

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

SEPTEMBER 19, 2017

The McKinney Economic Development Corporation met in regular session at the John and Judy Gay Library, 6861 Eldorado Parkway, McKinney, Texas, on September 19, 2017 at 8:00 a.m.

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

City Council members Present: Mayor George Fuller and Scott Elliott

Staff Present: Executive Vice President Abby Liu, Director of BRE/Emerging Tech John Valencia, Director of Marketing and Research Geneva Aragon, Operations/Compliance Administrator Sheri Van Slycke, MEDC Temporary Administrative Assistant Sterrett Coleman, City Manager Paul Grimes, Assistant to the City Manager Trevor Minyard, MCVB Director Dee-dee Guerra, Chief Financial Officer Mark Holloway, Chamber President Lisa Hermes, Video Technician Joey Barr and MEDC Attorney Mark Houser.

There were two guests present.

Chairman Burress called the meeting to order at 8:10 a.m. after determining a quorum was present.

17-914 Chairman Burress called for Consideration/Discussion/Action on a Grant Request Submitted by the City of McKinney/McKinney Air Center in the Amount of Four Million Dollars (\$4,000,000) for Construction of a New Fixed Base Operator Terminal, Expanded Parking, Upgraded U.S. Customs Facility, 40,000 Square Foot Common Hangar. Amount Requested Represents 25% of Total Estimated Project Cost. Deputy City Manager Jose Madrigal provided the history, performance factors and the project overview to the Board to share how the Airport is rapidly seeing an inability to meet growing business demand in McKinney. In addition, the terminal is in need of an upgrade to a larger and more modern, efficient building, with up –to-date technology and amenities that

pilots and passengers expect. McKinney Air Center must align itself with the competition in the FBO market. Total cost is \$16 million. Staff is requesting \$4 million each from MEDC and MCDC. Mr. Brand Henderson shared that Western LLC is providing \$8 million of up front construction financing and construction, which will be repaid with interest over 20 years by the FBO. The expected timeframe for construction is 18 months. Mr. Sipiora expressed, that while he is in strong support of the Airport, he is concerned that the tax benefits may be overestimated and difficult to gauge. Mr. Madrigal explained that while the actuals cannot be guaranteed, at least the McKinney Airport would be receiving those funds instead of other airports. Mr. Clark shared that he was a strong proponent of the Airport, but as a MEDC trustee, he is duty bound to make sure the EDC will have a return on investment. He further stated that the private sector should be better utilized in this process. Board members shared further concerns about applying for available federal funds, as well as making sure this current request was not a band aid approach. Mr. Madrigal explained that future concerns are being considered, but that this current request will meet the critical needs and be the foundation for further growth. The federal funding options have been explored and will not be available until the FBO meets certain criteria which is projected in the years to come. City Manager Grimes stated that staff has completed a comprehensive review and believe this approach is the best avenue to leverage the City's money through the MEDC, the MCDC and the City for the Airport renovation. In addition, the mile and a half runway strip acts as a main street and holds potential for unlimited revenue on either side of that strip of property. Mayor Fuller submitted to the Board for consideration that the most important investment in long-term economic development in the City of McKinney is the Airport infrastructure, as well as the biggest differentiator when comparing us to our sister cities.

17-909 Chairman Burress called for action on the Minutes of the McKinney Economic Development Corporation Meeting of August 29, 2017. Board members approved, by a vote of 5-0, the motion by Vice Chairman Merritt, seconded by Board member Sipiora, to approve the August 29, 2017 minutes.

17-910 Chairman Burress called for Board and Liaison Updates.

Board Chairman – Chairman Burress shared that the City of McKinney is actively engaged in the RFP process for the Amazon HQ2 project.

City of McKinney – City Manager Paul Grimes announced the implementation of our new land management software system, Intergov. This system will streamline the processes by which developers can increase access to pertinent information. Live launch is projected for October 16th. Mr. Grimes welcomed Geneva Aragon, the new MEDC Director of Marketing and Research. In conclusion, the Communications Department received a Savvy Award in the Best Electronic Newsletter category.

Chamber of Commerce - Chamber President Lisa Hermes reported this month has been an advocacy month participating in a Washington DC Fly In with the Texas Association of Business and met with Congressional leaders to address key topics, including NAFTA and DACA. Chamber is continuing to collect information about our major employers and where their workforce is located to contribute to the transit initiatives. Ms. Hermes continued that the Chamber is partnering with the Collin County Chamber of Commerce and our sister communities to develop a candidate school to empower business minded individuals with lots of skills and expertise, to run for local public office. Texas Speaker of the House Joe Straus will host a legislative wrap-up and appreciation lunch at the Sheraton McKinney on October 10th. The State of the City event is on November 2nd.

7-911 Chairman Burress called for Consideration/Discussion of the MEDC Staff Monthly Reports. Executive Vice President Liu and Chairman Burress shared that the MEDC staff has put a lot of time and effort into the Amazon H2 RFI and is confident of the impact it will have. Chairman Burress extended his thanks and kudos to Director of Marketing and Research Geneva Aragon for her work on social media.

17-912 Chairman Burress called for Presentation by Volunteer Mobilization, LLC. VOMO Controller Bob Peabody provided the presentation. Volunteer Mobilization, LLC (VOMO) is a technology company that was formed in April 2017 and provides software as a service to help companies, churches, etc. manage volunteer projects. VOMO operates in the 501C3 and church realm as “Awaken My City” and to for profit businesses they operate as VOMO. The software product is sold on a monthly subscription basis and is a taxable service. VOMO intends to lease about 5,000 square feet of office space to create corporate headquarters.

17-913 Chairman Burress called for Consideration/Discussion/Action on August Financials. Chief Financial Officer Mark Holloway reported revenue is above budget YTD by 19.36%. Sales tax figures came in 9.9% above last year’s collection through August. Expenditures continue to be under budget due to savings in rebate expenditures paid out for incentives. During the month of August, there were no significant expenses to report outside of normal operating expenses. Board members approved, by a vote of 5-0, the motion by Board member Clark, seconded by Vice Chairman Merritt, to approve the August Financials.

Chairman Burress called for citizen and Board comments and there were none.

Chairman Burress recessed the meeting into Executive Session at 9:27 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). Section 551.087. Deliberation

Regarding Economic Development Matters as listed on the posted agenda. Chairman Burress reconvened the meeting to open session at 11:11 a.m.

Board members approved, by a vote of 5-0, the motion by Vice Chairman Merritt, seconded by Board member Clark, to approve the application from VOMO, LLC with the caveats agreed to in Executive Session.

Board members approved, by a vote of 4-1-0, the motion by Board member Clark, seconded by Board member Denny, Board member Sipiora voting no, the grant application request from the City of McKinney and McKinney National Airport.

Board members approved, by a vote of 5-0, the motion by Board member Clark, seconded by Chairman Burress, to adjourn. Chairman Burress adjourned the meeting at 11:13 a.m.

JASON BURRESS
Chairman