

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

JUNE 16, 2020

The McKinney Economic Development Corporation met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on June 16, 2020 at 8:00 am.

Board members present: Chairman Kenneth Sipiora, Vice Chairman Michael Jones, Secretary/Treasurer Brian Loughmiller, Patrick Cloutier, Joe Minissale, Tracy Rath, and alternate Bill Krueger.

Absent: Dr. Gere' Feltus

Staff Present: President Peter Tokar, Executive Vice President Abby Liu, Senior Vice President Danny Chavez, Director of Business Intelligence Holly Immler, MEDC Office Supervisor Deana Smithee, MEDC Administrative Assistant Joanne Isom, Visit McKinney Marketing and Communications Manager Beth Shumate, Mayor George C. Fuller, Mayor Pro Tem Rainey Rogers, City Councilman Scott Elliott, City Manager Paul Grimes, Assistant City Manager Kim Flom, Compliance Manager Chance Miller, and MEDC Attorney Mark Houser.

Absent: Project Manager Madison Clark and Technology and Infrastructure Specialist Michael DePaola.

There were 2 guests present

Chairman Sipiora called the meeting to order at 8:01 am after determining a quorum present.

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

20-0480 Chairman Sipiora called for the Minutes of the McKinney Economic Development Corporation Meeting of May 19, 2020. Board members unanimously approved the motion by Board member Minissale, seconded by Secretary/Treasurer Loughmiller, to approve the minutes.

20-0481 Chairman Sipiora called for Board and Liaison updates. Chairman Sipiora recognized the City of McKinney's Water Department for the work completed in his neighborhood.

City of McKinney - City Manager Grimes noted a few items to be discussed at the City Council work session tonight. President Tokar and Assistant City Manager Flom will present the Operational Plan for Economic Normalization (OPEN) to the City Council. The OPEN Program will assist in business recovery and if adopted by City Council, the program will begin by July 1st. City Manager Grimes noted the McKinney Strong Program began accepting applications for the 2nd round of grant funding on June 8th and will end on June 18th. The McKinney Strong Grant Program are funds the McKinney Community Development Corporation put in place for home based businesses up to \$1,000 and \$1,500 for merchants or small businesses. City Manager Grimes noted Boards and Commissions are accepting applications from individuals wishing to serve on a Board or a Commission. The application period closes Friday, June 19th. City Manager Grimes updated the Board on a lunch meeting with Encore Wire's Chief Executive Officer, Daniel Jones. Encore Wire is building a 733,000 square foot warehouse to serve as the Encore Wire Service Center. The service center will be valued at \$52 million when completed. It will be located on the NW corner of Airport Drive and Elm Street. Elm Street will be abandoned by the City and Encore Wire will build a new street. Elm Street will serve as a circulatory roadway for Encore Wire within their campus. Elm Street will be reconstructed to create connections for Bumpas Street and Gerrish Street. City Manager Grimes noted on June 15th the City of McKinney implemented a new payment system for water bills. The new system is user friendly and will offer more payment options. Auto pay users must create a new account.

Chamber of Commerce – President Hermes reported the next quarterly lunch will cover the State of Education and how COVID-19 will impact schools in the fall. President Hermes noted Legislative Consultant Angela Hale will provide information around the State's budget at the next Government and Legislative Issues meeting. President Hermes thanked Chairman Sipiora for joining the Boards and Commissions Webinar. The webinar allowed Chairmen from all boards to speak to the position and encourage volunteerism. President Hermes noted the Chamber of Commerce will partner with Volunteer McKinney to engage McKinney's nonprofit organizations and educate the community in ways to volunteer. President Hermes noted the Chamber of Commerce has implemented a safe reopening plan. Staff is alternating working in the office and in person meetings are by appointment only. President Hermes noted the Restaurant Council is meeting on a weekly basis. President Hermes reported the McKinney Back to Business web page is continuing to grow with over 50,000 hits a week. The Chamber of Commerce will continue to utilize the page to connect businesses with the resources needed. President Hermes noted the Chamber of Commerce will return focus back to the Census and continue to educate businesses on the importance of completing the Census. Board member Cloutier complimented the Chamber of Commerce and the work they have done during the COVID-19 pandemic. President Tokar noted the Development Update: Focus on Technology Webinar he participated in with the Chamber of Commerce was a success with large participation.

Visit McKinney – Communications and Marketing Manager Shumate reported Visit McKinney is back in the office and open to the public from 10:00 am – 3:00 pm. They are taking appointments outside of those hours. Communications and Marketing Manager Shumate reported on May 19th the Texas Office of the Governor made a formal presentation to City Council to present McKinney with the Texas Music Friendly

Certification. Visit McKinney will serve as the McKinney Music Office and will be the liaison between the Texas Music Office and the advisory board. Communications and Marketing Manager Shumate noted National Traveling and Tourism week was the first week in May. National Traveling and Tourism week encourages residents to tour McKinney. Visit McKinney set up a virtual tour of McKinney for the residents. Communications and Marketing Manager Shumate noted the Public Safety luncheon was on May 5th at the Public Safety Office. The luncheon was catered by Fresh Mex and the cost was split with the MCDC. Communications and Marketing Manager Shumate thanked MCDC Board member Brewer, MCDC Board member Kelly, Mayor Fuller, City Manager Grimes, Assistant City Manager Shelton, Assistant City Manager Tilton, Assistant City Manager Flom, and Councilman Phillips for attending the luncheon. Communications and Marketing Manager Shumate reported the McKinney episode of the Day Tripper will air June 20th at 10:00 am on KERA. Visit McKinney's website will have behind the scenes pictures posted, as well as a list of the local partners who participated in the episode. Communications and Marketing Manager Shumate reported YOLO Texas will arrive June 18th and film through the weekend. The YOLO Texas episode will focus on McKinney's nightlife and will air on the CW next month. Communications and Marketing Manager Shumate reported an influencer couple with a large following on Instagram will visit this weekend and tour McKinney. Communications and Marketing Manager Shumate noted last weekend the Women's All Pro Tour visited McKinney and enjoyed their stay touring McKinney and neighboring cities.

20-0482 Chairman Sipiora called for the consideration/discussion of the MEDC Monthly Organizational Report. President Tokar welcomed Centipede Digital Marketing Manager Dee Escobar. President Tokar discussed the OPEN plan and explained the plan would be a collaborative effort between McKinney, Allen, and Frisco. The three cities are working together to create regional unified guidelines for the program. President Tokar noted the program will be presented at the City Council work session tonight.

20-0483 Chairman Sipiora called for the consideration/discussion of the MEDC Monthly Metrics Dashboard Report. President Tokar noted the metrics involving “person to person” contact have fallen behind due to current COVID-19 guidelines. President Tokar noted he will have his recommendation for the revised 2020 KPI numbers for the July board meeting. The Strategic Goal Setting Session scheduled for August 7th will focus on 2021 KPI goals. President Tokar noted the KPI of capital expenditures is currently at \$63 million and our target goal is \$206 million. President Tokar noted the projects in the pipeline could potentially bring the MEDC up to the goal and possibly exceed them.

20-0484 Chairman Sipiora called for the consideration/discussion/action on April 2020 Financials. Compliance Manager Miller reported there were no project expenditures for the month of April. Revenues were \$1.3 million and operational expenditures were \$400,000. The sales tax collections reported a 28.2% increase and are applicable to the month of February. Compliance Manager Miller reported a majority of the increase is from audit adjustments and estimates the increase is at 10%. Board members unanimously approved the motion by Secretary/Treasurer Loughmiller, seconded by Board member Rath, to approve the April 2020 Financials.

20-0485 Chairman Sipiora called for the consideration/discussion/action on MEDC FY21 Budget. President Tokar presented the proposed budget

for 2021. President Tokar noted based on the past sales tax trends the MEDC was expected to increase the 2021 budget by 4-5%. Due to the COVID-19 pandemic, sales tax revenue is projected to be down and in preparation, the budget was decreased. President Tokar noted last years allocated budget was \$14.8 million and this year's budget rolled back slightly to \$14.2 million. President Tokar noted the reduced areas on the budget are full time staff, food, capital equipment, operational supplies, travel and training, and professional and contracted services. President Tokar reported the MEDC was able to save \$493,120.00 by reducing expenses in these areas. President Tokar noted to support the efforts of business recovery due to COVID-19, the MEDC has allocated \$1,000,000 to serve the business community. The \$1,000,000 will be used to assist in funding the OPEN Program or serve in another effort to assist business relief. President Tokar noted the money will be pulled from unallocated funds from the projects budget and placed in the marketing budget as reserve. President Tokar noted due to the transfer of funds, the MEDC's overall operating expenses to be 21.3%. Chairman Sipiora commended the staff on reducing the budget with the expected short falls in revenue. Vice Chairman Jones noted with the allocation of the \$1,000,000 going to business recovery, going over 20% in overall operating expenses is justified. Board members unanimously approved the motion by Board member Cloutier, seconded by Board member Minissale, to approve the MEDC FY21 Budget.

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 8:44 am.

Chairman Sipiora reconvened the meeting to open session at 10:20 am.

Board members unanimously approved the motion by Alternate Board member Krueger, seconded by Board member Minissale, to approve the Innovation Fund Agreement Format as discussed in Executive Session.

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

Board members unanimously approved the motion by Secretary/Treasurer Loughmiller, seconded by Board member Rath, to approve Project FPS as discussed in Executive Session.

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

Chairman Sipiora adjourned the meeting at 10:22 am.

Kenneth T. Sipiora
Chairman