

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

APRIL 21, 2015

The McKinney Economic Development Corporation met in regular session in the Dowdy Board Room, 5900 S. Lake Forest Drive, McKinney, Texas, on April 21, 2015 at 8:00 a.m.

Board members Present: Chairman Darrell Tate, Vice Chairman Lance Lindsay, Secretary/Treasurer Robbie Clark, Pablo Ruiz, Chuck Branch, Julie Fort, and Randy Page.

MEDC Staff Present: President/CEO Jim Wehmeier; Executive Vice President Abby Liu; Director of Business Retention, Expansion and Emerging Technology John Valencia; Director of Business Development Chad Walker; Director of Marketing Cayti Stein; and Administrative Assistant Sheri Van Slycke.

City Staff Present: Interim City Manager Tom Muehlenbeck; Mayor Brian Loughmiller; Mayor Pro Tem Travis Ussery; Corporation Attorney Mark Houser; Financial Analyst Trevor Minyard; MCVB Executive Director Dee-dee Guerra; Communications and Media Manager Anna Clark; Council members Randy Pogue and Geralyn Keever.

There were two guests present.

15-390 Minutes of the McKinney Economic Development Corporation Meeting March 17, 2015. Board members unanimously approved the motion by Board member Lance Lindsay, seconded by Board member Robbie Clark, to approve and refer the Minutes of the McKinney Economic Development Corporation Meeting March 17, 2015.

15-400 Chairman Tate called for Consideration/Discussion/Action on March Financials. Financial Analyst Trevor Minyard updated the board on March Financials. As Mr. Rhoades mentioned last month, Finance Department has revamped the entire financial packet. Each month the packet will include a Summary Operating Statement, and each quarter it will include a Detailed Operating Statement. Half way through the year,

we are at 52.1% of collections, and an overall total of 27% of expenditures, and the personnel expenditures are at 47%, so trending right where the budget should be. Mr. Minyard directed the board to the net variance on the bottom right of the sheet, which allows a quick comparison of the EDC actuals versus EDC budget. In reference to the EDC sales tax collection and for the City at large, we are 5% over projections. Board requested future reports include a sales tax per capita line item. Board members unanimously approved the motion by Board member Lance Lindsay, seconded by Board member Pablo Ruiz, to approve March Financials.

15-391 Chairman Tate called for the ROI Presentation by ROI representatives Vice President Daniel Silverman and Account Manager Alice Flourent. Mr. Silverman explained how their services supply lead generation for Economic Development Corporations around the country, and how they will specifically serve the City of McKinney.

15-392 Chairman Tate called for the discussion of Target Markets update. President Wehmeier stated the sample print brochures included in the board packet is the result of the discussions with the board during the March strategic planning retreat. Mr. Wehmeier asked the board to review the sample brochures and provide any helpful feedback and to feel free to ask questions for clarification. Board member Ruiz stated a potential name change under Aviation Opportunities (sub markets), from Maintenance Repair Operations to Preventative and Corrective Maintenance Operations. Mr. Ruiz continues that rail service is listed under Clean Manufacturing, but was not aware that we had rail service available. Mr. Wehmeier answered that while we do have some rail service, it's minor. The board agreed that businesses requiring rail service should not be largely targeted. Mr. Ruiz mentioned that the brochures are providing good information, but could we possibly be

unknowingly excluding an industry. Mayor Loughmiller stated he hoped these documents would ultimately represent our long range vision of development as a City. Mayor Loughmiller continued that when we bring on a company like ROI, we need to be sure and truly listen to their feedback, especially when it indicates where we need to make changes, and accept recommendations.

15-393

Chairman Tate called for the discussion on incentive updates. President Wehmeier stated the incentive information provided is meant as a guideline, and mirrors our methodology of our most recent incentive policies, but much more detailed. This information is a sample of the parameters on how a project can be tiered to reflect the impact of a project on our community. While decisions don't have to be made today, Mr. Wehmeier would like feedback from the board as he continues to develop the guidelines. Mayor Loughmiller stated he is not comfortable with including a written specific item concerning tax incentives as it may not allow City Council the freedom to make decisions on a case by case basis. Council member Pogue mentioned, after consultation with Mayor Loughmiller, he would like the board to consider striking all the asterisk statements from the guidelines. Council member Kever also stated she has some concerns with the guidelines being too prescriptive and the standards may need to be more flexible. An important factor to Board member Clark is to better understand what decides that certain dollars are allotted to one company versus another when putting these guidelines in place. Vice Chair Lindsay commented that what may be important to the City of McKinney six months from now, may not be what is important today or two years from now. Board member Fort stated she is also concerned that potential businesses would have certain expectations should they see the Tier Guidelines and then possibly feeling slighted. Mr. Wehmeier reminded the board that all these

incentives are designed to be flexible, and simply a guideline. Ms. Kever and Mayor Loughmiller suggested this discussion be shared with City Council, as well as a sub-committee of the MEDC board. Board member Ruiz would like to see more detail in the content of the guidelines in relation to community payback, taxable value versus actual dollars spent, claw backs, and how do our enforcement tools come into play.

15-394 Chairman Tate called for the Board and Liaison Updates.

City of McKinney – Interim City Manager Tom Muehlenbeck stated that the new Chief of Police started on April 13th and has hit the ground running. The Executive Bond Committee has had their initial meeting, and the first meeting with the entire community will be the 7th of May. The goal is to have a report to City Council by May 18th.

MCVB - MCVB Executive Director Dee-dee Guerra stated the MCVB was contacted by individuals in more than six different countries and 26 different states during the month of March. MCVB assisted in booking 264 hotel night rooms with revenue of \$31,581.00. Ms. Guerra recently made corporate/association calls in Austin and received several RFP's for response. By tracking the QR codes in our ads, we have found the Oxford American (Spring Travel Issue) has been the most fruitful. The \$55,000 granted to the MCVB by the City of McKinney for the Sheraton advertising still has about \$33,000 available. Dee-dee will be meeting with the Sheraton to discuss how to best utilize the rest of the funds. Journalist Rita Cook has written a piece on her tour of Franconia, and returned for Second Saturday, so we are looking for another write-up from her.

Main Street/MPAC - Mayor Pro Tem Ussery stated last week at Arts in Bloom and the Juried Art Show in downtown McKinney there were about 150 artists displaying their work from all over Texas and there were about 8,000 people in attendance. Next month is Bike the Bricks and is the

largest cycling race in Texas, and will showcase live music with the JumboTron.

McKinney National Airport – Interim City Manager Tom Muehlenbeck stated that the airport is still full. The paperwork to build the new hangar was signed today with the contractor, so that is quickly approaching. Staff had a meeting with TxDot and FFA to determine after the purchase of the land, how soon the money will start flowing. We are still waiting for that information.

15-395 Chairman Tate called for the Director of Business Development Report. Director of Business Development Chad Walker stated his marketing trip to southern California was successful. He had meetings with two different companies interested in bringing their businesses to McKinney. Salesforce is fully operational and we are inputting our projects and data.

15-396 Chairman Tate called for the Director of BRE/Emerging Tech Report. Director of BRE/Emerging Tech Report John Valencia stated to maintain brevity please refer to his report provided in the board packet. Mr. Valencia would like us all to support The Werx by attending the Re-Werx Opening Event on April 30, of which everyone should have received an invitation by email, and invitations are also included in the board packets.

15-397 Chairman Tate called for the Director of Marketing Report. Director of Marketing Cayti Stein stated she has been very busy at a lot of networking events. We split a table with Craig Ranch to attend The Dallas Business Journal's "Best Real Estate Deals" and also did the advertisement that came with it. Ms. Stein thanks ROI for joining us this week for the FAM tour of McKinney. Anna Clark, our Communications and Media Manager is joining us today to learn more about ROI and our lead generation process, please introduce yourself to her.

15-398 Chairman Tate called for the Executive Vice President Report. Executive

Vice President Abby Liu stated per the request from the City's video team, MEDC staff reached out to Wistron GreenTech executives for producing a "Made in McKinney" video focusing on the company. Wistron GreenTech agreed and the date for shooting is in the works. Hisun assisted the MEDC staff on two different occasions with their ATV's so that we could showcase the properties the Project Ernst team is interested in. Ms. Liu continued her report stating she and President Wehmeier attended the Select USA Investment Summit, March 23-24. She was very impressed with the Summit this year. There were over 2,500 participants from over 70 countries represented, and with 150 delegates from China, 80 from Taiwan, both China and Taiwan were among the top five countries with the most delegates.

15-399 Chairman Tate called for the President-CEO Report. President-CEO Jim Wehmeier thanked the board for their support during his recent family crisis. In keeping with brevity, please refer to the report in the board packet. Lastly, Mr. Wehmeier asked the board to review the job description hand out in reference to the previous discussions on the need for a Director of Operations.

Board members Robbie Clark and Chuck Branch stepped down from the discussion for the following agenda item:

15-401 Chairman Tate called for Consideration/Discussion/Action on Methodist Hospital of McKinney Incentive Audit. President Wehmeier stated that the McKinney Methodist Hospital has not reached their targeted total taxable value. Board members approved the motion by Board member Pablo Ruiz, seconded by Vice Chairman Lance Lindsay to recall their grant equal to the percentage of the default on the McKinney Incentive Audit, with a vote of 4-0-2, with Board members Clark and Branch abstaining. Board members Robbie Clark and Chuck Branch returned to the meeting.

15-402 Chairman Tate called for Consideration/Discussion/Action on Request for Support of HB 2199. AT&T is hoping for support of all the EDC's in Texas. Board members unanimously approved the motion by Board member Lance Lindsay, seconded by Board member Randy Page, to table indefinitely the request for support of HB 2199.

Chairman Tate called for Citizens Comments and there were none.

Chairman Tate called for Board Comments and there were none.

Chairman Tate recessed the meeting into executive session at 10:45 a.m. per Texas Government Codes: 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, and Section 551.087 Deliberation Regarding Economic Development as listed on the posted agenda.

Chairman Tate reconvened to the open session at 11:30 a.m.

Board members unanimously approved the motion by Board member Robbie Clark, seconded by Board member Julie Fort, to approve Project Knock-Out as per discussed in Executive Session.

Board members unanimously approved the motion by Board member Robbie Clark, seconded by Board member Chuck Branch, to approve Project Home as per discussed in Executive Session.

Board members unanimously approved the motion by Board member Lance Lindsay, seconded by Board member Randy Page, to approve Project Bag as per discussed in Executive Session.

Board members unanimously approved the motion by Board member Lance Lindsay, seconded by Board member Randy Page, to approve Project Spark as per discussed in Executive Session.

Chairman Tate recessed the meeting into a second executive session at 11:45 a.m. per Texas Government Codes: 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

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needed) and legal consultation on the following item(s), if any, and Section 551.074
Discuss Personnel Matters –President’s 90 Day Performance Review and any Related
Action as listed on the posted agenda.

Board members unanimously approved the motion by Board member Ruiz,
seconded by Board member Fort, to adjourn the meeting. Chairman Tate adjourned the
meeting at 1:30 p.m.

DARRELL TATE
Chairman