



McKinney Economic Development Corporation Agenda

Tuesday, January 17, 2017

8:00 AM

Council Chambers
222 N. Tennessee Street
McKinney, Texas 75069

PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.002, A QUORUM OF THE CITY COUNCIL MAY BE PRESENT. NO CITY COUNCIL ACTION WILL BE TAKEN.

CALL TO ORDER

CONSENT ITEMS

This portion of the agenda consists of non-controversial or housekeeping items required by law. Items may be considered individually by the Board or Commission member making such request prior to a motion and vote on the Consent Items.

17-050 [Minutes of the McKinney Economic Development Corporation Meeting of November 15, 2016](#)

Attachments: [Minutes](#)

17-051 [Minutes of the McKinney Economic Development Corporation Meeting of December 20, 2016](#)

Attachments: [Minutes](#)

REPORTS

17-052 [Board and Liaison Updates](#)
 [Board Chair](#)
 [City of McKinney](#)

Attachments: [MCVB Report](#)
 [McKinney Chamber Report](#)
 [MCDC Report](#)

17-053 [Consider/Discuss MEDC Staff Monthly Reports](#)

Attachments: [President Report](#)
[Executive Vice President Report](#)
[Director of BREP Report](#)
[Director of Business Development Report](#)

DISCUSSION ITEMS

17-054 [Consider/Discuss Gateway RFQ-Assessment of Responses](#)
Attachments: [Gateway Evaluation Criteria](#)

REGULAR AGENDA

17-055 [Consider/Discuss/Act on McKinney Tech Center Request for Economic Development Funding](#)
Attachments: [Presentation](#)

CITIZEN COMMENTS

BOARD OR COMMISSIONER COMMENTS

Board or Commission Comments relating to items of public interest:
Announcements regarding local or regional civic and charitable events, staff recognition, commendation of citizens, upcoming meetings, informational update on projects, awards, acknowledgement of meeting attendees, birthdays, requests for items to be placed on upcoming agendas, and condolences.

EXECUTIVE SESSION

In Accordance with the 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 551.087. Deliberation Regarding Economic Development Matters

- Gateway
- Project A162-Fox III
- Project A136-Little Bites
- Project A144-Red River
- Project A161-3-Tab
- Hisun Motors
- Project A163-Rocks
- Project A164-Fishing
- McKinney Tech Center (WERX)

ACTION ON EXECUTIVE SESSION

ADJOURN

Posted in accordance with the Texas Government Code, Chapter 551, on the 13th day of January, 2017 at or before 6:00 p.m.

Darrell W. Auterson
President

Accommodations and modifications for people with disabilities are available upon request. Requests should be made as far in advance as possible, but no less than 48 hours prior to the meeting. Call 972-547-2694 or email contact-adacompliance@mckinneytexas.org with questions or for accommodations.

17-050



TITLE: Minutes of the McKinney Economic Development Corporation Meeting of
November 15, 2016

SUPPORTING MATERIALS:

[Minutes](#)

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

NOVEMBER 15, 2016

The McKinney Economic Development Corporation met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on November 15, 2016 at 8:00 a.m.

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

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

Staff Present: President Darrell Auterson, Executive Vice President Abby Liu, Director of BRE/Emerging Tech John Valencia, Economic Development Coordinator Madison Clark, Executive Assistant Sheri Van Slycke, City Manager Paul Grimes, Director of Strategic Services Chandler Merritt, Senior Financial Analyst Trevor Minyard, MCDC President Cindy Schneible, Chief Financial Officer Mark Holloway, Deputy City Manager Jose Madrigal, Assistant Airport Director Mark Jaraczewski, MEDC Attorney Mark Houser, MCVB Executive Director Dee-dee Guerra and McKinney Chamber President Lisa Hermes.

There were four guests present.

Board member Clark called the meeting to order at 8:04 a.m. after determining a quorum was present. Mr. Clark called for the election of officers.

16-1149 Election of Officers. Board member Clark nominated Mr. Burress. Board member Chen nominated Mr. Sipiora. The Board unanimously approved the motion by Board member Merritt, seconded by Board member Chen, to close the nominations. Mr. Burress was elected Chairman by a majority vote of 4-2-1. Chairman Burress called for the nominations of Vice Chairman. Board member Sipiora nominated Mr. Chen. Board member Clark nominated Mr. Merritt. The Board unanimously approved the motion by Board member Clark, seconded by Board member Chen to close the nominations. Mr. Merritt was elected Vice Chairman by a majority vote of 4-2-1. Chairman Burress called for the nominations of

Secretary/Treasurer. Vice Chairman Merritt nominated Mr. Chen. The Board unanimously approved the motion by Board member Clark, seconded by Chairman Burress to close the nominations. Mr. Chen was elected Secretary/Treasurer by a majority vote of 6-0-1.

16-1150 Chairman Burress called for the Minutes of the McKinney Economic Development Corporation Meeting of October 18, 2016. Board members unanimously approved the motion by Board member Denny, seconded by Board member Clark, to approve the minutes of the October 18, 2016 meeting.

16-1151 Chairman Burress called for the Board and Liaison Updates.

Board Chair – Chairman Burress expressed his gratitude in being elected Chairman and promises to support the Board and staff in their efforts to be as effective as possible. Mr. Burress congratulated the Chamber for their efforts in hosting the State of the City event and thanked Mayor Loughmiller for his many years of service to McKinney.

City of McKinney – City Manager Paul Grimes shared an article from the San Antonio Express Newspaper regarding property tax reform in Texas. Mr. Grimes stated the article summarized the issues that municipalities had with the Senate Select Committee on Property Tax Reform, and felt it was important for all policymakers to be informed of the situation with the call to action being to contact your state legislators. Mr. Grimes announced that the McKinney Police Department was awarded the national CALEA accreditation for professional excellence. Only 850 out of 18,000 law enforcement agencies in the country are accredited by CALEA.

MCDC – President Cindy Schneible congratulated the Chairman, Vice Chairman and Secretary/Treasurer on their newly acquired elected positions. Ms. Schneible reported the MCDC has welcomed a new Board member, Jackie Brewer. The new officers for the MCDC Board are Chairman Kurt Kuehn, Vice-Chairman Dave Clarke, Secretary

Hamilton Doak and Treasurer Dave Myers. Ms. Schneible provided a summary of the grants provided by the MCDC Board in the previous fiscal year. MCDC has two Promotional and Community grant cycles per year, with a pool of \$50,000 per cycle to award to recipients. The Promotional and Community grants criteria are that the funds are used strictly for advertising and promotion of events in McKinney that encourage business development, tourism and promotion of the City. MCDC offers three Project grant cycles per year for events that benefit the community and fit within the CDC criteria. The Apex Centre is holding open registration for membership November 19 – 20th, with a Grand Opening schedule for February 4th, 2017.

MCVB – MCVB Executive Director Dee-dee Guerra reported the MCVB Board's newly elected officers were Chairman Wayne Hill, Vice-Chairman Jim Bressler and Secretary/Treasurer Sally Huggins. MCVB was honored with ConventionSouth's Annual Readers' Choice Award. Vanesa Rhodes has been promoted to Sales Manager and has hit the ground running. The MISD and the City of McKinney have agreed to share the \$95,000 cost to bring the National Association of Intercollegiate Athletes event to McKinney. The determination is still pending. The Texas Downtown Association will be the first conference the MCVB officially brought to McKinney and will include about 300 attendees.

McKinney Chamber – Chamber President Lisa Hermes reported the State of the City event was highly successful with over 500 participants and Ms. Hermes expressed her appreciation for the partnership with MEDC, Collin College and the MISD. Ms. Hermes asked the Board to mark their calendars for the Community Awards Celebration on February 17th at the Sheraton Hotel. Ms. Hermes shared that part of the Chambers strategic plan is to be an information source for businesses and the community through www.mckinneyonline.com. The Chamber Board has approved their Legislative agenda for 2017, and will be heavily focused

on the concerns and solutions of rising property taxes in Texas. McKinney Chamber is partnering with other Collin County Chambers to participate in and support Collin County Days.

McKinney Airport/McKinney Air Center – Assistant Airport Director Mark Jaraczewski reported staff is working on a master plan update that will provide a 20 year synopsis of the situation with hangars and infrastructure at the McKinney Air Center. The airport is growing with record numbers. Operations in 2013 were 94,000 take-offs and landings and this year we hit 118,000. McKinney Air Center was nominated as Number One Air Center in the United States by the Pilots Choice Awards in 2016. McKinney Airport is the front door for the City as more and more families and businesses move to McKinney. McKinney Airport has added about 200 jobs since the City has taken over the assets of the FBO in 2013. McKinney Airport is in serious need of expansion to support the demand.

16-1152 Chairman Burress called for the Consideration/Discussion of MEDC Staff Monthly Reports. Chairman Burress asked President Auterson to expand on the mention of the Harwood International visit on October 28th. Mr. Auterson expressed his appreciation to Executive Vice President Liu for her efforts in orchestrating the Harwood visit. MEDC staff was joined by City Manager Grimes, Assistant City Manager Shelton and Development Services Executive Director Quint for a grand tour. Harwood staff expressed a genuine interest in developing in McKinney and particularly at Gateway.

16-1154 Chairman Burress called for the update on October Financials. Senior Financial Analyst Trevor Minyard reported that the financials for the month of October will be officially presented at the December meeting. However, as an overview, Mr. Minyard reported the revenue is above budget YTD by 16.37%. Sales tax figures came in 13.27% above last

year's collection through October. Expenditures are significantly under budget due to savings in rebate expenditures paid out for incentives.

16-1153 Chairman Burress called for the WERX Update. Mr. John Minnis, WERX Board Liaison reported The WERX is running at 94% of revenue with the actual rent revenue running above the forecast by about 5%. Expenditures are below expectation and in alignment with the revenue. Co-working residents are currently at 35 companies with 69 people. WERX is working to not only encourage the entrepreneurial community in McKinney, but also to maintain them in McKinney after they outgrow The WERX.

16-1155 Chairman Burress called for the Consideration/Discussion/Action on 2016 MEDC Bond Refunding. Senior Financial Analyst Trevor Minyard reported staff went out to bid for competitive refunding and resulted with the lowest bid at 2.9%, down from 4.5 to 5%. This will result in a savings of \$796,000 over the next ten years of payments. Board members unanimously approved the motion by Secretary/Treasurer Chen, seconded by Vice Chairman Merritt, to approve the 2016 MEDC Bond Refunding. President Auterson expressed his thanks to the finance department and the advisors at PFM for protecting the interests of the MEDC.

16-1156 Chairman Burress called for the Consideration/Discussion/Action on a License Agreement with the Mario Sinacola Companies Regarding Approximately 4-5 Acres of MEDC Property at the Intersection of SH 5 and Old Mill Road for the Limited Use as a Construction Storage and Staging Area for TXDOT's FM 546 Relocation Project. MEDC Attorney Mark Houser reported the purpose of bringing this item to the Board today is to see if the Board is interested in moving forward with an agreement to allow the Sinacola company to lease the property mentioned from MEDC for use as a staging area during construction, which would likely be for a couple of years. Once all the details have

been worked through, the Board can definitively approve or reject the agreement. Board member Sipiora expressed concern that entering into an agreement that could possibly encompass two years, might limit the usability of the property for development. Mr. Auterson explained that the property in question, at this time, is largely unusable for development due to being in a 100 year flood plain. Board members approved the motion by Board member Sipiora, seconded by Secretary/Treasurer Chen, to approve President Auterson and legal counsel to continue with investigation of all the possibilities of the license agreement and bring before the Board to make the final approval with a vote of 5 - 1 - 0, Chairman Burress voting against.

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

Chairman Burress recessed the meeting into Executive Session at 9:05 a.m. per Texas Government Code: 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: Section 551.087. Deliberation Regarding Economic Development Matters as listed on the posted agenda. Chairman Burress reconvened the meeting to open session at 10:31 a.m.

Board members unanimously approved the motion by Vice Chairman Merritt, seconded by Secretary/Treasurer Chen, to approve the incentive for Project 3-Tab as presented in Executive Session.

Board members unanimously approved the motion by Board member Clark, seconded by Secretary/Treasurer Chen, to approve extending the date to November 30 for the i6 Grant letter for The WERX.

Board members unanimously approved the motion by Vice Chairman Merritt, seconded by Board member Clark, to adjourn. Chairman Burress adjourned the meeting at 10:33 a.m.

JASON BURRESS
Chairman

17-051



TITLE: Minutes of the McKinney Economic Development Corporation Meeting of
December 20, 2016

SUPPORTING MATERIALS:

[Minutes](#)

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

DECEMBER 20, 2016

The McKinney Economic Development Corporation met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on December 20, 2016 at 8:00 a.m.

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

Staff Present: President Darrell Auterson, Executive Vice President Abby Liu, Director of Business Development Chad Walker, Economic Development Coordinator Madison Clark, Executive Assistant Sheri Van Slycke, City Manager Paul Grimes, Director of Strategic Services Chandler Merritt, Senior Financial Analyst Trevor Minyard, MEDC Attorney Mark Houser and MCVB Executive Director Dee-dee Guerra.

There were no guests present.

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

16-1231 Chairman Burress called for the Board and Liaison Updates.

Board Chair – Chairman Burress reported attending several events, along with other Board members and staff including the Bisnow event in Allen on November 30th, as well as, the Service First Mortgage Grand Opening. Chairman Burress met with several current and former city council members and business leaders in town including David Brooks and Bill Darling.

City of McKinney – City Manager Paul Grimes reported the Nine Acre development is slated to begin work on or about January 15th. There will be some parking impact due to the construction of the Nine Acre site, however there are efforts to keep parking viable. Newsome Homes, the new senior affordable housing is opening soon. Mr. Grimes continued that 100% of residential and 700 commercial inspection requests through the Development Services department were completed within one

business day of the request. This information is indicative of Development Services stepping up their responsiveness, as well as their beefed up efforts to track performance measures. The housing market is still robust with 2,000 single family permits issued.

MCVB – Executive Director Dee-dee Guerra reported the MCVB Board met and selected the Tourism Partner of the Year, as well as, held their Strategic Planning session. MCVB is co-oping with MCDL to launch the Visit Widget on the MCVB website, which is a tool to help visitors route their travels within McKinney. The National Association of Intercollegiate Athletics (NAIA) submitted an RFP for 2019 and 2020.

16-1232 Chairman Burress called for the Consideration/Discussion of the MEDC Staff Monthly Reports. President Auterson reported the staff is working on an Incentive Guideline to bring before the Board for review and approval in the first quarter of 2017.

16-1237 Chairman Burress called for the Consideration/Discussion of the MEDC Marketing Plan and Related Programs. Chairman Burress expressed his appreciation to MEDC Attorney Mark Houser and City Secretary Sandy Hart for amending the agenda on Friday evening and making sure this item was on the agenda. Chairman Burress stated that marketing is just as important a function as sales, operations, finance, legal, compliance and other components of EDC. MEDC has little or no social media activity, especially in comparison to our sister cities. Chairman Burress stated that his comments are not a criticism of the new MEDC President as he is doing a great job and has hit the ground running since the beginning. Mr. Burress' comments were brought forward as a discussion point on how to better promote MEDC through marketing and social media independently and in partnership with the City's marketing department. President Auterson stated that he recognizes the need for an aggressive marketing plan, in partnership with the City's marketing department, and should be a byproduct, as well as a deliverable of the

forthcoming strategic plan that will be complete in the first quarter or early in the second quarter of 2017. Mr. Auterson agreed to look for some short-term solutions, particularly with social media. Board member Denny stated that she would ultimately like to see how the marketing efforts will be linked to the strategic plan and objectives and that these discussions would be more beneficial after the strategic plan is in place. Board member Sipiora expressed his concern that the marketing aspect has been under-resourced and maybe some additional part-time professional help should be considered.

16-1233 Chairman Burress called for the Consideration/Discussion of the MEDC Performance Management's Key Performance Indicators. President Auterson explained that the Performance Management initiative was adopted by the City, as a whole, to complement the transparency goals of the City's strategic plan. This software program has been added to the City's website to provide real and measurable information and performance metrics to the citizens of McKinney. The City asked that the MEDC Key Performance Indicators be complete and ready for publishing by the soft launch date of October 1, 2016. The current, temporary KPI's were researched through the International Economic Development Council and vetted through the experience of President Auterson and Executive Vice President Liu. Board member Denny expressed her concern that one, the current KPI's may not be measuring the return on investment and two, that the quality of the data for the analytics should guide the priorities of the team. Board member Sipiora applauded the KPI's for their outcome based metrics. Mr. Sipiora suggested that ten or eleven indicators may be more than what is needed and that staff may consider the total number of KPI's be reduced to five or six meaningful indicators. Chairman Burress shared that effort related metrics are important in producing measurable output results. Board member Clark asked that the City Manager and MEDC President remain

cognizant of keeping the Board informed of their role within the EDC.

MEDC staff and Board will be adjusting the KPI's once the strategic plan is completed.

16-123 Chairman Burress called for the Consideration/Discussion/Action on October Financials. Senior Financial Analyst Trevor Minyard discussed the October financials in the November meeting, however, they are presented today for action from the Board. Board members unanimously approved the motion by Board member Page, seconded by Board member Sipiora, to approve the October financials.

16-1235 Chairman Burress called for the Consideration/Discussion/Action on November Financials. Senior Financial Analyst Trevor Minyard reported the revenue is above budget YTD by 22.86%. Sales tax figures came in 11.76% above last year's collection through November. Expenditures are significantly under budget due to savings in rebate expenditures paid out for incentives. However, during the month of November MEDC paid \$9,000 to The WERX. Finally, due to new staffing, personnel costs are 48.80% higher than at this point last year. Mr. Minyard referred the Board to some unique analysis links for sales tax of the MEDC and the City of McKinney at large. Board members unanimously approved the motion by Vice Chairman Merritt, seconded by Board member Page, to approve the November financials.

16-1236 Chairman Burress called for the Consideration/Discussion/Action on Selection of Recipient for Annual MEDC Awards (Corporate Performance Award and Business Retention/Expansion Award). Chairman Burress shared the criteria for the Corporate Performance Award. MEDC staff suggested Tupps Brewery as a possible candidate. Board members suggested Independent Bank, Encore Wire and Raytheon as candidates and shared their deserving qualities for such an award. Chairman Burress opened the nominations process, and nominated Tupps Brewery and Independent Bank. Board members

unanimously approved the motion moved by Board member Sipiora, seconded by Board member Denny, to close the nominations. Board members selected Independent Bank as the Corporate Performance Award recipient by a vote of 6-1. Chairman Burress shared the criteria for the Business Retention/Expansion Award. MEDC staff suggested Simpson StrongTie as a possible candidate, and Executive Vice President Liu shared their qualities for deserving such an award. Chairman Burress opened the nominations process and nominated Simpson StrongTie. Board members unanimously approved the motion moved by Vice Chairman Merritt, seconded by Board member Page, to close the nominations. Board members selected Simpson StrongTie as the BREP Award recipient by unanimous vote.

Chairman Burress called for citizen comments and there were none. Chairman Burress called for Board or Commissioner comments. Board member Sipiora asked for an update on the progress of the Sinacola contract to lease a portion of MEDC land for staging purposes during road construction. MEDC Attorney Mark Houser informed the Board that staff is waiting for a response from Sinacola and will keep the Board informed of any further progress.

Chairman Burress recessed the meeting into Executive Session at 9:20 a.m. per Texas Government Code: Section 551.071 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. Section 551.087. Deliberation Regarding Economic Development Matters as listed on the posted agenda. Secretary/Treasurer Chen left the meeting at 10:50 a.m. Chairman Burress reconvened the meeting to open session at 11:32 a.m.

Board members approved by a vote of 6-0, the motion by Vice Chairman Merritt, seconded by Board member Page, to approve the extension for Project Little Bites as presented in Executive Session.

Board members approved by a vote of 6-0, the motion by Board member Sipiora, seconded by Board member Page, to amend the agreement per the staff's recommendation as discussed in Executive Session for Project Yardstick.

Board members approved by a vote of 6-0, the motion by Vice Chairman Merritt, seconded by Board member Denny, to revise the Loan Agreement with Simpson StrongTie to a Grant Agreement with the same terms.

Board members approved, by a vote of 6-0, the motion by Board member Clark, seconded by Board member Sipiora, to adjourn. Chairman Burress adjourned the meeting at 11:40 a.m.

JASON BURRESS
Chairman

17-052



TITLE: Board and Liaison Updates
Board Chair
City of McKinney

SUPPORTING MATERIALS:

[MCVB Report](#)

[McKinney Chamber Report](#)

[MCDC Report](#)

Talking Points January 2017 for December 2016

MCVB Updates:

MCVB Room Nights Generated: 2016): TTL Room nights: 189; TTL Revenue: \$ 16,298

Weddings completed in December 2016 - TTL Room Nights: 84 TTL Rev: \$8993

- L. Schinall Wedding – Hampton Inn, TTL Rooms: 8, TTL Rev: \$ 912
- Barron-Rhodes Wedding – Comfort Suites, TTL Rooms:16, TTL Rev \$1344
- Gajewski-McGowan Wedding –Holiday Inn, TTL Rooms: 10, TTL Rev: \$ 1037
- Sepeda/Beene Wedding – Hampton Inn, TTL Rooms: 18, TTL Rev: \$2052
- Lindsey Lacey Wedding – Hampton Inn, TTL Rooms: 32, TTL Rev: \$3648
- Jose Cerda Wedding – no pick up

Education Groups: N/A

Sports Groups:

Sports Source: Sheraton -TTL Rooms: 105, TTL Rev: \$13,396. Holiday Inn - TTL Rooms: 59, TTL Rev: \$7305

Associations/Corporate: TTL Room nights; TTL Revenue: \$ 0

Visitors:

FYTD Total (October '16 –September '17): YTD Total: 5639

December Total: 342

Out of State: 24

Out of Country: 19

Texas Residents: 13

McKinney Residents: 6

Day Trips: 1

- Marianne Scruggs –Dallas Garden Club

RFP's: 16 (1-Association, 0-Corporate, 13-Weddings, 2-Social, 0 -Sports, 0 -Day Trips)

- TCCE Annual Convention 2019 – Sent to Sheraton
- Kate Nazzocco Wedding – March 2017
- Claire Chaney Wedding – December 2017, The Springs
- Hochevar/Scott Wedding – January 2017, The Grand
- Nease Wedding – February 2017, The Springs
- Casey Wilt Wedding – March 2017, The Springs
- Jacinda Jeter Wedding – April 2017, Rustic Grace
- Laura Clark Wedding – September 2017, Mitas Hill

- Camry Farhat Wedding – September 2017, The Springs
- Blair Bundren Wedding – April 2017, The Springs
- Katie Almaleh Wedding – October 2017, The Springs
- Tracey Gayle Wedding – May 2017, The Springs
- Dannie Teese Wedding – July 2017, The Springs
- Vintage Market Days 2017- 20 room nights Comfort Inn & Suites over 3 days; 8,000 attendees.
 - May 7-9, 2017
 - November 17-19, 2017

Advertising:

- **Ads/materials created and submitted:**
 - Submitted Texas Meetings + Events text and photos
 - Submitted profile page for NTA
 - Submitted design elements and photos to VisitWidget

December 2016 Media Coverage:

WEBSITE ANALYTICS – DEC. 2016					
Total Visits	Page Views	Unique Visitors	Lifetime Visits	Lifetime Pg. Views	Lifetime Pg. Views
3478	8795	2976	134,811	552,622	115,018



MCKINNEY CHAMBER OF COMMERCE JANUARY UPDATE

McKinneyOnline Refresh & Soft Launch

The McKinney Chamber of Commerce redesigned their community news and information website – McKinneyOnline.com. The rebranding of the site also includes a more robust business directory. The directory is designed to be more user friendly so that McKinney businesses are featured and visible when citizens and visitors are looking for products and services in McKinney.

Annual Business Meeting

The 2017 Annual Business meeting will take place January 31st at the Piazza on the Green. The Chamber will distribute its 2016 Annual Report and will give a year in review. The keynote speaker is Dr. Ray Perryman, a renowned economist who will be giving the audience an economic forecast for our region. Tickets are available for those who are interested in attending.

Community Awards Ceremony

Plans are underway for the Annual Community Awards Celebration that will take place February 17th at the Sheraton Hotel. Deadline to submit nominations for the Chamber's Business of the Year, Small Business of the Year and Outstanding McKinney Citizen was January 13th. The City of McKinney along with MEDC, MCDC, MCVB and Main Street will also have the opportunity to present their awards.

Legislative Agenda

As the State Legislature has recently convened for the 85th Legislative Session. The Chamber in partnership with the City of McKinney are watching a number of bills that could affect the health of our community. Attached is the Chamber's legislative agenda.



2017 McKinney Chamber Legislative Priorities

The City of McKinney was recently named the best city in the nation to live by Money Magazine, and we strive to maintain a quality of life worthy of that designation.

The City of McKinney, through its various governmental agencies and business community, promote the following legislative priorities in an effort to collaborate and maintain a good working relationship with our state legislators.

LOCAL CONTROL

- Support legislation which promotes the authority of home rule cities to govern themselves as a sovereign entity
- Support legislation which states appraisals should reflect the true market of the value of property
- Support legislation which would allow local scheduling of roll back elections, should they be required, on a date to allow for the successful completion of the budgeting process
- Support legislation which assists the City of McKinney with exponential growth while giving due consideration to family and/or business budgets
- Support legislation which ensures the best possible access to local government representation concerning its extra territorial jurisdiction
- Encourage and support local participation in issues that directly impact local government operations

ECONOMIC DEVELOPMENT

- Type A/Type B Sales Tax Revenue
 - Support continued use of locally approved ½ cent sales tax collected by cities to fund economic development efforts
 - Oppose efforts to reduce local control of these funds or efforts to expand the uses of these funds to areas not intended for Type A and Type B without local election
 - Because these funds are local funds, taxpayers should retain the right to manage their use for community and economic development
- Tax abatements and other economic development incentives
 - Continue to support local control and flexibility in the use of tax abatements, tax increment financing, reinvestment zones, and other incentives to promote economic development and job creation
- Support including Corporate Headquarters as an eligible project for Chapter 313 value limitation from the school district

- Support all state wide programs which consist of the promotion of economic growth in the aerospace and aviation industries
- Support state funding for International Economic Development
- Support for streamlining the Texas process for economic development incentives

EDUCATION & WORKFORCE

- Support funding measures to maintain a strong public school system
 - A strong public school system is a key component to economic development for companies that are expanding or relocating to the City of McKinney
- Support increased funding for workforce education programs in Texas high schools
- Support local control of the education system
- Support approval of a 4 year nursing degree for Collin College

TRANSPORTATION

- Further increase Texas Department of Transportation funding
- Continue to support legislative plan to fund the state's transportation needs through the current motor vehicle sales tax and the associated transportation related debt
- Advocate for proper allocation of Proposition 1 Funds in fast growth communities, like McKinney and Collin County
- McKinney Road Priorities
 - Laud Howell Connector from U.S. 75 to Lake Forest Drive
 - Provides an alternative to U.S. 380 by building a new location roadway connecting U.S. 75 to the Lake Forest and F.M. 1461 intersection, thereby completing the connection of F.M. 1461 from the Dallas North Tollway to U.S. 75
 - SH 5 Construction from F.M. 546 to U.S. 380
 - Implement the findings of a City/NCTCOG/TxDOT Study, including paving, median, sidewalk, landscape, lighting, and other enhancements
 - Custer Road (FM 2478) From US 380 to FM 1461
 - Project to increase roadway capacity and make geometric improvements to improve the safety of the roadway
- Support opportunities to link transportation and land use surrounding public use and general aviation airports
- Support legislation that provides tools that can be used at the local level to promote compatible growth around public use and general aviation airports
- Support increased funding to foster airport development for public use and general aviation airports to meet future demands

TAXES & SPENDING

- Support amendments to the hotel occupancy tax statute in a manner that provides all Texas cities the authority to spend hotel occupancy tax revenue on existing sports facilities and fields in a manner that promotes tourism within the City
- Support amendments to the hotel occupancy tax statute that would rebate a portion of the state Hotel Occupancy Tax (HOT) revenues to Texas cities for use in the development, maintenance, and operations of convention centers and other meeting facilities
- Support increased HOT collection authority for local governments and efforts to provide increased consequences for nonpayment

WATER

- Support efforts and legislation that would allocate state funding to increase water supply within the state including, but not limited to:
 - the development of additional reservoirs
 - the extension of pipelines/pumping systems to transport available water from outside the region/state
 - the development of non-conventional water supply resources, such as desalination, water reuse, etc.
- Support legislation which promotes maintaining local control of water conversation efforts within individual districts and/or municipalities
- Support legislation to streamline water project permitting process at both the state and federal level

ELECTIONS

- Support efforts and legislation to maintain the May and November Uniform Election dates

OPEN GOVERNMENT

- Support efforts to allow for internet publication of legal notices rather than requiring publication in a paper of record

Adopted by the Board on October 26, 2016



January 12, 2017

TO: MEDC Board

FROM: Cindy Schneible, MCDC

RE: January Update

Promotional and Community Event Grants

Board action will be scheduled, on the Promotional and Community Event Grant applications presented at the December meeting, for January 26th. List of applications below:

- 3e McKinney – Run for Cover event scheduled for April 8, 2017
- Collin County Historical Society and Museum – WWI Centennial Commemoration scheduled to take place March 2 through November 11, 2017
- Heard Craig – Art Meets Floral event scheduled for April 25-28, 2017
- Heritage Guild of Collin County – 2017 Farmer's Market, Tour de Coop and Ice Cream Crank-off events
- Kiwanis Club of McKinney – Historic McKinney Triathlon and Kids Triathlon scheduled for April 23, 2017
- McKinney Main Street – Arts in Bloom event scheduled for April 7-9, 2017
- DEAR Texas (Drop Everything and Read – Texas) – McKinney Square Book Festival scheduled for June 2-3, 2017

Project Grants

Two Project Grant applications were received prior to the January 5th meeting and will be presented to the board on January 26th. Applications received:

- City of McKinney – support for expansion of the McKinney StarCenter in the amount of \$3,500,000 to provide an additional sheet of ice and expanded seating – in order to accommodate the schedule of competitive events at the StarCenter. Estimated construction cost for the expansion is \$8,500,000.
- McKinney Main Street – funding for purchase of a Polaris GEM, an electric, six-seat vehicle to be utilized to provide shuttle service in downtown McKinney.

APEX Centre

A temporary certificate of occupancy for the Apex Centre was granted on January 6th. Apex staff are finalizing installation and testing of equipment, staff training and programming for the opening of the facility in February.



17-053

TITLE: Consider/Discuss MEDC Staff Monthly Reports

SUPPORTING MATERIALS:

[President Report](#)

[Executive Vice President Report](#)

[Director of BREP Report](#)

[Director of Business Development Report](#)



Economic Development Highlights

President Auterson

January 2017

Prospect Activities:

- **Project Red River's site search has been further complicated by infrastructure & timing issues. A meeting is scheduled with company representatives for 1/24/17 to continue efforts to address these challenges.**
- **Gateway's RFQ process has stimulated a great deal of discussion amongst the developers on the target list. A number of them have indicated that they plan to team up in some manner to bring forth what promises to be some very strong proposals. The submittal deadline has been extended to 1/17/17 to accommodate the MLK holiday. A discussion will occur at the January board meeting regarding the response assessment criteria & process.**
- **Due to some complications regarding potential utility relocations in connection with Hwy. 546 reconstruction, it appears Mario Sinacola is no longer planning on using MEDC's property at the intersection of Hwy. 546/Hwy. 5 as a staging area. They have indicated that logistically it now makes more sense for their staging area to be further east. If something changes, we will revisit this conversation.**

Business Retention/Expansion Program (BREP) Activities:

- **Gearing up a more formal BREP calling program for 2017.**

Entrepreneurial Activities:

- **Have met with representatives of the WERX to learn more about their strategic vision for the future. A presentation regarding their proposed new business model & vision for creating a "McKinney Tech Center" will be given at the January Board meeting.**
- **The City of McKinney has been approached by an investment group seeking a letter of support for the creation of a regional investment center to facilitate use of the federal government's EB-5 visa program. Creation of the center could enhance some of MEDC's international business initiatives as it would create another potential financing tool for attracting foreign investment. MEDC staff will coordinate any potential involvement with the City Manager's office.**

Marketing/Promotion/Connections Activities:

- MEDC staff met with City marketing staff to discuss effective strategies for utilizing social media. As we begin developing marketing strategies as elements of our strategic plan, we will work closely with the City's marketing staff to integrate/align our plans with the City's broader community marketing.
- I am expanding my network of commercial real estate brokers. Have toured major commercial development areas in Collin County to identify prevalent brokers & their projects. Maintaining strong relationships with brokers & developers will always be a top priority.
- I continue providing weekly email updates to MEDC stakeholders

Research Activities:

- The TadZo research project (target industry/strategic plan) is progressing & we held our first work session on 1/5/17. In analyzing the available data we have identified seven (7) preliminary target sectors for further assessment & business case analysis. Our next work sessions are scheduled for early February & I will continue to keep the board apprised of progress & timing for a formal presentation at an upcoming board meeting. As we advance through our strategic planning process, we will gain greater clarity on our goals/objectives/strategies relative to product development, marketing, metrics, innovation, etc.
- Staff is continuing its work to prepare some recommendations for new guidelines for incentive calculations. We will present our recommendations sometime in the first quarter.



Economic Development Highlights

Executive Vice President Liu

January 2017

Economic Development

- Staff hosted a Taiwanese prospect to McKinney on January 3 and 4. The prospect is considering to establish its very first operation in the U.S. Staff led an overview meeting, presented the available office spaces at MEDC office and held a lunch meeting to introduce the prospect to the executives of Tong Yang Group and Wistron GreenTech. Both companies' global headquartered are located in Taiwan. This prospect's McKinney visit is a direct result of staff's participation of the 2016 US Department of Commerce, SelectUSA Taiwan Road Show last September.

Loan/Grant Agreement

- Staff and Legal Counsel Houser led a meeting with the President and Chief Financial Officer of Service First Mortgage at MEDC office to review the obligations and terms of the MEDC-SFMC Loan Agreement on January 9.
- Staff communicated with the executive of Simpson StrongTie to review and clarify the obligations and terms of the MEDC-SST Phase II Expansion Grant Agreement on January 10.
- Staff communicated with the President of Hisun Motors to review and clarify the obligations and terms of the MEDC-Hisun Phase II Expansion Grant Agreement on January 10.

Marketing and Networking

- President Auterson and Staff attended Governor Greg Abbott Holiday Party for TexasOne supporters at Governor's Mansion in Austin on December 19, 2017. (Picture attached)

New Project Updates

- Project Red River – Will be discussed in Executive Session.
- Hisun Motors - Will be discussed in Executive Session.

GOVERNOR'S HOLIDAY RECEPTION

Texas Governor's Mansion

For TexasOne Supporters

Austin, TX | December 19, 2016



MEDC Executive Vice President Liu-Governor Greg Abbott-MEDC President Auterson



MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

January 11, 2017

To: MEDC Board

From: John Valencia

Director of BRE & ET Programs

Subject: January 17, 2017 MEDC Board Meeting; BREP Report/Update

Business Retention & Expansion Program

This past month has been busy in the BRE Program.

- Blount continues with their soup line installation and production area. They have had a few setbacks and the completion of "soup in cup" will, more likely, be in April. But, they do have two bag lines running, which is a major milestone.
- Simpson Strong-Tie expansion is well under way. Phase Three will be kicking off the week of January 9th and currently working the SWPP. CO date is still on schedule for mid-March.
- Hisun should have their CO any day now for the expansion visible on McDonald.
- Popular Ink has now expanded into the East bay, adding another 15K sf. for inventory warehousing. Their new press came in and was installed the week of January 9th. This now puts them at 67K square feet.
- Our newest retention/expansion, Beacon Roofing Supply is just getting going in our documentation process.

BREP is very strong these days!

Also in this section, please go to the following link: <http://mckinneytexas.org/1046/Development-Reports> to find the McKinney at a Glance Development report for December. This is produced by the Planning Department and is quite comprehensive of what is happening in McKinney. Rather than try and explain it all, it is pretty self-explanatory, but certainly questions may come up.

Emerging Technology

Our current rent reimbursement program has been quiet of late, without anyone applying into the program. At this time we only have one participant and that is Pest Routes. With the MEDC working on

a Strategic Plan with the TadZo Team, this program is under evaluation and may evolve differently than it is today. We believe that this type of effort and initiative is important in our community, but just how it all plays out, is still being looked into.

The WERX in McKinney

Please refer to Open Session Agenda item:

Consider/Discuss/Act on McKinney Tech Center Request for Economic Development Funding

The Team here continues to work hard in promoting our wonderful community!

Respectfully Submitted,

John Valencia

Director of Business Retention, Expansion & Emerging Technology
MCKINNEY ECONOMIC DEVELOPMENT CORP.

Recent Activities:

- Conference call with Project 3-Tab consultant - 12/22
- Leadership McKinney - 1/5
- TadZo work session - 1/5
- McKinney Young Professionals advisory committee meeting - 1/10

Projects:

Several active projects will be discussed in executive session.

Upcoming Activities:

- Meeting with Project Kathryn 1/17
- Leadership McKinney 1/26
- McKinney Chamber Quarterly Luncheon 1/31
- TadZo work sessions week of 2/6
- Leadership McKinney 2/21

17-054



TITLE: Consider/Discuss Gateway RFQ-Assessment of Responses

SUPPORTING MATERIALS:

[Gateway Evaluation Criteria](#)

Gateway RFQ Evaluation Matrix:

30 points – Overall Responsiveness to the RFQ

- Provided a thorough cover letter introducing the Project Team
- Fully and thoroughly completed the respondent's questionnaire (Appendix A)
- Clarity of Team's project vision for the project/property
- RFQ Response indicates a clear understanding of the City's needs for the project/property
- Overall quality and clarity of the RFQ response

25 points – Response's Adherence to the City's Guiding Principles as stated in RFQ

- Team's project vision serves as a major employment center
- Team's project vision's scope maximizes the MEDC/City's ability to recover investment
- Team's project vision provides a "signature gateway" to McKinney
 - Source of community pride
 - Conveys urban vibrancy and high quality
 - Creates interesting skyline elements and scale
- Team's project vision catalyzes complimentary uses and amenities

30 points – Development Team Qualifications, including Individuals and partner firms

- Track record of success of master developer/project partner(s)
- Demonstrated quality of construction projects
- Financial strength of master developer/project partner(s)
- Team's number of years in business, size and staffing
- Experience of proposed personnel on similar projects and as a project team
- Strength of references from past customers or partners
- Knowledge of McKinney codes and development processes

15 points – Development Team's Capacity to Perform Work

- Workload and availability to meet schedule
- Project management plan
- Project organization chart and proposed specialty sub-consultants

17-055



TITLE: Consider/Discuss/Act on McKinney Tech Center Request for Economic Development Funding

SUPPORTING MATERIALS:

[Presentation](#)

Impact McKinney



Miller / Smeenk
January 2017

McKinney WERX

McKinney WERX Strategic Statement –

To deliver sustainable and measureable positive economic impact to the McKinney community.

▶ What Have we done?

- Evaluated and changed WERX leadership Dec 2016.
- Built Strategic Plan to deliver measurable ROI.
- Aligned Impact Success Model with EDC's Cornerstone – (Attract, Create, Retain).
- Developed the McKinney Innovation Center Model.
- Initiated attraction and retention discussions.

Impact Potential Yr. 3 \$116,091,748

Economic Jobs Impact Yr. 3

295

Full-Time Jobs

160

Indirect Jobs

455
Total
Jobs

\$73,602,500 Direct

\$96,295,165

Total Annual
Economic Impact *

\$22,692,665 Indirect

Induced Impact Yr. 3

\$19,796,853

Total Annual *

=

Total Years 1 thru 3 = **\$232,159,200**

+



Enhanced
Perception
McKinney as
"Tech" Friendly



Support
without
breaking
the bank



Potential ROI
As acorns
grow
into oaks



- ▶ [McKinney Innovation Center](#) is a collaboration, education, incubation/acceleration and business transition center.
 - ▶ Revitalize a vacant McKinney building (Blockbuster) as a “Cornerstone” to a potential 75 North Industrial Zone
 - ▶ Different industries; from Technology, Aerospace, IoT, Gaming, Cyber Security, Business, Analytics, etc.

The McKinney Innovation Center

Transition Companies
Resident Tenants

Sustaining / Stage 2 Companies

Incubator Graduates
Attracted businesses

Incubator / Accelerator

Program Companies

Job Creation
Business Retention
Diversify Local Economy

Collaboration Center
CO-Working

Co-Working Space

Revenue Opportunity Space
Collaboration Space

WERX Foundation –
Entrepreneur Development
And Support

The WERX Foundation

RIS i6 Grant / Maker Space Location
Collin College Connection

McKinney Innovation Center Occupancy & Revenue - Dashboard Visualization

DRAFT / SAMPLE Only

Current Month Revenue Invoiced

\$77,606.00

Occupancy ▲ Outside ▲ # of Companies

\$77,606.00 \$0.00 23

Next Month Projected Invoices

\$76,891.75

Occupancy Outside # of Companies

\$76,891.75 23

Current Month Desk Occupancy

94 of 114

Large Medium Small Labs Cube Virtual

14 32 8 sqft 40 3

Total Units Rentable

15 44 10 sqft 45 n/a

Next Month Projected Desk Occupancy

94 of 114

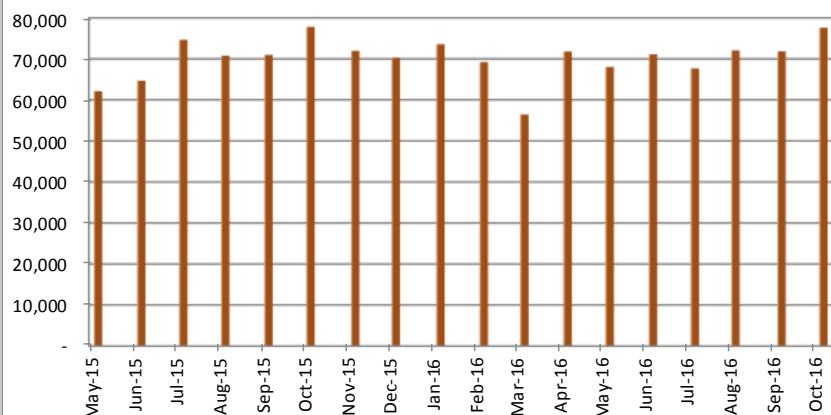
Large Medium Small Labs Cube Virtual

14 32 8 sqft 40 3

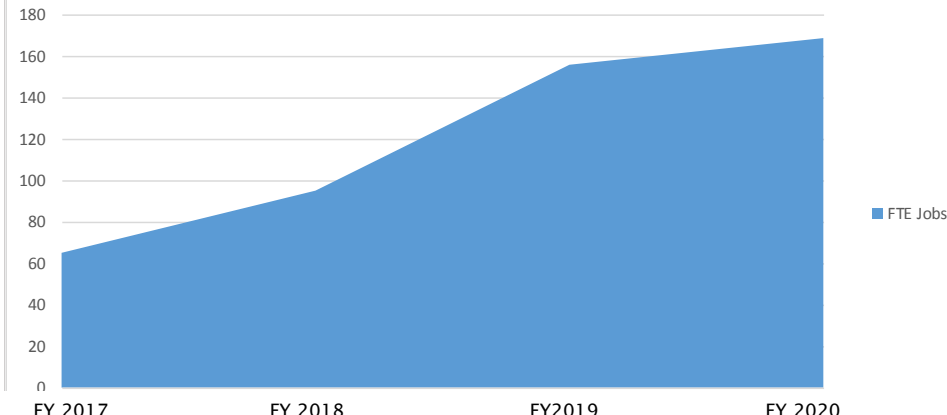
Total Units Rentable

14 44 10 sqft 15 n/a

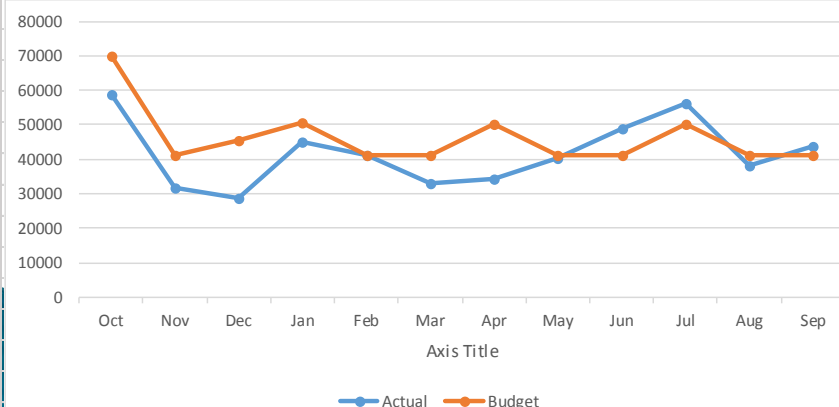
Monthly Revenue Invoiced Over Last 18 Months



Job Creation at McKinney Innovation Center



Expense Actual to Budget



General Space Revenue

General Space Revenue Per Sq Ft

Occupied SqFt	Annual Fees	Avg Per Sq Ft
14,143.00	\$279,171.50	\$19.74
Available SqFt	Occupied SqFt	Usage Percentage
14,143.00	14,143.00	100%

General Space includes RENTABLE AREAS

Top 10 ...

Invoiced \$\$ Value Per Month

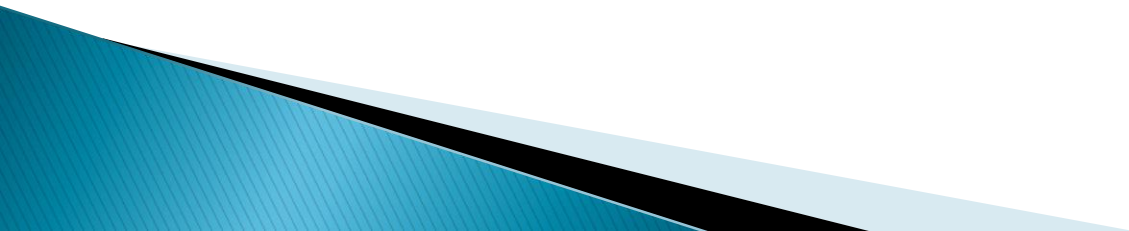
Company	Totals
Company A	24,432
Company B	6,145
Company C	16,082
Company D	5,360
Company E	7,344
Company F	2,968
Company G	1,294
Company H	1,598
Company I	5,175
Company J	1,598
Grand Total	71,996

Top 10 invoiced companies include License Fees, Management Fees and Manufacturing Area Fees.

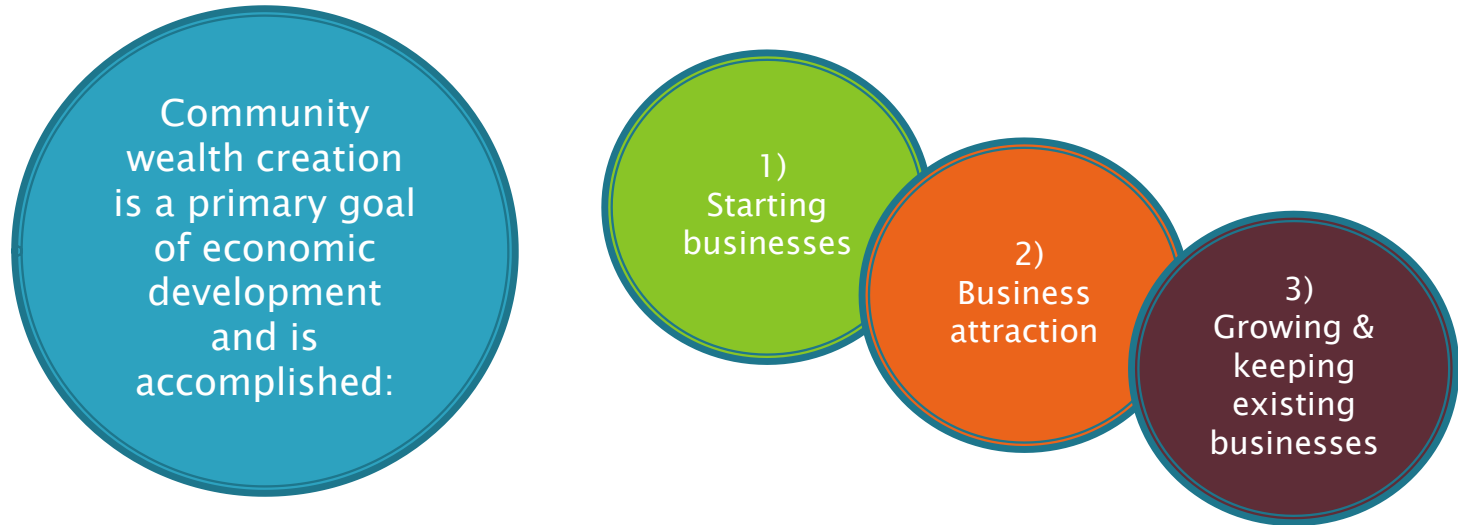
Financial Model Summary

- ▶ Consumptive to Self-Sustaining
- ▶ Infrastructure Investment
 - Long-term revenue stream for MEDC
- ▶ Ask: Bridge Loan
 - \$47,000 Forgivable Loan– long term pay back to MEDC.
 - Continue to flush out Innovation Center Model and work details with Texas Crossing / others.
 - Align with MEDC's Strategic Plan in March 2017
- ▶ 3 year Return On a Diminishing Investment
= \$ 232,159,200

Backup Slides



Economic Impact Definitions



- **Direct**

Represents Direct jobs. The MIC will provide a number of full time jobs and part time jobs for each firm –respective NAICS codes are used. The full time equivalent is calculated to use in the IMPLAN model.

- **Indirect**

Represents purchases goods and services from other vendors/ businesses in their supply chain. These consist of business to business transactions and inter-industry transactions.

- **Induced**

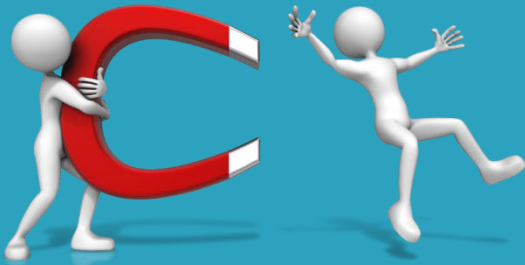
Expenditures generate income for the firm which flow into consumption. Employees are paid in the directly and indirectly affected industry sectors which get infused in the economy. i.e. purchase gasoline, restaurants, tickets...

- **Multiplier**

This is the ratio between “direct” jobs and “total” jobs. A ratio of 2.5 means one new direct job creates one and a half additional jobs for a total of 2.5.

Impact Success Model

Attraction



Creation



CREATION
open minds

Retention



Reasonable Expectations



Jobs – within three years producing hundreds of jobs



Economic Impact – potential to add \$100 mm +/-year



Enhanced Perception – of McKinney as “Tech” friendly



Potential Investment Returns – acorns grow into oaks



Support for Entrepreneurs – without breaking the bank

Potential Structure

