

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

OCTOBER 21, 2014

The McKinney Economic Development Corporation met in regular session in the Dowdy Board Room, 5900 S. Lake Forest Drive, McKinney, Texas, on October 21, 2014 at 8:00 a.m.

Board members present: Vice Chair Darrell Tate, Secretary/Treasurer Lance Lindsay, Robbie Clark, Pablo Ruiz, Chuck Branch, Julie Fort, Randy Page, and alternate Board member Joe Strub.

Staff present: President /CEO Jim Wehmeier, Executive Vice President Abby Liu, Marketing Director Cayti Stein, Director of Business Development Chad Walker, Corporation Attorney Mark Houser, Administrative Assistant Deb Hass, Interim City Manager Tom Muehlenbeck, Mayor Pro Tem Travis Ussery, Council member Geralyn Keever, Council member Randy Pogue, City Secretary Sandy Hart, Assistant to the City Manager Darrek Ferrell, Chief Finance Officer Rodney Rhoades, and MCDC President Cindy Schneible.

There were two guests present.

Vice Chair Tate called the meeting to order at 8:07 a.m. after determining a quorum present.

14-1075 Oath of Office. City Secretary Sandy Hart gave the oath of office to incoming and reappointed Board members (Randy Page, Lance Lindsay, Julie Fort, and board alternate Joe Strub).

14-1076 Election of Officers. Vice Chair Tate instructed the Board nominations of Board Officers would be conducted by voice nominations, and then voted on by paper ballots. Vice Chair Tate turned the meeting over to President Wehmeier for the election of a Board Chair. Mr. Wehmeier instructed the Board on the voting procedure. Mr. Wehmeier opened the nominations for Board Chairman. Vice Chair Tate was nominated by Board member Branch for Board Chairman, seconded by Secretary/Treasurer Lindsay. Mr. Wehmeier called for any other

nominations, there were no other nominations. Board member Clark asked for nominations to cease, seconded by Board member Fort. With no other nominations, President Wehmeier asked for a voice vote to elect Vice Chair Tate as Chairman of the Board. Vice Chair Tate was unanimously elected as Board Chairman. Mr. Wehmeier congratulated Chairman Tate on his election as Chairman of the MEDC Board and turned the meeting back over to new Chairman Tate. Chairman Tate thanked the Board for their support. Chairman Tate opened the nominations for Board Vice Chair. Secretary/Treasurer Lindsay was nominated by Board member Branch for Vice Chairman, seconded by Board member Clark. Chairman Tate called for other nominations, there were no other nominations. Secretary/Treasurer Lindsay was unanimously elected Board Vice Chairman. Chairman Tate opened the nominations for Board Secretary/Treasurer. Board member Clarke was nominated by Board member Branch for Secretary/Treasurer, seconded by Board member Lindsay. Chairman Tate called for any other nominations, there were no other nominations. Board member Clarke was unanimously elected Board Secretary/Treasurer.

14-1077 Welcome New Board Member and New Board Alternate. Chairman Tate welcomed new Board members Randy Page, and Board alternate Joe Strub. New Board members Page and alternate Board member Strub gave the Board a brief personal background. Chairman Tate asked Corporation Attorney Houser to outline the guidelines for alternate Board members. Mr. Houser explained he had developed the guidelines, and the guidelines were approved by City Council. Mr. Houser stated the Board Alternate will receive board packets, and stay informed of board activities, but will not sit as a board member unless a board member will not be attending the meeting. Mr. Houser explained if the alternate is sitting at a Board meeting when a Board member is absent the alternate

will participate in the executive session. If all Board members are present at a meeting the alternate will not participate in executive session. Board member Fort questioned Mr. Houser if the Board By-laws need to be amended. Mr. Houser stated it wasn't necessary at this time. Vice Chair Lindsay questioned if the alternate is privy to any information that is shared in executive session. Mr. Houser answered no, the alternate is not informed of information shared during the executive session but would be briefed of executive session items if he is to vote on the item when he is seated at the Board. Chairman Tate shared he believed it would be difficult for an alternate to vote on executive session items if the alternate was not informed of the information shared during executive session. Council member Kever explained the alternate Board member would be briefed by Mr. Wehmeier prior to any Board meeting he is to be seated. Mr. Wehmeier stated staff needs to be notified of an absence as soon as possible so the alternate can be briefed of all information prior to the meeting. Additionally, Mr. Wehmeier stated that since the alternate will not replace a board member that is late to a meeting, that it is extremely important that board members pre-notify of any absence so that the board knows to seat the alternate. Secretary/Treasurer Clarke questioned why the alternate cannot be in executive session so he can stay up to date on items he might be voting on. Board members stated the alternate is a trusted Board member under oath so should be able to attend the executive session. Council member Kever and Mayor Pro Tem Ussery stated they would take the Boards concerns and recommendations back to the City Council for review.

14-1078 Minutes of the McKinney Economic Development Corporation Special Meeting of September 29, 2014. Board members unanimously approved the motion by Board member Ruiz, seconded by Vice Chair Lindsay to

approve the Minutes of the McKinney Economic Development Special Board Meeting of September 29, 2014.

14-1079 Minutes of the McKinney Economic Development Corporation Meeting of September 9, 2014. Board members unanimously approved the motion by Board member Ruiz, seconded by Vice Chair Lindsay to approve the Minutes of the Economic Development Corporation Meeting of September 9, 2014.

14-1080 Board and Liaison Updates

Board Chair – Chairman Tate thanked the Board again for his election as chair.

Chamber of Commerce – *McKinney Magazine* Publisher Peggy Smolen congratulated the new Board officers. Ms. Smolen reported on two upcoming events. The “Women’s Summit” will be held this week, and the “State of the City” will be on November 6, 2014. Ms. Smolen stated the *McKinney Magazine Business to Business* issue is going to press this week. The Business to Business issue will be distributed annually. Ms. Smolen thanked the EDC and the City for their support of the Chamber. Ms. Smolen also announced Lisa Hermes has begun her job as President of the Chamber of Commerce.

City of McKinney - Interim City Manager Tom Muehlenbeck reported the City has begun the process of developing a profile for the hiring of a new Police Chief. Mr. Muehlenbeck stated City officials will be meeting with groups of citizens during forums around the city starting on November 22, 2014. The City has sent out invitations to Boards and Commission members to participate. The goal of the City is to reach all aspects of the community to gather information to develop a profile for the Chief of Police. Mr. Muehlenbeck stated after the November 23rd meeting the City will publish a website open to citizens for any additional comments. The website will run for one week.

McKinney Community Development Corporation (MCDC) – MCDC

President, Cindy Schneible, reported the MCDC approved four project grants at their last meeting. Those grants included grants to Texoma Area Paratransit System, Inc. (TAPS) for bus shelters, bus stop seating, signage, and bike racks, North Collin County Habitat for Humanity for land acquisition, lot preparation, and revitalization program, Heard Natural Science Museum for construction of a retaining wall, installation of railing and lighting, and Heritage Guild of Collin County for improvements to the Dulaney House for conversion to a bed and breakfast. Ms. Schneible also reported the appointment of new MCDC Board members Hamilton Doak, Michelle Gamble, and alternate Rick Glew. Chair Tate asked Ms. Schneible the total amount awarded to Habitat for Humanity for affordable housing. Ms. Schneible reported the amount awarded to Habitat for Humanity was \$188,870, \$60,000 for lot acquisition, and remaining for lot preparation and repair and renovation on existing Habitat homes.

McKinney Convention & Visitor's Bureau (MCVB) – Executive Director Dee-Dee Guerra reported four travel writers coming in the weekend of October 24th, one on Friday, and three on Saturday. Two of the travel writers work for AAA, one from Texas the other one from Oklahoma. The other two writers are from an Asian/American publication, and the other writer is from the Durant, Oklahoma area. The month of September MCVB saw 292 walk-ins, 163 were out of state visitors, 15 were out of country visitors, 72 were Texas visitors, and 41 were McKinney visitors. Ms. Guerra reported 56 visitors during Oktoberfest were from Munzee. MCVB filled 110 visitor bags, 50 for Habitat for Humanity, 25 for a wedding, and 35 for the City of McKinney Planning Development Department. Ms. Guerra reported 4856 leads were processed from AARP, Tour Texas, See Texas First, Texas Highways, and Texas State Travel Guide. MCVB helped with 111 hotel room nights with total revenue of \$11,256.88. Ms. Guerra reported MCVB has been working

with Sheraton and have sent them over five RFP's, and information about on-line advertising with the Convention Industry Council. MCVB also helped Sheraton meet with the TAPS coordinator. Ms. Guerra reported MCVB is seeing a large presence of Toyota visitors. Mr. Wehmeier commented the Sheraton Sales Team is now here and have found office space in the Collide Center so they can start pre-booking hotel rooms. Ms. Schneible added Sheraton's sales director Johnny Martinez and general manager Ryan Miyamoto are here. Sheraton will add two more people by the end of the year and be fully staffed by January. Ms. Schneible reported opening day for the Sheraton has been targeted for February 19, 2014.

Main St. & MPAC - Mayor Pro Tem Ussery reported Oktoberfest was a huge success. Oktoberfest attendance was over 50,000, and 550,000 concession tickets were sold.

14-1081 Director of Business Development Report: Chad Walker, Director of Business Development reported several projects have come online since the last Board meeting. Some of the projects are smaller employing 10-15 employees. Mr. Walker stated there has been interest from several brokers and investors. Mr. Walker reported he attended several networking events, including DRC Dallas site consultant's tour. Chairman Tate questioned about the land broker who met with Mr. Walker about sites in north McKinney. Mr. Walker stated the gentleman is a land broker who has been in the area for many years. The broker is interested in land north of Wilmeth for development.

14-1082 Director of BRE/Emerging Tech Report: President Wehmeier reported the BRE/Emerging Tech report for Mr. Valencia. Mr. Wehmeier reported at the November meeting Mr. Valencia is expected to bring to the Board a new group to manage what is now known as the Collide Center but being rebranded McKinney Werx.

14-1083 Director of Marketing Report: Director of Marketing Cayti Stein reported Toyota is having their expo this week and she appreciates all the Boards support for these events. Ms. Stein presented the Board with a draft aerial video that is longer than the previous one. The final video will be six minutes in length and have statistics and graphics throughout the video. The video will be used to promote businesses and be on the MEDC website. Ms. Stein reported the first video had close to 9500 views on YouTube. A suggestion by the Board was to showcase the video at the Toyota events, and the State of the City event. Ms. Stein reported she attended the DCI Marketing Summit in September which is held strictly for marketing professionals in EDC's.

14-1084 Executive Vice President Report: Executive Vice President Abby Liu reported Barclay's recently held two marketing events. The first event was the Barclay's Ribbon Cutting that was held for internal employees only. City participants in the ribbon cutting were Mayor Loughmiller, Mayor Pro Tem Ussery, MCDC Chairman Darrell Tate, MCDC Chairman Scott Elliott, and MEDC President Jim Wehmeier. The ribbon cutting was led by Michael Harte at McKinney Corporate Center at Craig Ranch. The group was given a tour of the facilities. The second event was the welcome to Barclay's as a new corporate partner held at the City Council meeting on October 7, 2014. Barclay's executive Michael Naggat attended the meeting on behalf of Barclay's. Chairman Tate commented on the facilities.

14-1085 President-CEO Report: President Wehmeier reported new board member orientation was held last week. Mr. Wehmeier stated the five year cash flow projections will be handed out each meeting. Mr. Wehmeier handed out several handouts including the board calendar, budget information, and the dashboard. Mr. Wehmeier reminded the Board of the budget process that begins in February. Mr. Wehmeier

reported year end financials have not been completed but MEDC is approximately \$9 million ahead of budget. This number can be deceptive due to project incentives which can carry over from one fiscal year to another. Mr. Wehmeier reported some projects will carry-over into next fiscal year which amounts to approximately \$3.5 million dollars. Mr. Wehmeier then reported that a truer number that is entirely staff driven (with the two land sales, the former Emerson building sale, and coming in approximately \$250,000.00 under budget on operational expenditures) was approximately \$4.25 million ahead of projected budget. Mr. Wehmeier further reported that within the \$250,000.00 under budget operationally, no line item within the budget was exceeded on the year.

REGULAR AGENDA

14-1086 Consider/Discuss/Act on September Financials: Chief Financial Officer Rodney Rhoads updated the Board on September financials. Mr. Rhoads reported revenue is 5.8% above what was budgeted. Expenditures are 66% of budgeted expenditures. Mr. Rhoads explained this figure reflects projects that have not been fully funded this year. Mr. Rhoads stated the finance department has started audit season, and are working with an external auditor. Mr. Rhoads reported sales tax revenues in September were up 12.1% with an overall of 5.8%. Mr. Rhoads reported end of year sales tax revenues were \$9.7 million which is what was budgeted for FY 15. Mr. Rhoads reported Sister City comparisons are all coming in strong. Board members unanimously approved the motion by Board member Lindsay, seconded by Board member Ruiz to approve the September Financial Report.

Chairman Tate called for a 5 minute break at 9:15 a.m.

Chairman Tate recessed the meeting into executive session at 9:25 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, Section 55.074 Personnel Matters as listed on the posted agenda. Chairman Tate recessed to open session at 11:55.

Chairman Tate called for Action on Executive Session.

Board members by a majority vote approved the motion by Board member Lindsay, seconded by Board member Ruiz to approve project Open-Fire as recommended by staff.

Board members unanimously approved the motion by Board member Lindsay, seconded by Board member Ruiz, to adjourn. Chairman Tate adjourned the meeting at 11:58 p.m.

DARRELL TATE
Chairman