

## MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

SEPTEMBER 20, 2016

The McKinney Economic Development Corporation met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on September 20, 2016 at 8:00 a.m.

Board members Present: Chairman Lance Lindsay, Vice Chairman Robert Clark, Secretary/Treasurer Jason Burrell, Kenneth Sipiora, Randy Page, Paul Merritt and Walter Chen.

Council members Present: Mayor Pro Tem Randy Pogue

Staff Present: President Darrell Auterson, Executive Vice President Abby Liu, Director of BRE/Emerging Tech John Valencia, Director of Business Development Chad Walker, Executive Assistant Sheri Van Slycke, City Manager Paul Grimes, Senior Financial Analyst Trevor Minyard, MEDC Attorney Mark Houser, MCVB Executive Director Dee-dee Guerra and McKinney Chamber President Lisa Hermes.

There was one guest present.

Chairman Lindsay called the meeting to order at 8:00 a.m. after determining a quorum was present.

President Auterson honored Chairman Lindsay as the outgoing MEDC Chairman. Mr. Auterson thanked Mr. Lindsay for his dedication and commitment to the MEDC Board and the City of McKinney and presented him with a plaque as a token of appreciation. Chairman Lindsay called for action on the minutes.

**16-942** Minutes of the McKinney Economic Development Corporation Meeting of August 16, 2016. Board members unanimously approved the motion by Vice Chairman Clark, seconded by Board member Sipiora, to approve the minutes of the August 16, 2016 meeting.

**16-943** Chairman Lindsay called for the Board and Liaison Updates.

Board Chair – Chairman Lindsay expressed his appreciation for the plaque and that he is looking forward to stepping down after many years of board service across the City of McKinney. Mr. Lindsay feels confident the Board and MEDC staff are heading in the right direction.

City of McKinney – City Manager Paul Grimes expressed his thanks and congratulations to Chairman Lindsay. Mr. Grimes reported that the Parks and Recreation Advisory subcommittee is holding a Master Plan meeting on September 21<sup>st</sup>. The downtown re-development continues on the nine acre site, however as a result of community feedback there may be some amendments to the design plan. The groundbreaking is scheduled for January 2017 on that site. City Council will likely adopt the new budget at this evening's Council meeting.

McKinney Chamber – McKinney Chamber President Lisa Hermes expressed her thanks and appreciation for Chairman Lindsay's partnership during his tenure. Ms. Hermes reported that the Chamber is now fully staffed and revamped after adoption of their new strategic plan which runs parallel with the City's strategic plan. McKinney Chamber is looking forward to being an information center and working alongside the City of McKinney. State of the City event is November 3<sup>rd</sup> and the theme is "The Best is Yet to Come".

MCVB - MCVB Executive Director Dee-dee Guerra thanked Chairman Lindsay for his partnership and support during his tenure as a MEDC Board member. Ms. Guerra reported staff attended the Heritage Spring Bridal Show in Anna on August 21<sup>st</sup> and the Texas Association of Convention and Visitors Bureau annual conference in mid-August. Vanesa Rhodes was certified and awarded as a Texas Destination Marketer at the conference. City Manager Grimes, MCVB staff, Dana Riley, MISD Superintendent Dr. Rick McDaniel and the MISD Athletic Staff met with the National Athletic Intercollegiate Association about possibly bringing a Football Championship Play-off game in December 2017 to the new MISD Football Stadium. However, consensus was that it may be best to wait until 2018. MCVB helped secure 299 hotel room nights with a revenue of over \$38,000. The Miniature Book Society Conclave was in town with 175 total room nights at the Sheraton. The

variety of out-of-country visitors in August was off the charts with countries represented such as Scotland, Australia, Russia, England, Italy, Puerto Rico, Taiwan and the list continues. Ms. Guerra thanked Ms. Liu for her help in securing two of the 13 RFP's for August that will be reported on next month. MCVB publicity and free media values were \$3,600 in Web value, \$10,800 in PR value and 886,727 impressions.

**16-944** Chairman Lindsay called for the Director of Business Development Report. Director of Business Development Chad Walker reported excellent attendance at the Bisnow 121 Corridor event and it sparked quite a bit of interest on the Gateway property. Project Kringle received their Certificate of Occupancy and their loan documents have been executed. Several new opportunities have sprung up and staff is working with them to identify potential real estate options. Staff will be attending the IAMC Fall Forum in Indianapolis with President Auterson on October 9-12th, as well as the TEDC Annual Conference in San Antonio in mid-October.

**16-945** Chairman Lindsay called for the Director of BRE/Emerging Tech Report. Director of BRE/Emerging Tech John Valencia thanked Mr. Lindsay for his service on the MEDC Board. Mr. Valencia reported the BRE program has been quiet this past month. Encore has all but finished their most recent expansion. Blount Fine Foods expansion is still on schedule and they will have a community announcement on October 7<sup>th</sup>. Munzee and Pest Routes are the two remaining participants in the Rent Reimbursement program. The WERX continues their mission to build, grow and support the entrepreneurial community here in McKinney. The WERX currently accommodates 37 companies operating with 73 people.

**16-946** Chairman Lindsay called for the Executive Vice President's Report. Executive Vice President Abby Liu expressed her appreciation for Chairman Lindsay's leadership and support over the last year. Staff organized and attended a Pre-Development meeting with Project 3S

Facilities Manager at City Hall on August 19<sup>th</sup>. The meeting was led by City Manager Grimes and Assistant City Manager Shelton joined in to communicate the permit process and requirements with Project 3S staff. Staff attended the welcome event for MEDC's new president held at the McKinney Sheraton Hotel on August 17<sup>th</sup>. Bisnow "The 121 Corridor Expansion" event was a huge success at the McKinney Sheraton on August 25<sup>th</sup>. There were over 400 professionals from the Dallas area real estate community in attendance. Staff will be participating in the 2016 SelectUSA Taiwan Tri-City Road Show organized by the American Institute, US Department of Commerce in late September.

**16-947** Chairman Lindsay called for the President's Report. President Auterson reported he has involved himself in the ongoing projects, especially Red River, however the bulk of his time has been spent on cultivating relationships in the brokerage and development community. Between the Bisnow event and another smaller event in Dallas, there is clear evidence of renewed development interest in McKinney. Mr. Auterson will be traveling to Cleveland next week for the International Economic Development Annual conference promoting McKinney, as well as fulfilling his responsibilities with the IEDC Board and Ethics Committee. With the help of MCDL President Cindy Schneible, Mr. Auterson was able to uncover some research that had been completed about five years ago that will significantly change and reduce the scope of the work on the targeted industry analysis we will request from Allison Larsen with Tadzo. In addition, Mr. Auterson's confidence in Allison Larsen's capabilities has been reinforced with feedback from Ms. Larsen's references. The Board agreed to ask Tadzo to reduce the scope of the proposal for future consideration.

**16-948** Chairman Lindsay called for the Consideration/Discussion/Action on August Financials. Senior Financial Analyst Trevor Minyard reported the revenue is above budget YTD by 12.81%. Sales tax figures came in

7.4% above last year's collection through August. Expenditures are significantly under budget due to savings in rebate expenditures paid out for various incentives. However, during the month of August MEDC paid \$9,000 in a grant to The WERX, and \$4,167 to Munzee for rent reimbursements. Mr. Minyard referred the Board to some unique links for sales tax of the MEDC and the City of McKinney at large on the City of McKinney website. Board members unanimously approved the motion by Board member Sipiora, seconded by Board member Merritt, to approve the August financials.

**16-810** Chairman Lindsay called for the Consideration/Discussion Targeted Industry Analysis Proposal. Mr. Auterson restated his comments from his Presidents report and made the Board aware of Tadzo's new timeframe and scope based on the changes suggested.

Chairman Lindsay called for Citizen comments and there were none. Chairman Lindsay called for Board or Commissioner comments. Vice Chairman Clark thanked Mr. Lindsay for his outstanding service and dedication to the MEDC Board.

Chairman Lindsay recessed the meeting into Executive Session at 8:50 a.m. per Texas Government Code: Section 551.071 Consultation with City 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) and legal consultation on the following item(s), if any. Section 551.087. Deliberation Regarding Economic Development Matters as listed on the posted agenda. Chairman Lindsay reconvened the meeting to open session at 10:26 a.m.

Board members unanimously approved the motion by Board member Sipiora, seconded by Board member Chen, to approve the deadline date be moved to October 14, 2016 for Project Red River offer letter as discussed in Executive Session.

Board members unanimously approved the motion by Board member Sipiora, seconded by Board member Page, to deny the incentive offer to Project ITS as presented in Executive Session.

Board members unanimously approved the motion by Secretary/Treasurer Burress, seconded by Board member Page, to deny the incentive offer to Project Royal as presented in Executive Session.

Board members unanimously approved the motion by Board member Chen, seconded by Board member Merritt, to deny the incentive offer to Project Foam III incentive as discussed in Executive Session.

Board members approved the motion by Board member Merritt, seconded by Board member Chen, to remove the conditions for approval, insert the binding language on the I6 innovation grant for Project Whistle and to approve the matching grant of \$162,145, with a vote of 6 - 1 - 0, Jason Burress voting against.

Board members unanimously approved the motion by Chairman Lindsay, seconded by Board member Chen, to adjourn. Chairman Lindsay adjourned the meeting at 10:30 a.m.

---

LANCE LINDSAY  
Chairman