

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

JULY 19, 2016

The McKinney Economic Development Corporation met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on July 19, 2016 at 8:00 a.m.

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

City Council members Present: Mayor Pro Tem Randy Pogue and Council member Travis Ussery.

Staff Present: President Darrell Auterson, Executive Vice President Abby Liu, Director of BRE/Emerging Tech John Valencia, Director of Business Development Chad Walker, Economic Development Coordinator Madison Clark, Executive Assistant Sheri Van Slycke, Interim City Manager Tom Muehlenbeck, Director of Strategic Services Chandler Merritt, Senior Financial Analyst Trevor Minyard, MEDC Attorney Mark Houser and MCVB Executive Director Dee-dee Guerra.

Chairman Lindsay called the meeting to order at 8:00 a.m. after determining a quorum was present. Chairman Lindsay welcomed the new MEDC President Darrell W. Auterson. Chairman Lindsay called for action on the minutes.

16-716 Minutes of the McKinney Economic Development Corporation Meeting of June 16, 2016. Board members unanimously approved the motion by Vice Chairman Clark, seconded by Secretary/Treasurer Burress, to approve the June 16, 2016 minutes.

16-717 Chairman Lindsay called for the Board and Liaison Updates.
Board Chairman – Chairman Lindsay commended Executive Vice President Abby Liu for all her hard work and dedication during her service as Interim President and presented Ms. Liu with a plaque. Ms. Liu expressed her appreciation for all the support received from Chairman Lindsay and the Board, as well as Interim City Manager Tom Muehlenbeck.

City of McKinney – Interim City Manager Tom Muehlenbeck reported this to be his final MEDC Board meeting. New City Manager Paul Grimes will begin his employment on August 1st, however Mr. Grimes will be present at the City Council Budget meeting on July 27th. Mr. Muehlenbeck welcomed Mr. Auterson to the McKinney community, and recognized Ms. Liu for her efforts over the last 13 months of outstanding service. Mr. Muehlenbeck continued by thanking the MEDC Board for all the time and energy they have contributed and will contribute to the MEDC and the City of McKinney. Chairman Lindsay thanked Mr. Muehlenbeck for his comments and for his service to the City of McKinney.

MCVB - Executive Director Dee-dee Guerra reported for the month of June the CVB helped book 398 hotel rooms for a total revenue of \$49,249. Those rooms consisted of nine weddings, two reunions, three corporate groups, and one sport group. In addition, CVB had one day trip with the Plano Legacy Senior Group. The CVB received 14 RFP's, and one was sent to the Sheraton for the Texas Chamber of Commerce Executives Convention & Expo for June of 2017, with 300 room nights. The CVB won six wedding RFP's and 15 corporate and association RFP's for a total of 21. The CVB partnered with City of McKinney's Communications department, MCDC, and MEDC to buy an ad to run on American Airlines in-flight programming. And, finally, MCVB was able to secure, at no cost, an 11 page spread in Texas Highways, worth over \$78,000.

16-718 Chairman Lindsay called for the Director of Business Development Report. Director of Business Development Chad Walker reported the MEDC office has been very busy since the last Board meeting. Several new projects have come online that will be discussed in executive session. Additionally, there is continued interest shown in the MEDC-owned property in the University Business Park. MEDC is partnering

with Allen EDC to sponsor a Bisnow 121 Corridor event on August 25th which correlates perfectly with all the interest in the MEDC-owned property and to showcase McKinney. MEDC is sponsoring a new and notable event provided by Team Texas and Conway in September titled the Great States Investment Summit in Dallas. Mr. Walker will be attending a marketing trip with the Dallas Regional Chamber to New York/New Jersey in mid-September to meet with prominent site selectors and consultants in that area.

16-719 Chairman Lindsay called for the Director of BRE/Emerging Tech Report. Director of BRE/Emerging Tech John Valencia reported Encore is nearing completion of their Plant 6 expansion. The Certificate of Occupancy is due any day now and landscaping is being installed now. This building will add another 160,771 square feet to their facility, growing to nearly 1.3MM square feet. On August 2nd, Mr. Auterson will be given a tour of the plant and have the opportunity to meet the Encore team. Blount Fine Foods continues their internal structural changes, and their external changes are still on schedule to have their CO issued in mid-November. In addition, Pest Routes, Health Quest and Munzee are the three active companies in the Emerging Technology Program. The WERX currently has 35 companies operating with 66 people. TeacherTube outgrew The WERX facility and moved on to commercial lease space since their employee numbers have grown.

16-720 Chairman Lindsay called for the Executive Vice President Report. Executive Vice President Abby Liu thanked the Chairman and Board again for the lovely plaque and all the support along the way. Ms. Liu stated she has been working with the new MEDC President Darrell Auterson for the last month and expressed how pleased she is to be working with him. Ms. Liu stated staff was able to finalize the Bisnow event site location at the Sheraton. MEDC is very proud to be the Raw Space Sponsor for this important event. MEDC will host a Welcome

Reception for Mr. Auterson at the Sheraton on August 17th at 5:30 p.m. and invitations will be forthcoming. Ms. Liu attended the 3rd Select USA Investment Summit in Washington, D.C. in mid-June. This event is organized by the U.S. Department of Commerce and hosted by Secretary of Commerce, Penny Pritzker. President Obama was the keynote speaker and boasted over 3,000 participants. On July 14th, MEDC staff along with Interim City Manager Tom Muehlenbeck attended a meeting with Collin County Commissioner Duncan Webb to discuss potential County incentives that McKinney could collaborate with and make available for upcoming projects. Ms. Liu expressed her appreciation to the Finance department for their support with Raytheon compliance procedures which are still underway.

16-721 Chairman Lindsay called for the President's Report. President Darrell Auterson expressed his thanks and appreciation to the MEDC staff and especially to Ms. Liu for allowing him to inherit an organization that has its feet squarely on the ground. In addition, Mr. Auterson thanked the Board, Mr. Muehlenbeck, City Council and City staff as they have warmly welcomed him into the MEDC, as well as the community. Mr. Auterson reported that during his short time as President, most of his energies have been in effort to meet all the many parties that he looks forward to nurturing relationships with, as well as, time well spent with staff discussing operational needs. And, lastly, Mr. Auterson has been diving into reports and contracts, along with studying the Sales Tax Handbook.

16-619 Chairman Lindsay called for the Consideration/Discussion/Action on May Financials. Senior Financial Analyst Trevor Minyard thanked the Board for the extension of the May financial report. Revenue is above budget YTD by 9.21%. Sales tax figures came in 6.18% above last year's collection. Expenditures are significantly under budget due to savings in rebate expenditures paid out for various incentives. MEDC had relatively low expenditures for the month. The WERX agreement, payments to

Strategic Government Resources for executive search consulting, and payments to Conway Data Inc. associated with the March site selection activities accounted for 46% of checks issued in May. Mr. Minyard referred the Board to some unique analysis 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 Page, seconded by Board member Merritt, to approve May financials.

16-722 Chairman Lindsay called for the Consideration/Discussion/Action on June Financials. Senior Financial Analyst Trevor Minyard reported revenue is above budget YTD by 8.60%. Sales tax figures came in 6.35% above last year's collection through June. Expenditures are significantly under budget due to savings in rebate expenditures paid out for various incentives. However, during the month of June MEDC paid \$114,000.00 to Hisun Motors Corp USA for a portion of their incentive agreement. Board members unanimously approved the motion by Vice Chairman Clark, seconded by Board member Page, to approve June financials.

16-723 Chairman Lindsay called for the Consideration/Discussion/Action on the Sixth Amended and Restated Bylaws of McKinney Economic Development Corporation. Chairman Lindsay stated he encourages the Board to add a subsection to the MEDC bylaws to include that new and incoming seated Board members be required to attend the 4A/4B Sales Tax seminar during their first year of service on the MEDC Board. MEDC Attorney Mark Houser explained how the language would be restated in the bylaws. Board members unanimously approved the motion by Board member Page, seconded by Board member Chen, to approve the sixth amended and restated bylaws of the McKinney Economic Development Corporation.

Chairman Lindsay called for citizen comments and there were none. Chairman Lindsay called for Board or Commissioner comments and there were none.

Chairman Lindsay recessed the meeting into Executive Session at 8:30 a.m. per Texas Government Code: Section 551.071 (2). Consultation with MEDC 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 551.072. Deliberations about Real Property -24.0223 Acres of MEDC Land in University Business Park C. Section 551.087. Deliberation Regarding Economic Development Matters as listed on the posted agenda. Chairman Lindsay reconvened to open session at 9:53 a.m.

Board members unanimously approved the motion by Secretary/Treasurer Burress, seconded by Vice Chairman Clark, to approve the Project Red River incentive offer, as discussed in Executive Session.

Board members unanimously approved the motion by Vice Chairman Clark, seconded by Board member Page, to approve Project Charlie 2016, as discussed in Executive Session.

Chairman Lindsay stated a Gateway sub-committee has been formed consisting of Vice Chairman Clark and Board members Merritt and Page to represent the MEDC during any Gateway meetings through the City of McKinney.

Board members unanimously approved the motion by Board member Page, seconded by Board member Sipiora, to adjourn. Chairman Lindsay adjourned the meeting at 10:00 a.m.

LANCE LINDSAY
Chairman