

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

MAY 19, 2020

The McKinney Economic Development Corporation met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on May 19, 2020 at 8:00 am.

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

Absent: None

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, Mayor George C. Fuller, Mayor Pro Tem Rainey Rogers, City Councilman Scott Elliott, City Manager Paul Grimes, Assistant City Manager Kim Flom, 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.

20-0382 Chairman Sipiora called for the Minutes of the McKinney Economic Development Corporation Meeting of April 21, 2020. Board members unanimously approved the motion by Board member Minissale, seconded by Vice Chairman Jones, to approve the minutes.

20-0383 Chairman Sipiora called for Board and Liaison Updates. Chairman Sipiora reported the Finance Committee recently met over the first draft of the budget and commended the staff on great work. Chairman Sipiora noted the expectation of a significant revenue reduction for the upcoming

fiscal year. The MEDC planned for approximately a 7% reduction, however provided a 15% reduction in overall operational expenses. Chairman Sipiora noted the operational expenses relative to revenue is approximately 16%. Vice Chairman Jones noted compared to our neighboring cities we are below the 20% average. Chairman Sipiora thanked the board and attendees for joining the meeting and thanked the subcommittees for their hard work under unusual circumstances.

City of McKinney - City Manager Grimes reported there will be several important items covered at tonight's City Council work session and meeting. City Manager Grimes noted two funding items on the agenda. The Federal government has directly dispersed \$171 million to Collin County. Collin County will disperse some of the funding to municipalities within the county. City Manager Grimes noted there are two major buckets the county is sharing with the communities. The first bucket is housing, food, and utility assistance for households throughout Collin County for the coming months. There has been \$30 million allocated for the entire county with another \$15 million in reserve to prepare to help the municipalities. There are four entitlement cities within Collin County: McKinney, Frisco, Allen, and Plano. City Manager Grimes noted there is an infrastructure in place and the city will scale up to adopt the additional zip codes in Collin County to disperse funds. City Manager Grimes noted the City can receive up to 15% administrative cost reimbursement if additional expenses are incurred to adopt those additional zip codes. City Manager Grimes noted the 2nd bucket of funding to be discussed at the City Council work session and meeting is the expense reimbursement funding. City Manager Grimes stated this is \$50 million in funding the county has provided to be shared on a pro rata basis. City Manager Grimes noted this will equate to \$55 per capita to assist unbudgeted COVID-19 related expenditures. City Manager Grimes

noted both buckets must be dispersed by December 30, 2020. City Manager Grimes noted the expenses related can include business recovery and the City Council will discuss tonight to expand our Business Recovery program within the community. City Manager Grimes noted the Community Development Corporation authorized an initial \$1 million for business assistance in the One McKinney Strong program. This assistance is for small businesses with 50 or fewer employees. City Manager Grimes stated there is criteria to qualify for the grant, however it was kept simple to allow small businesses to receive funding quickly. There have been 271 applications to date. City Manager Grimes noted not all applicants have qualified. 180 have been approved and funded and an additional 50-60 applications are still under review. The One McKinney Strong Program is independent of the Collin County funding; however, the funds can be used to expand the program. City Manager Grimes noted the community grassroots program called One Heart McKinney and encouraged the board and attendees to visit the website at oneheartmckinney.com. This program is set up for anyone who would like to help or needs help. City Manager Grimes noted Mayor Fuller is the spokesperson for the group, however One Heart McKinney is not a city run organization. The organization has raised almost \$200,000 to be donated to nonprofit organizations. City Manager Grimes noted "Light up Louisiana". This is a construction project to begin this week along Louisiana Street. The 1st phase of construction will involve College Street going east to Kentucky. The construction will consist of utility improvements and widening the sidewalks. Phase 2 will begin in January and will start at Tennessee Street and continue to McDonald Street. City Manager Grimes noted the City Council will review and adopt the final strategic framework the staff has prepared in response to the Strategic Goals set by City Council in February. If adopted tonight the City will begin the budget process. City Manager Grimes noted this year's budget

is particularly interesting because of the adjustments this fiscal year due to the expectation of lower sales tax revenues. The April sales tax numbers will be available in June. City Manager Grimes noted to keep expenses moderate for next year, the budget will have a version of a hiring freeze in place and will adjust accordingly. City Manager Grimes reported the City is working on reopening. Roy and Helen Hall Library has reopened to the public and will continue to offer curbside pickup. In person programming is still suspended, but online programming continues. Libraries are open if you need to order and pick up a book. City Manager Grimes noted the Apex Center, the Community Center, and Old Settlers Recreation Center will open on Monday, June 1st with limited amenities. As part of a phase reopening plan, social distancing is in place and the City will alter operations to give customers the highest levels of assurance that the environment is sanitized, clean, and safe. City Manager Grimes reported pools will be open on June 1st. Vice Chairman Jones asked if the funds for resident assistance programs will be dispersed by Collin County. City Manager Grimes responded the funds will be dispersed through the McKinney Community Development Block Grant program to the four entitlement cities.

Chamber of Commerce - President Hermes reported on the response from the Chamber of Commerce to small businesses due to COVID-19. The Chamber of Commerce initiated the McKinney Strong program. McKinney Strong t-shirts are available for purchase and all the proceeds will go to assisting businesses and nonprofits in McKinney. President Hermes noted the Chamber of Commerce launched the "McKinney Back to Business" website. The first page of the website is a response to COVID-19 and resources are available for small business owners. Over the last 30 days the content delivery network registered over 158,094 hits. President Hermes acknowledged a hit on a website is different than

a unique visitor but noted they are still analyzing the data and seeing a growth in traffic to the site. President Hermes noted the Chamber of Commerce hosted a McKinney Strong Week. This event was held in lieu of the National Small Business Week. President Hermes noted this was an opportunity to celebrate and highlight the work small businesses do in our community. President Hermes noted the Chamber of Commerce will host the quarterly luncheon May 28th via a Zoom meeting. The topic of the luncheon will be "Healthy Communities" with Dr. Douglas Kiel with University of Texas in Dallas. He will present the THRIVE results from the study the McKinney Alliance funded. President Hermes noted Dr. Kiel will discuss the first-round results of the Thrive study and how it relates to what is happening currently in the community. President Hermes reported the next Development Update will be a virtual Zoom meeting on June 2nd at 8:00 am. The topic will be "Unexpected Catalyst for Tech Adoption in Development" and will be moderated by President Tokar from the MEDC. The panel will include, Samantha Flores with Corgan, David Haley with Acuity, John Henry with DPG Partners, and John Pfeiffer with McGough. President Hermes congratulated Board member Feltus for recently graduating from Leadership McKinney. President Hermes is hopeful a graduation ceremony will be in person and combined with the new Leadership McKinney class orientation at the Guitar Sanctuary in McKinney. President Hermes updated the board on Serve McKinney. Serve McKinney is a community gathering where the boards and commissions can come and speak to the community about ways they can serve. All the nonprofits in Collin County have been included in the event. This event will not be held in person and the Chamber of Commerce is working with City Secretary Empress Drane to host a webinar for all the city boards and commissions. President Hermes will ask the chairman of each board within McKinney to participate. President Hermes noted the Chamber of Commerce will

partner with Volunteer McKinney to ensure information on volunteer opportunities are available. President Hermes noted the launch of a survey on the "Impact of COVID-19" to small businesses in McKinney. There have been 178 responses. The survey will remain open for another week. President Hermes noted the Chamber of Commerce will be reopening the office with a few staff members on an alternating schedule to keep the office open by appointment only.

20-0384 Chairman Sipiora called for the consideration/discussion of the MEDC Monthly Organizational Report. President Tokar requested the board's recommendation on the Strategic Goal Setting Session that was originally scheduled on March 27th. President Tokar proposed the MEDC staff make recommendations for the Key Performance Indicators for fiscal year 2020. President Tokar noted the Strategic Planning Session be moved to August and focus on planning for fiscal year 2021 given the current situation with the pandemic. The board agreed.

20-0385 Chairman Sipiora called for the consideration/discussion of the MEDC Monthly Metrics Dashboard Report. President Tokar noted the project pipeline at 140%. President Tokar noted a large reason for the increase is due to the Innovation Fund. President Tokar noted at this time we are seeing the larger corporate projects being placed on hold or they are reevaluating their position in the market. The small business projects are making up for the loss. President Tokar noted the MEDC released the Q2 newsletter and it performed very well at a 41% open rate. The MEDC also released a Health Tech Newsletter in response to the growing health tech industries within McKinney. President Tokar noted with the pandemic the MEDC pivoted and added a category on to BRE visits due to social distancing. The MEDC is beginning to track virtual BRE visits. These would include Zoom calls with companies or direct communication to address their business needs. Within the last month we had 38 virtual BREs. Chairman Sipiora asked President Tokar to expand on the

general sense of the community business leaders. President Tokar noted most of the corporate operations were able to adapt by working remotely. In the beginning, the direct loss of employees and loss of revenue was not as drastic compared to the small business owners who were forced to close their doors and lay people off. President Tokar noted recently the MEDC has been in communication with a few manufacturing operations and due to health concerns and the touch points within the operations, they are having to furlough employees.

20-0386 Chairman Sipiora called for the consideration/discussion of the Business Intelligence Update. Director of Business Intelligence Immler gave an update to the board on the progress of the research focus to support the projects team. Director of Business Intelligence Immler noted the project team has communicated the types of companies and industries wanting to locate to McKinney. Director of Business Intelligence Immler is working closely with the projects team to ensure there is an adequate understanding of existing real estate and opportunities for development. Director of Business Intelligence Immler created data tools for the project teams to include a dashboard for internal research and quick reference materials. Director of Business Intelligence Immler noted the website has been updated to include downloadable fact sheets that will give businesses a better understanding of what our demographics consist of. Director of Business Intelligence Immler shared the dashboard to be used by the projects team to quickly view the breakdown of property types and labor force in McKinney. Director of Business Intelligence Immler noted the next step will be to implement the tools for the project team to maximize time and ensure projects are a good fit for McKinney. Board member Rath asked how often the demographic reports on the website will be updated. Director of Business Intelligence Immler noted the demographic reports on the website will be updated annually with the exception of real estate, which should be quarterly. The dashboard will

be an ongoing update. Board member Rath asked if the MEDC will distribute this information to Collin County College as well as other departments in McKinney. Director of Business Intelligence Immler noted she participated in the "One Data Initiative" with the City. This meeting included leadership from all city departments to fully understand the type of data that can be pulled together. Chairman Sipiora asked if it was possible to track downloads of the demographics on our website. Director of Business Intelligence Immler noted there is currently no tracking system, however, will follow up with Centipede Digital for tracking metrics.

20-0387 Chairman Sipiora called for the consideration/discussion of the MEDC Fiscal Year 2021 Budget Update. President Tokar reported the fiscal year 2021 budget is a draft and has not been finalized. President Tokar noted the final draft will likely be presented to the board at the June board meeting for initial review and adoption. President Tokar noted there could still be some changes to the draft budget between now and next month. President Tokar noted the MEDC will carry over \$2.5 million in underutilized funds to next year's budget to assist in cuts that were made.

20-0388 Chairman Sipiora called for the discussion/consideration/action on the Formation of the Innovation Fund Ad Hoc Committee Pursuant to Article VI Section 2.(e) of the McKinney Economic Development Corporation Bylaws. Chairman Sipiora appointed Board member Minissale to lead the Innovation Fund Ad Hoc Committee supported by Board member Feltus and Vice Chairman Jones. Board members unanimously approved the motion by Secretary/Treasurer Loughmiller, seconded by Board member Cloutier, to approve the formation of the Innovation Fund Ad Hoc Committee Pursuant to Article VI Section 2.(e) of the McKinney Economic Development Corporation Bylaws.

Chairman Sipiora called for citizen comments. There were none.

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Chairman Sipiora recessed the meeting into Executive Session at 8:59 am.

Chairman Sipiora reconvened the meeting to Open Session at 11:25 am.

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

Board members unanimously approved the motion by Board member Cloutier, seconded by Board member Minissale, to approve Project Green II as discussed in Executive Session.

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

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

Board members unanimously approve the motion by Board member Minissale, seconded by Board member Cloutier, to extend the deadlines for compliance due to COVID -19 related issues for 90 days, in addition, a possible second 90 days as determined by the President of the MEDC.

Chairman Sipiora noted a Finance Subcommittee meeting will need to be scheduled to provide recommendations to the board for support of the COVID-19 response effort. A special board meeting will be scheduled following the Finance Subcommittee meeting.

Board members unanimously approved the motion by Board member Minissale, seconded by Board member Feltus, to adjourn.

Chairman Sipiora adjourned the meeting at 11:28 am.

Kenneth T. Sipiora
Chairman