

McKINNEY ECONOMIC DEVELOPMENT CORPORATION

REGULAR BOARD MEETING

September 21, 2010

The McKinney Economic Development Corporation met on Tuesday, September 21, 2010 in the Dowdy Boardroom of the Corporation office. The meeting was called to order at 8:01 a.m. by Chairman Stan McWilliams. Board members present were Chairman Stan McWilliams, Vice-Chairman Keith Clifton, Secretary-Treasurer Marta Gore, Director Carrie Alfieri, Director Scott Lewis, Director Doug Parker and Director Roger Harris. Ex-officio member David Brooks was absent. An ex-officio member representing the McKinney ISD will no longer be part of the MEDC Board. Chairman McWilliams welcomed newly appointed Board member Roger Harris to the Board.

Staff present were President & CEO David Pitstick, Director of Business Development Jim Young, BREP Director Greg Sims, Marketing Director Sherie Ellington, Administrative Assistant Durinda Fisher and Corporation Attorney Mark Houser.

The Board reviewed the minutes from the Regular Board meeting held on August 17, 2010. With two minor changes, the minutes were approved on a motion by Marta Gore, seconded by Scott Lewis. Motion carried.

The Board next reviewed the Consent Items. The Board reviewed the check requests for the month of August 2010. Incentive payments were made to Perfectly Green for rent subsidies and to Blue Mountain Equipment for the completion of their new 108,000 sf facility. Jason Weeks, Assistant Finance Director, next reported on the MEDC August balance sheet and operating statement. Sales tax received for the month of August in the amount of \$811,705 was down 4.7% from the August 2009 figures. The projected sales tax for the month of September of \$606,787 broke even with the 2009 figures. Mr. Weeks reminded the Board that the sales tax amounts are two months behind the actual month. Mr. Weeks also added that he had received a report from the state comptroller's office that the sales taxes are not coming in as predicted and that he is glad that the City did not increase their figures. The sister cities' sales tax comparison chart showed McKinney even from last year. Allen, Frisco and Fairview sales were up from the previous year with Plano down just by 1.6%. Jim Young reviewed the project payments which included the EDS rent subsidy check, Perfectly Green and Blue Mountain. Mr. Young thanked everyone's efforts on the Blue Mountain project. Their new facility is state of the art and we are all glad they chose to stay in McKinney.

President Pitstick pointed out to Mr. Harris that the project payment spread sheets list every project that the MEDC has done and their status. Mr. Harris asked about the accruals on the operating statement. Mr. Weeks explained that they are just estimates until they get to the final months that they are able to report the actual amounts. The Consent Items were approved on a motion by Scott Lewis, seconded by Marta Gore. Motion carried.

Sherie Ellington gave the Marketing Report. Ms. Ellington recently attended the International Manufacturers Technology Show in Chicago. The World Economic Development Alliance (WEDA) had a booth at the show and the MEDC brochures were distributed. Many contacts were made and Ms. Ellington learned that many countries want to establish operations in the United States. She will also be attending the Game Developer's Conference in Austin in early October. NewToy will be making a presentation at the conference.

Greg Sims next gave his BREP report. Mr. Sims thanked the City Council for their approval of the Encore Wire's Enterprise Zone Project. Mr. Sims along with the MEDC staff attended the NTCAR broker/developer event in Dallas. Mr. Sims continues to stay in contact with Blockbuster.

David Pitstick gave his President's Report. Mr. Pitstick also welcomed Mr. Harris and

reintroduced Abby Liu as the MEDC's new Director of International Development. Ms. Liu's start date will be on October 4th. Mr. Pitstick congratulated Mr. Sims for being elected to the Board of Directors of the Texas Economic Development Council. The organization has been around for fifty years and it is a great accomplishment to have McKinney represented on the state level. Mr. Pitstick recently was given a tour of the new CCRA construction and was amazed how much dirt has been moved and how the efforts are all going to pay off. The capping of the new tower was completed last week. The whole project is an asset to the City. Mr. Pitstick pointed out the new logos placed on the boardroom wall of projects completed by the MEDC.

The Board next heard the Liaison Reports.

Chairman McWilliams explained that there will no longer be a report from the school district since the City now has 7 school districts within the city limits. It would be difficult to have each district represented. Ms. Gore stated that the McKinney ISD has the largest district in the City. Chairman McWilliams said that it was a decision made by the City Council to remove a MISD representative from the MEDC Board.

Interim City Manager, Rick Chaffin, reported that the City currently has seventeen positions frozen. The second reading of the budget will be held this evening and that City staff is pleased with the numbers. Ms. Fung added that all City departments will present their budgets to Council tonight. The Council will review and approve the budget at the meeting. There are two TIF ordinance applications before the City for review.

MCDC Executive Director, Cindy Schneible, and MCDC Director, George Fuller, were present for MCDC. Mr. Fuller reported that the Board had twelve applications to review at their last meeting. Six of the applicants were approved for a total of \$129,000 in incentives. Ms. Schneible added that as each applicant was reviewed by the Board, the Board took in consideration if the project was an economic development effort.

Chamber President, Jodi LaFreniere, reminded the Board that Governor Candidate, Bill White, will be their guest speaker at their breakfast meeting on September 23rd. The "McKinney Experience" group will have their kick-off on October 1st. The group will meet for six consecutive Fridays. The Chamber will unveil their next *McKinney Living* issue which will include the winners of the "Best in McKinney" awards. The State of the Community event will be held on November 4th.

Beth Shumate, McKinney Convention & Visitor's Bureau, representing Main Street and the MCVB reported that this is a busy time for their office with so many conferences to attend. *Texas Highways* will be doing an article on McKinney in their November issue. Staff has been working on material for the "First Lady Texas Treasure Award". They have worked with Guy Giersch in obtaining historical photos of McKinney. The award will be presented in January.

Jim Young next introduced Jill Henson representing Prospect Proposal #10-11. The company plans to expand their current offices in McKinney. Plans are for a newly constructed 6,000 sf office/warehouse facility. The company manufactures and sells high quality desktop computers, servers and IT products to government and educational markets.

As this was the last Board meeting for Chairman McWilliams, he thanked the Board and staff for their help in making his service on the Board go smoothly. He stated that he was pleased with the accomplishments that the Board had achieved during his time on the Board.

The Board took a short break at 8:45 a.m.

In accordance with TX GOV'T CODE ANN. S 551.071 et. seq. the meeting was adjourned into executive session at 8:53 a.m. The Board adjourned out of executive session into open session at 10:36 a.m.

The Board next reviewed the Action Items.

The Board reviewed Prospect Proposal #10-11. On a motion by Marta Gore, seconded by Scott Lewis, the Board approved the following:

- (A) To reimburse the company up to \$50,000 in an Emerging Technology Grant to

offset expenses incurred in the development of the facility.

- (B) Upon receiving the Certificate of Occupancy (prior to December 31, 2011) the company will apply for reimbursement and submit all invoices relating to said expenses.
- (C) The offer is contingent upon the completed building to have an increased value of at least \$500,000 as evaluated by the Collin County Tax Appraisal District (including both Real and Business Personal Property, but excluding land) on January 1, 2012.

Motion carried.

The Board next discussed Prospect Proposal #10-12. Based on the Board and staff recommendations, no action was taken on the proposal.

President Pitstick inquired whether any formal action was necessary regarding his annual performance review. Mark Houser stated that there was not and the current employment agreement would remain and go unchanged.

Ms. Fisher reviewed upcoming dates. A Board and staff Retreat is scheduled for Tuesday, November 9th. President Pitstick suggested that he may invite several real estate professionals to make presentations at the Retreat. Director Lewis asked that an agenda for the Retreat be included in the October Board packet.

The next regular Board meeting is scheduled for Tuesday, October 12, 2010.

There being no further business, Chairman Stan McWilliams declared the meeting adjourned at 10:45 a.m.

MARTA GORE, MEDC Secretary/Treasurer