

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

SEPTEMBER 22, 2020

The McKinney Economic Development Corporation met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on September 22, 2020 at 8:00 am.

Board members Present: Chairman Kenneth Sipiora, Vice Chairman Michael Jones, Secretary/Treasurer Brian Loughmiller, Dr. Gere' Feltus, Joe Minissale, and Bill Krueger.

Absent: Patrick Cloutier

Staff Present: President Peter Tokar, Executive Vice President Abby Liu, Senior Vice President Danny Chavez, MEDC Office Supervisor Deana Smithee, MEDC Administrative Assistant Joanne Isom, Mayor Pro Tem Rainey Rogers, Councilman Scott Elliott, City Manager Paul Grimes, MEDC Attorney Mark Houser, Financial Compliance Manager Chance Miller, and Visit McKinney Executive Director DeeDee Guerra.

Absent: Business Intelligence Director Holly Immler, Project Manager Madison Clark, Technology and Infrastructure Specialist Michael DePaola

Guests: There were 4 guests present

Chairman Sipiora called the meeting to order at 8:03 am after determining a quorum present.

Chairman Sipiora called for Public Comments for items on the agenda and there were none.

20-0816 Chairman Sipiora called for the Minutes of the McKinney Economic Development Corporation Work Session of August 7, 2020. Board members unanimously approved the motion by Secretary/Treasurer Loughmiller, seconded by Board member Minissale to approve the minutes.

20-0817 Chairman Sipiora Called for the Minutes of the McKinney Economic Development Corporation Meeting of August 18, 2020. Board members unanimously approved the motion by Board member Krueger, seconded by Vice Chairman Jones, to approve the minutes.

20-0818 Chairman Sipiora called for Board and Liaison Updates. Chairman Sipiora welcomed Alternate Board member Kimberly Ball and new Board member Kurt Kuehn to the meeting. Their appointments will begin on October 1st. Board member Kuehn was sworn in prior to the meeting to observe Executive Session. Chairman Sipiora also thanked Board member Krueger for his service to the MEDC Board.

City of McKinney – City Manager Grimes reported the City adopted the budget for fiscal year 2021 on September 15th. The budget is \$640M and the tax rate was reduced to .508. City Manager Grimes noted on October 1st the City will begin the audit process of fiscal year 2020 budget and will present the audit report to City Council when complete. City Manager Grimes reported the Tri City Business Support Program funded \$4.2M to 187 businesses in McKinney. The program resulted in 231 applications. Collin County has adopted a Business Support Program to augment any businesses that were not able to complete the application in time or were not eligible because the business was in an unincorporated area. City Manager Grimes clarified a business could receive funds from the Tri City Business Support Program and still apply for the Collin County Business Support Program, however the combined amount received cannot exceed \$25,000.

Chamber of Commerce - President Hermes reported the Women's McKinney Business Conference will be on Thursday, September 24th. The conference will be held virtually through Zoom, broadcasting from Christ Fellowship Church. President Hermes noted the State of the City

will be on November 5th. The speakers at the event will be Mayor Fuller, City Manager Grimes, Superintendent Dr. Rick McDaniel, and Collin College President Neil Matkin. The State of the City will be virtual. President Hermes reported the McKinney Young Professionals are working on a series of professional development seminars to take place over a span of three mornings. President Hermes noted Leadership McKinney will be postponed until January to allow for the program to run on a calendar year. Applications for the program are available and will be accepted until October 9th. There will be a virtual open house on September 30th for those interested in learning more about the program. Registration for the open house is required to receive access to the Zoom link. President Hermes noted the voting for “The Best in McKinney” is in process. McKinneyonline.com is asking readers to vote for their favorite local businesses to help recognize McKinney’s best. Voting will end on September 28th and the winners will be announced at The Chamber of Commerce Quarterly Luncheon on October 15th. President Hermes reported the Chamber is partnering with the nonpartisan organization Raise Your Hand Texas to host a candidate forum on October 1st. The Chamber of Commerce does not endorse candidates, as this forum will only provide information to the constituents about issues that are important to McKinney. This will be a virtual forum for the candidates in House District 70. President Hermes thanked the MEDC for supporting the Chamber of Commerce Annual Golf tournament.

Visit McKinney – Executive Director Guerra noted she distributed the Texas Travel Alliance 87th Legislative Agenda. There are five pillars they are focusing their legislative issues on: 1.) Promote Travel 2.) Economic Growth 3.) Workforce Development 4.) Transportation and Infrastructure 5.) Safety, Security, and Accessibility. Executive Director

Guerra thanked the Chamber of Commerce Leadership Alumni for the partnership in sponsoring the 9/11 Memorial/ Patriot Day Walking Tribute at Mitchell Memorial Park. Executive Director Guerra noted cycle one for promotional grants is open and the deadline has been extended to October 19th. Executive Director Guerra noted there is \$15,000 available during the first cycle.

20-0819 Chairman Sipiora called for the consideration/discussion of the MEDC Monthly Organizational Report. President Tokar noted the MEDC is having a successful year and the project pipeline is at an all-time high. President Tokar noted the announcement of the District 121 Kaizen 200,000 square feet speculative office to be built and the RPMx relocation to McKinney in the Craig Ranch Corporate Center. President Tokar noted the SRS new headquarters building at Alma and 121 will host a Grand Opening on October 9th.

20-0820 Chairman Sipiora called for the consideration/discussion of the MEDC Monthly Metrics Dashboard Report. President Tokar noted the MEDC is seeing a historic number of projects come into the pipeline. The MEDC is at 71% of the capital investment goal for the year. President Tokar noted COVID has set the MEDC back in meeting some of the metrics. President Tokar noted the MEDC is looking for ways to pivot with the pandemic and COVID has created a great opportunity for the MEDC to increase a larger digital presence.

20-0821 – Chairman Sipiora called for the consideration/discussion/action on the
20-0822 July 2020 and August 2020 Financials. Compliance Manager Miller noted for July there was \$244,000 in project expenditures and a net profit close to \$500,000. Compliance Manager Miller reported the sales tax for July is applicable to the month of May and there was an 8.2% increase over last year. Compliance Manager Miller reported for August there was \$2.8M in project expenditures and a net loss of \$2M. Compliance Manager Miller note the net loss for the year is \$2.3M.

Compliance Manager Miller reported the sales tax for August is applicable to the month of June and there was a 15.7% increase over last year. This brings the year to date increase up to 13.1% over last year. Compliance Manager Miller noted the projected fund balance for the year is \$10.4M. Board members unanimously approved the motion by Board member Minissale, seconded by Board member Feltus, to approve the July 2020 and August 2020 Financials.

20-0823 Chairman Sipiora called for the consideration/discussion/action on Finance Committee Report and Innovation Fund Cap. Chairman Sipiora noted at the last Finance Committee meeting Compliance Manager Miller and the MEDC staff presented a brief summary of the current financial condition. Chairman Sipiora requested Compliance Manager Miller present the report in Open Session for the Board. The report covers the MEDC balance sheet, the MEDC income statement, and the MEDC budgetary cashflow. Compliance Manager noted the MEDC is in a strong position with \$82M in assets and \$28M in liabilities. \$67M of the assets listed on the balance sheet is MEDC owned land. Compliance Manager Miller noted the income statement shows the year to date with a net loss of \$2.3M. Compliance Manager Miller clarified in fiscal year 2019 there was a net gain of \$4.5M and due to the timing of project expenditures, the net loss was expected in fiscal year 2020. Compliance Manager Miller explained to prepare for the net loss, funds were carried over from fiscal year 2019 to cover the project expenditures in fiscal year 2020. Compliance Manager Miller noted the MEDC budgetary cashflow will assist the Board members when making decisions on projects to fund. Chairman Sipiora noted at the Finance Committee meeting there was a discussion on placing a cap on the Innovation Fund. The Board discussed starting with a million-dollar cap on the Innovation Fund and staying flexible year to

year and adjust as needed. Board members unanimously approved the motion by Board member Krueger, seconded by Board member Feltus, to establish an Innovation Fund cap of \$1,000,000.

20-0824 Chairman Sipiora called for the consideration/discussion/action on the MEDC 2021 Key Performance Indicators. Board members unanimously approved the motion by Vice Chairman Jones, seconded by Secretary/Treasurer Loughmiller, to approve the MEDC 2021 Key Performance Indicators.

Chairman Sipiora called for Citizen Comments and there were none.

Chairman Sipiora called for Board Comments and there were none.

Chairman Sipiora recessed the meeting into Executive Session at 8:43 am.

Chairman Sipiora reconvened the meeting to open session at 11:21am.

Board members approved the motion by Vice Chairman Jones, seconded by Board member Feltus, to approve Project Casita as discussed in Executive Session with a vote of 5 - 1 - 0, Chairman Sipiora voting no.

Board members unanimously approved the motion by Vice Chairman Jones, seconded by Board member Krueger, to approve Project Wales as discussed in Executive Session.

Board members failed to approve a motion made by Secretary/Treasurer Loughmiller, seconded by Vice Chairman Jones to approve the amendment to Project Electron III as discussed in Executive session with a vote of 3-3-0, Chairman Sipiora, Board member Feltus, and Board member Minissale voting no.

Board members approved the motion by Secretary/Treasurer Loughmiller, seconded by Board member Feltus, to table Project Electron III to the next Board meeting with a vote of 5 - 1 - 0, Board member Minissale voting no.

Board members unanimously approved the motion by Board member Feltus, seconded by Board member Krueger, to approve Project Tele as discussed in Executive Session.

Board members unanimously approved the motion by Vice Chairman Jones, seconded by Board member Minissale, to adjourn the meeting.

Chairman Sipiora adjourned the meeting at 11:28 am.

Kenneth T. Sipiora
Chairman