

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

APRIL 19, 2022

The McKinney Economic Development Corporation met in regular session in the City Hall Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on Tuesday, April 19, 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, and Alternate Mohamed Kacem.

City Council members Present: Councilman Rick Franklin.

Staff Present: Executive Vice President of Operations Abby Liu, Senior Vice President Michael Talley, MEDC Manager of Business Retention and Expansion Madison Clark, MEDC Marketing and Social Media Manager Luke Gajary, MEDC Operations Manager Deana Smithee, MEDC Executive Assistant Melanie Molina, City Secretary Empress Drane, City Manager Paul Grimes, MEDC Attorney Mark Houser, Financial Compliance Manager Chance Miller, MCDC President Cindy Schneible, and Visit McKinney Interim Executive Director Marie Woodard.

Absent: President Peter Tokar

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

Chairman Jones called for Public Comments for items on the agenda and there were none.

22-0356 Chairman Jones called for the Minutes of the McKinney Economic Development Corporation of February 15, 2022.

Board members unanimously approved the motion by Board member Thad Helsley, seconded by Vice Chairman Joe Minissale, to approve the Minutes.

22-0357 Chairman Jones called for Board and Liaison Updates.

City of McKinney – City Manager Paul Grimes spoke. However, we experienced technical difficulty with the sound.

MCDC - MCDC President Cindy Schneible announced the MCDC board will meet next week and hold public hearings on four project grant

applications that were received. The total request is about \$1.8 million. There is a combination of large and small requests. Board action will be scheduled for the May meeting. The next round of promotional grant applications will be accepted May 1- May 31. Ms. Schneible announced she is very excited about the plans this year to promote the City overall. MCDC, Visit McKinney, McKinney Main Street, and the City of McKinney have been working on plans to establish a stronger presence for the City of McKinney and the promotion will revolve around the 19th Hole. Local businesses, restaurants, and dining establishments will be promoted as destinations for those attending the Byron Nelson tournament. Ms. Schneible announced the work on Tupps Brewery is underway, with a targeted completion date for early November.

Visit McKinney - Interim Visit McKinney Director Marie Woodard announced during March multiple groups came in, including Comedy Sports who had a really fun event and used the McKinney app to host scavenger hunts around the Square. Ms. Woodard noted the Order of the Eastern Star was in, as well as two weddings and two large soccer tournaments. Ms. Woodard noted the hot tax revenue for 107 groups totaled \$12,373. Ms. Woodard announced the National Travel and Tourism Week would be the first week of May and invited all to stop by the Visitor Center to take a look at what Visit McKinney is doing and the impact it has on bringing groups and tourists into McKinney. Ms. Woodard announced the art walking tours will be a new addition with the first one taking place on May 6, leaving from the Visitor's Center at 10 a.m. Ms. Woodard announced in addition to the Byron, McKinney will host the U.S. Pickleball tournament, taking place on May 28 and May 29. Ms. Woodard noted a little over 2,000 people will come in to play in this tournament. It has grown since last year and Ms. Woodard noted McKinney can host them for many years to come.

22-0358 Chairman Jones called for the MEDC Monthly Organizational Report. MEDC Senior Vice President Michael Talley announced President Tokar is out at the Emerge Americas in Miami. Mr. Talley introduced MEDC Marketing and Social Media Manager Luke Gajary and noted the entire MEDC team was thrilled to have him and his expertise on board. Mr. Talley announced project activity has been strong to start off the year. The spec industrial has been going up, but the projects team has been proactive and creative by pursuing uses with higher-paying job opportunities. Mr. Talley announced the Innovation Fund activity has been strong and they are having discussions with the committee on more initiatives directed towards the startups coming in. Mr. Talley noted the team is finalizing invite lists and logistics for the guests of the Byron Nelson, and we're excited to see the economic impact of a full tournament crowd this year, which could be three to four times the size of last year. Mr. Talley announced MEDC continued to work with the MCDC and the Chamber of Commerce to finalize the plan and design of the new office space at District 121, which should come in the Fall of this year.

22-0359 Chairman Jones called for the MEDC Monthly Metrics Dashboard Report. Mr. Talley gave an update on the key performance metrics. The key performance metrics are above the 2022 target of twenty, capital investment is currently at \$12 million. However, we do have multiple projects in the pipeline that would meet our 2022 target of 300 million on an individual basis. We do have some massive projects and developments looking at the City of McKinney and it is really exciting. Business Retention and Expansion visits are at 17, trade show and missions are at three, with President Tokar at one currently in Miami. Mr. Talley noted our first FAM tour is scheduled during the Byron Nelson, with multiple site selectors coming in. Mr. Talley added we are close to ten site selectors this year, versus only two last year. Mr. Talley announced The Community Forum he and BRE Manager Madison Clark

attended had a small crowd but is a good starting point. Mr. Talley noted the crowd is growing and he hopes we can get a better turnout next year. Mr. Talley announced website visitor traffic is at 150% and expected to increase with Luke Gajary on board to spearhead marketing initiatives. Mr. Talley noted the email marketing open rate is 47.6% above the 40% 2022 target.

22-0360 Chairman Jones called for the Update on 2022 McKinney Board & Commission Member Appointments. City Secretary Empress Drane announced on Tuesday, August 23rd the City Council will take consideration of appointments to the various Boards and Commissions of the City. Applications are open online for incumbent members as well as members of the public interested in serving. Ms. Drane noted the number of applicants is increasing every year. Last year there were over 250 candidates for approximately 50 available positions. Anyone interested in applying is encouraged to reach out to the City Secretary's office as well as the City's website to learn more about the process and how to become involved. Ms. Drane noted interviews will be held in July and August of this year, with specific dates forthcoming. All applicants will have the opportunity to present before the Council to introduce themselves and express their interest in why they wish to be part of the boards of their selection. All appointments that occur in August will take effect October 1, generally for two years unless someone is appointed to fill a vacancy. Ms. Drane noted a correction in the text file of the presentation stated Brian Loughmiller's term had expired, but he was eligible to be reappointed one more time in 2022.

22-0361 Chairman Jones called for the September 2021 Financials. Financial Compliance Manager Chance Miller announced the audit process was completed and the final numbers were in. For year end budget, sales tax was estimated to be \$16.98 million, but ended up with \$18.34 million, (a

surplus of \$1.3 million to end the fiscal year). Mr. Miller noted \$10 million in construction costs for the new building was originally budgeted for FY21, but due to the construction finishing this year, the number was moved to FY22. To end the year, revenue was at \$18.4 million and expenses at \$12.1 million, resulting in net \$6.3 million. The fund balance started at \$14 million and the ending balance for FY21 is \$20.3 million. Mr. Miller noted the \$10 million for the new building construction cost comes out of the first of FY22, deducting from the \$20.3 million.

22-0362 Financial Compliance Manager Chance Miller called for the February 2022 Financials. Mr. Miller announced February revenues were a little over \$2 million in sales tax. There were no project expenditures, only normal operating expenses. Mr. Miller noted for sister city comparisons, McKinney had an increase of \$922,000 (a 12.8% increase over last year) bringing the year-to-date increase up to 17.9%. Mr. Miller noted it looked fairly even across all the industries, construction, retail, trade. The City of Allen had a decrease of 8%, Frisco had an increase of 12.8%, Plano had an increase of 9.1%. Allen had a true increase of 13% but they had a negative audit collection where a taxpayer (or multiple taxpayers) overpaid \$1.2 million. Their actual period collections were an increase of close to 13%. Mr. Miller noted all of our sister cities are around the 13% mark.

Board members unanimously approved the motion by Board member Kenneth Sipiora, seconded by Board member Thad Helsley, to approve both the September 2021 and February 2022 Financials.

Chairman Jones recessed the meeting into Executive Session at 8:26 a.m.

Chairman Jones reconvened the meeting to open session at 9:46 a.m.

Board members unanimously approved the motion by Board member Thad Helsley, seconded by Board member Kenneth Sipiora, to approve the motion to amend Project Black as discussed in Executive Session.

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Board members unanimously approved the motion by Board member Brian Loughmiller, seconded by Board member Julie Williams, to approve Project Harry as discussed in Executive Session.

Board members unanimously approved the motion by Secretary/Treasurer Kurt Kuehn, seconded by Board member Kenneth Sipiora, to approve the Valliance lease extension as discussed in Executive Session.

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

Chairman Jones adjourned the meeting at 9:49 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: _____

MICHAEL JONES
Chairman

KURT KUEHN
Secretary / Treasurer