was another strong month for sales tax revenues compared to July FY13. Mr. Rhoades anticipates that end of year sales tax revenues will be \$9.7 million. All sister cities comparisons are strong. Board members unanimously approved the motion by Board member Lindsay, seconded by Board member Ruiz to approve the July Financial Report.

14-831 Consider/Discuss Updated Budget. Jim Wehmeier began the discussion on the updated budget by addressing the cost of city support services. He reported that last year the cost was close to \$94,000. Finance had a study done for the cost of services for Human Resources, IT, Finance, Purchasing and possibly some other departments. All departments in the City pay for these services. The study came back that charges were significantly lower than they should be. MEDC's charges for the upcoming fiscal year will be \$160,000. Mr. Rhoades gave a report on the results of the study. Mr. Wehmeier also reported another change in the budget that dealt with department administration staff. Board member Fort commended that she thought the budget looked good. Board member Clark asked if Finance could provide certain reports to the Board if requested. Mr. Rhoades agreed to that request.

Vice Chair Tate recessed the meeting into executive session at 9:55 a.m. per Texas Government Code Section 551.071 (2) Consultation with 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), Section 551.072 Discuss Real Property, and Section 551.087 Discuss Economic Development Matter as listed on the posted agenda. Vice Chair Tate recessed to the open session at 11:05 a.m.

14-832 Consider/Discuss/Act on P & A Graphics Contract. Board members unanimously approved the motion by Board member Lindsay, seconded by Board member Ruiz to table this item until the next Board meeting.

Board members unanimously approved the motion by Board member Ruiz, seconded by Board member Lindsay, to adjourn. Vice Chair Tate adjourned the meeting at 11:06 a.m.

Darrell Tate
Vice Chairman

