

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

FEBRUARY 16, 2016

The McKinney Economic Development Corporation met in regular session in the Dowdy Board Room, 5900 S. Lake Forest Drive, McKinney, Texas, on February 16, 2016 at 8:00 a.m.

Board members Present: Chairman Lance Lindsay, Vice Chairman Robert Clark, Secretary/Treasurer Jason Burress, Walter Chen, Sheila Johnson and Kenneth Sipiora.

Board member Absent: Randy Page

City Council members: Mayor Pro Tem Travis Ussery, Randy Pogue and Chuck Branch.

Staff Present: Interim 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, Senior Financial Analyst Trevor Minyard, MEDC Attorney Mark Houser and MCVB Director Dee-dee Guerra.

There were eight guests present.

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

16-204 Minutes of the McKinney Economic Development Corporation Meeting of January 19, 2016. Board members unanimously approved the motion by Vice Chairman Clark, seconded by Board member Sipiora, to approve the January 19, 2016 minutes.

16-205 Chairman Lindsay called for the Board and Liaison Updates.
City of McKinney – Interim City Manager Tom Muehlenbeck reported there are two very important City Council items that will be presented this evening at our Council meeting. One of them will be a discussion on the status of transit in McKinney. The consultant will provide a report outlining was services we have had in the past, and what the alternatives are going forward. The second item of discussion will be whether or not to add the 100 new parking spaces in the downtown area at a cost of two

million dollars. Mayor Brian Loughmiller and City Council invited citizens last night to provide input on the search criteria for the City Manager position with the search firm Ralph Andersen & Associates.

MCVB - MCVB Director Dee-dee Guerra reported that Sheraton McKinney has been selected as the host site for the 2017 Civil Court Process Meeting and it will bring in 300 attendees and 120 room nights. The MCVB received eight RFP's in the month of December, which shows that McKinney is starting to get more visibility in the Meetings and Events arena. And, finally, MCVB received a lot of shares and reads on Facebook, Twitter and MCVB Blog for the Marco's Pizza on Undercover Boss posts.

16-206 Chairman Lindsay called for the Director of Business Development Report. Director of Business Development Chad Walker reported new project activity picked up considerably since our last meeting. One project made a site visit and another will be here this week. And, we are looking forward to having eight site consultants that have committed to attend our familiarization tour in March. As far as projects are concerned, Project Little Bites had a site visit on January 27 and will be discussed further in executive session. Project Aqua Teen was supposed to be here this Thursday, but that visit has been delayed. Mr. Walker invited the Board, along with staff, to attend the Bisnow Platinum Corridor Event on March 31. Chairman Lindsay commented how important these events can be for broker contacts and networking.

16-207 Chairman Lindsay called for the Director of BRE/Emerging Tech Report. Director of BRE/Emerging Tech John Valencia reported staff has been meeting with Richard Riccardi, President and CEO of Food Source, over the last few months on their potential expansion. In a recent meeting, Mr. Valencia has been introduced to Todd Blount of Blount Fine Foods and discussed bringing some of the BFF products to the Food Source site and expanding BFF west. Then, a January 11 press release was

published indicated Blount was acquiring Food Source to add capacity in this part of the country. Staff will be meeting with the Blount teams on February 11 and 17. Encore Wire has started their manufacturing expansion at the northwest corner of Industrial Blvd. and Airport Rd. On the Emerging Tech front, there are currently four active companies in the program. The WERX will be presenting to the Board today an updated report on their performance measurement.

16-208 Chairman Lindsay called for the Interim President Report. Interim President Abby Liu reported Mr. David Eisenlohr with Azimuth Group is here to give the Management Audit report. Ms. Liu stated Mr. Eisenlohr has been a pleasure to work with and very much appreciates his professionalism. In addition, staff has undergone a brief training on our new Impact DataSource software purchased to generate impact reports on past, present, and upcoming projects for McKinney. The Board will see some of those reports in our executive session later this morning. Ms. Liu shared her participation as one of the five panelists at the Collin County Association of Realtors on January 21. Other panelists included members from the Economic Development offices of Prosper, Allen, Frisco, and a member of the Plano Planning Department and was attended by over 360 Collin County realtors and brokers. Another meaningful event attended by staff, Mayor Pro Tem Ussery, and executives from Wistron, Hisun and Tong Yang Group, was the Greater Dallas Taiwanese Chamber of Commerce Chinese New Year Celebration. Mayor Pro Tem delivered a wonderful speech with over 1,000 guests in attendance. Finally, Ms. Liu reminded the Board of the McKinney Community Awards Celebration on February 19 at the Sheraton McKinney Hotel. In a continuing effort to be green and responsible towards the environment, Executive Assistant Sheri Van Slycke requested feedback from the Board to consider accessing the secure Box server from their tablets for all executive session documents

in place of the multiple print outs currently being produced. Chairman Lindsay and the Board's response was positive.

16-209 Chairman Lindsay called for the Consideration/Discussion/Action on January Financials. Senior Financial Analyst Trevor Minyard reported MEDC revenues are above budget year to date by 7.45%. Sales tax figures came in 7.08% above last year's collection through January. Expenditures are significantly under budget due to savings in rebate expenditures paid out for various incentives. In January, MEDC did make a \$75,000 incentive payment to Playful Corporation for meeting certain requirements of their incentive agreement. Personnel expenses are continuing to be below budget due to vacant positions. Mr. Minyard referred the Board to some unique analysis links for sales tax of the MEDC and the City of McKinney at large. Mr. Muehlenbeck weighed in that every area in Texas, with the exception of McKinney and Austin, is declining in sales tax revenues due to the current oil crisis. Board members unanimously approved the motion by Vice Chairman Clark, seconded by Secretary/Treasurer Burrell, to approve January Financials.

16-210 Chairman Lindsay called for the Consideration/Discussion/Action on The WERX Grant Agreement. The WERX Executive Director Christine Smith and Board member Mark Cottam presented The WERX upcoming plans for fundraising and expanding the usage of the current location. Ms. Smith provided a Bear Budget, as well as a Bullish Budget for review. The Board will take action after executive session discussion.

16-211 Chairman Lindsay called for the Consideration/Discussion of the Management Audit Presentation by David Eisenlohr of Azimuth Group. Mr. Eisenlohr explained the process of the management audit and reported his conclusions and recommendations. Chairman Lindsay requested feedback from Mr. Muehlenbeck, and he indicated he was impressed and approved the report from Mr. Eisenlohr. Board member

Johnson suggested the Board digest this report before providing feedback, as all the information was new today. Ms. Liu suggested Mr. Eisenlohr return to answer more questions during the MEDC Annual Strategic Planning Meeting.

16-212 Chairman Lindsay called for the Discussion and Direction on a Potential Date for MEDC Annual Strategic Planning Meeting. The Board discussed possible dates and determined to make the decision via email over the next week or two.

16-213 Chairman Lindsay called for the Discussion and Direction on the Scheduling of Quarterly MEDC Board Presentations by Guest Speakers on Development Topics. Chairman Lindsay proposed MEDC plan a quarterly luncheon to bring in real estate developers and/or EDC educational efforts to expand our Board's knowledge and potential networking skills.

Chairman Lindsay called for Citizen comments and there were none.

Chairman Lindsay called for Board comments. Chairman Lindsay expressed his desire to see the Board room A/V equipment updated and running efficiently.

Chairman Lindsay recessed the meeting into Executive Session at 10:00 a.m. per Texas Government Code: A. Section 551.071 (2). 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: B. Section 551.074. Personnel Matters as listed on the posted agenda. C. Section 551.087. Deliberation Regarding Economic Development Matters as listed on the posted agenda. Chairman Lindsay recessed to open session at 11:20 a.m.

Chairman Lindsay called for Action on Executive Session.

Board members unanimously approved the motion by Vice Chairman Clark, seconded by Secretary/Treasurer Burrell, to approve Project Cumulonimbus as presented and discussed in executive session.

Vice Chairman Clark stepped down from the discussion for the following executive session item: Board members approved the motion by Secretary/Treasurer Burress, seconded by Board member Johnson, to approve Project Juice Box as discussed in executive session. Vice Chairman Clark abstained from the vote, and returned to the meeting after the vote.

Board members unanimously approved the motion by Secretary/Treasurer Burress, seconded by Vice Chairman Clark, to approve Project Little Bites as discussed in executive session.

Board members approved the motion by Secretary/Treasurer Burress, seconded by Board member Johnson, to deny approval on Project Drawbridge, with a vote of 5 - 1 - 0, Chairman Lindsay voting against.

Board members approved the motion by Vice Chairman Clark, seconded by Board member Chen, to approve Project Bright as discussed in executive session with a vote of 5 - 1 - 0, Secretary/Treasurer Burress voting against.

Board members unanimously approved the motion by Vice Chairman Clark, seconded by Board member Chen, to approve the amendment of The WERX current contract, per Agenda Item #16-210, as discussed in executive session.

Board members unanimously approved the motion by Vice Chairman Clark, seconded by Board member Chen, to adjourn. Chairman Lindsay adjourned the meeting at 11:25 a.m.

LANCE LINDSAY
Chairman