

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

AUGUST 16, 2016

The McKinney Economic Development Corporation met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on August 16, 2016 at 8:00 a.m.

Board members Present: Chairman Lance Lindsay, Vice Chairman Robert Clark, Secretary/Treasurer Jason Burress, Walter Chen, Paul Merritt, Randy Page 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, City Manager Paul Grimes, Director of Strategic Services Chandler Merritt, 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. Chairman Lindsay called for action on the minutes.

- 16-801** Minutes of the McKinney Economic Development Corporation Meeting of July 19, 2016. Board members unanimously approved the motion by Vice Chairman Clark, seconded by Board member Page, to approve the July 19, 2016 minutes.
- 16-802** Minutes of the McKinney Economic Development Corporation Special Meeting of August 9, 2016. Board members unanimously approved the motion by Secretary/Treasurer Burress, seconded by Board member Merritt, to approve the minutes from the August 9, 2016 special meeting.
- 16-803** Chairman Lindsay called for the Board and Liaison Updates.

Board Chairman – Chairman Lindsay reported July to be a very busy and productive month for the EDC and staff will share the potential projects in Executive Session.

City of McKinney – City Manager Paul Grimes reported he looks forward to working with Mr. Auterson, the Board and the entire staff on all the upcoming EDC initiatives. The City budget process is still ongoing and the final decisions will be made on September 20th. The Comprehensive Plan update continues and citizen feedback has been spirited and helpful. The Restaurant Row concept was discussed at last night's City Council work session and an RFP should be sent out in October.

McKinney Chamber – McKinney Chamber President Lisa Hermes reported the Leadership McKinney class has launched for this year with over 50 applicants, but ultimately, there were 29 chosen participants. The Chamber will be hosting a welcome reception for new City Manager Paul Grimes on August 30th from 5:30-7:30 at Gather in downtown McKinney. This quarter's membership luncheon was titled 'Jobs of the Future' and was very well attended. McKinney Chamber is working on a new website to mirror the quality of the City of McKinney website. Ms. Hermes extended a warm welcome to Mr. Auterson and is looking forward to partnering with the MEDC.

MCVB - Executive Director Dee-dee Guerra reported the MCVB helped secure 369 hotel room nights with a value of over \$45,000. MCVB received RFP's for the Kansas City Railroad Association, and one for Popular Ink. There were four site visits which included The Sports Source, Southwest Bank and two weddings. Ad materials were created and submitted for TripInfo, Oktoberfest and the New Orleans Magazine. The Texas Highways Magazine ended up being 11 pages and included a three page article on Patina Green valued at \$82,236.

16-804 Chairman Lindsay called for the Director of Business Development Report. Director of Business Development Chad Walker reported on

August 10th, he and Economic Development Coordinator Clark had lunch with the North Central Texas Council of Governments contacts that provide valuable workforce data. Project Penmountain requested information on industrial sites in McKinney and Project Red River is still ongoing. Mr. Walker attended the opening retreat of Leadership McKinney August 11th and 12th. MEDC sponsorships include the raw space sponsor for Bisnow 121 Corridor on August 25th and Great States Investment Summit in Dallas from September 11th-14th. Mr. Walker will be attending the New York/New Jersey marketing trip with the Dallas Regional Chamber September 14th-16th.

16-805 Chairman Lindsay called for the Director of BRE/Emerging Tech Report. Director of BRE/Emerging Tech John Valencia reported that Mr. Auterson has been very active with the BRE/Emerging Tech program. Encore continues to detail their most recent expansion and Blount Fine Foods broke ground on their exterior expansion along with the interior progressing well. The Emerging Technology program continues with Pest Routes and Munzee. The WERX currently has 35 companies operating with 73 people. Included with Mr. Valencia's board packet are three recent articles on The WERX from D Magazine and the Dallas Business Journal.

16-806 Chairman Lindsay called for the Executive Vice President's Report. Executive Vice President Abby Liu reported MEDC staff has been working on several projects in the business attraction program. Mr. Auterson and Ms. Liu attended a Collin County Court meeting to present two McKinney projects on August 8th. Staff organized a site tour to Trinity Groves which is a restaurant and retail development in west Dallas on August 3rd that included City Manager Grimes, Deputy City Manager Madrigal, Assistant City Manager Shelton, Development Services Executive Director Quint, President Auterson, Director Valencia and Ms. Liu. Ms. Liu had the opportunity to attend the Japan-America Society of

Dallas/Ft. Worth on July 19th. Ms. Liu reminded the Board of the Bisnow 121 Corridor Expansion event on August 25th, and that Mayor Loughmiller will provide the opening remarks. In addition, the Welcome Reception for the new MEDC President is Thursday, August 17th.

16-807 Chairman Lindsay called for the President's Report. President Darrell Auterson thanked the MEDC staff and Board for making him feel welcome and engaged. Mr. Auterson has been assisting Ms. Liu and Mr. Walker with Project Red River negotiations, including a visit with Collin County Commissioners to request a tax abatement. Mr. Auterson thanked Mr. Grimes for his time and participation with the Project 3S executives. There has been considerable discussion and interest in Gateway, and more discussion is upcoming. Mr. Auterson had the opportunity to tour Raytheon, Encore Wire and Emerson and was delighted to participate in the ribbon-cutting for the Vazata corporate headquarters grand opening. Many thanks to MDCD President Cindy Schneible for introducing Mr. Auterson to the new owner of the Flour Mill. Touring The WERX was a terrific experience and having the opportunity to network with entrepreneurs opens the door for possibilities of engaging deeper strategies for innovation and entrepreneurial activities. Mr. Auterson has continued his outreach for individual meetings with the MEDC Board, City Council, community leaders, real estate brokers, developers, and city staff. A meeting with Mr. Jim Gandy and staff at Frisco Economic Development Corporation discussing possible regional collaboration was attended and very much appreciated. Frisco staff was very helpful with compliance management tools that MEDC may be able to utilize. Mr. Auterson has been researching the history on Gateway and discussing and receiving direction from Mr. Grimes. Mr. Auterson is now able to utilize the Salesforce software with proper licensing. And, staffing allocation models are under discussion and review.

16-808 Chairman Lindsay called for the Consideration/Discussion/Action on July Financials. Senior Financial Analyst Trevor Minyard reported revenue is above budget YTD by 9.82%. Sales tax figures came in 6.54% above last year's collection through July. Expenditures are significantly under budget due to savings in rebate expenditures paid out for various incentives. However, during the month of July, \$16,000 was paid to Popular Ink for a 1-year advance to a loan agreement, and \$10,000 in a grant to The WERX. 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 Page, seconded by Board member Chen, to approve the July Financials.

16-809 Chairman Lindsay called for the Consideration/Discussion/Action on Fiscal Year 2017 Budget. Mr. Minyard explained the timeline of the budget approval process and asked that the Board act on the budget today with or without changes. Mr. Auterson thanked the Finance department for all their help with the budget process this year. Mr. Auterson stated his approach to the upcoming budget, due to his short tenure at MEDC, was to remain cautious and conservative. Board members unanimously approved the motion by Vice Chairman Clark, seconded by Board member Merritt, to approve the Fiscal Year 2017 Budget as presented.

16-810 Chairman Lindsay called for the Consideration/Discussion/Action on Targeted Industry Analysis Proposal. Mr. Auterson expressed his desire to better understand who the Board would like to target and how to identify the best approach. The first important step is to understand what we do know about our community, our prospects, and our mission, identify what we don't know, and learn what we absolutely need to know in order to be productive in our endeavors. Mr. Auterson asked the Board to consider the TadZo proposal as a platform of how to answer these

very important questions. Board members requested Mr. Auterson provide some additional information before making a final decision and tabled item **#16-810** until the September Board meeting.

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

Chairman Lindsay recessed the meeting into Executive Session at 9:00 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. Board member Page exited Executive Session at 9:15 a.m. Chairman Lindsay reconvened to open session at 10:21 a.m.

Board members unanimously approved the motion by Board member Merritt, seconded by Board member Chen, to approve Electron II as presented in Executive Session.

Board members unanimously approved the motion by Board member Sipiora, seconded by Chairman Lindsay, to adjourn. Chairman Lindsay adjourned the meeting at 10:22 a.m.

LANCE LINDSAY
Chairman