McKinney Economic Development Corporation

Agenda

Tuesday, March 21, 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.

17-295 Minutes of the McKinney Economic Development Corporation Meeting of January 17, 2017

Attachments: Minutes

17-296 Minutes of the McKinney Economic Development Corporation Meeting of February 21, 2017

Attachments: Minutes

REPORTS

17-297 Board and Liaison Updates

- Board Chairman
- City of McKinney
- Chamber of Commerce
- Main Street/MPAC
- McKinney Airport
- MCVB
- MCDC

Attachments: MCVB Report
MCDC Report

17-298 Consider/Discuss MEDC Staff Monthly Reports

Attachments: President Report
Executive Vice President Report
Director of BREP Report
Director of Business Development Report

17-299 Update from McKinney Innovation Center/WERX Foundation

REGULAR AGENDA

17-300 Consider/Discuss/Act on December Financials

Attachments: December Transmittal Letter
December Financials
December Checks

17-301 Consider/Discuss/Act on January Financials

Attachments: January Transmittal Letter
January Financials
January Checks

17-302 Consider/Discuss/Act on February Financials

Attachments: February Transmittal Letter
February Financials
February Checks

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 551.072. Deliberations about Real Property
-MEDC Land

C. Section 551.087. Deliberation Regarding Economic Development Matters
-Gateway
-Project A144-Red River
-Project A162-Fox III
-Project A169-Smart
-Project A170-Banana II
-McKinney Innovation Center/WERX Foundation

ACTION ON EXECUTIVE SESSION

ADJOURN

Posted in accordance with the Texas Government Code, Chapter 551, on the 17th day of March, 2017 at or before 5:00 p.m.

_____
Darrell W. Auterson
President-CEO

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.

17-295

TITLE:	Minutes of the McKinney Economic Development Corporation Meeting of January 17, 2017

SUPPORTING MATERIALS:

Minutes

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

JANUARY 17, 2017

The McKinney Economic Development Corporation met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on January 17, 2017 at 8:00 a.m.

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

Absent: Sharon Denny

City Council members Present: Mayor Pro Tem Randy Pogue and Council member Travis Ussery.

Staff Present: President Darrell Auterson, Executive Vice President Abby Liu, Director of BRE/Emerging Tech John Valencia, 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, Airport Operations Manager Eric Pratt, MEDC Attorney Mark Houser and MCVB Executive Director Dee-dee Guerra.

There were four guests present.

Chairman Burress called the meeting to order at 8:01 a.m. after determining a quorum was present. Chairman Burress called for action on the consent items.

17-050 Minutes of the McKinney Economic Development Corporation Meeting of November 15, 2016. Board members unanimously approved the motion by Board member Clark, seconded by Vice Chairman Merritt, to approve the November 15, 2016 minutes with the understanding they will reflect the corrections requested by Chairman Burress, under agenda item #16-1149: votes stated as 4-2-1, changed to 4-2, and vote stated as 6-0-1, changed to 6-0. Under agenda item #16-1156: vote stated as 5-1-0, changed to 5-1.

17-051 Minutes of the McKinney Economic Development Corporation Meeting of December 20, 2016. Board members unanimously approved the

motion by Board member Clark, seconded by Vice Chairman Merritt, to approve the December 20, 2016 minutes.

17-052 Chairman Burress called for the Board and Liaison updates.

Board Chair – Chairman Burress, Board member Clark and President Auterson attended a number of project related meetings in December and January, as well as individual progress meetings.

City of McKinney – City Manager Paul Grimes reported the 85th Texas Legislature convened on January 10th. The SB-2 Bill has been introduced and is a tax reform bill that shackles the City's abilities to raise or generate revenues through ad valorem tax which could have a real impact on fire and police to deliver services. City Manager's office will be monitoring this bill and others very closely to keep all McKinney Board's abreast of the situation. Friday, January 20th, City Council will have their Strategic Planning meeting. Staff has developed a funds flow chart for the airport for the years 2014, 2015 & 2016 available on the City of McKinney website under the Transparency section. City of McKinney has secured the services of National Research Center to conduct the National Citizen Survey, which is the gold standard for community wide surveys. Staff has begun sending out the survey's to 1,800 McKinney citizens.

17-053 Chairman Burress called for the Consideration/Discussion of the MEDC Staff Monthly Reports. Vice Chairman Merritt requested an explanation of the EB-5 and Regional Investment Center mentioned in President Auterson's written report. Mr. Auterson explained that the EB-5 visa provides a method of obtaining a green card for foreign nationals who invest money in the US, which could enhance some of MEDC's international business initiatives since it would create another potential financing tool for attracting foreign investment. Board member Sipiora asked Director of BREP Valencia to expand his future written reports in regards to how MEDC is adding value to any expansion projects and to

explain a little more in depth how MEDC assists these companies. Mr. Valencia explained his role in these efforts to act as liaison between the company and the City, as well as building relationships with principals of local companies to be available for potential retention and/or expansion needs.

17-054 Chairman Burress called for the Consideration/Discussion of the Gateway RFQ-Assessment of Responses. Chairman Burress referred the Board to the Gateway RFQ evaluation matrix attached to the agenda. As a reminder, this evaluation matrix was finalized on January 12, 2017 by the Gateway Project Team. President Auterson reported that today, January 17th, is the deadline for responses to the RFQ that were disseminated on December 2, 2016. Once all the responses have been received by the end of today, the MEDC Gateway Committee in partnership with the Gateway Project Team and the City Council liaisons will go through an objective and transparent review process over the next few weeks.

17-055 Chairman Burress called for the Consideration/Discussion/Action on the McKinney Tech Center Request for Economic Development Funding. Chairman Burress explained that the McKinney Tech Center is the potential new branding for The WERX. President Auterson reported The WERX Board has made some decisions leading them into a transition period, which includes their executive leadership structure, their business model and their vision for the future. Mr. Valencia gave a brief synopsis of the recent WERX history and some background on the new executive leadership. Messrs. John Miller and Harry Smeenk shared the goals, financial reports and vision for The WERX (McKinney Innovation Center). Vice Chairman Merritt confirmed with Mr. Smeenk that the plan was a diminishing consumptive model over a three year period, so that after three years it would be self-sustaining, and then giving back to the MEDC. President Auterson shared he is trying to align the strategic

planning timeline of MEDC with the current circumstances that the WERX is facing. Since MEDC is still early in the process of the Strategic Plan, there hasn't been adequate due diligence to determine how The WERX or something like it can fit into the MEDC long term strategic plan. This $47,000 will simply provide a short term bridge for the analysis and vetting to be completed. Mr. Miller explained that Mr. Smeenk would be the Executive Director, while he would be available as an ongoing consultant.

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

Chairman Burress recessed the meeting into Executive Session at 9:06 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). Section 551.087. Deliberation Regarding Economic Development Matters as listed on the posted agenda. Chairman Burress reconvened the meeting to open session at 11:36 a.m.

Board members approved, by a vote of 6-0, the motion by Vice Chairman Merritt, seconded by Board member Clark, to approve the revised proposal for Project 3-Tab, as discussed in Executive Session.

Board members approved, by a vote of 6-0, the motion by Board member Page, seconded by Board member Clark, to approve the revised proposal for Hisun Motors, as discussed in Executive Session.

Board members approved, by a vote of 6-0, the motion by Board member Sipiora, seconded by Vice Chairman Merritt, to defer decisions on Project Rocks pending further information, as discussed in Executive Session.

Board members approved, by a vote of 6-0, the motion by Chairman Burress, seconded by Secretary/Treasurer Chen, to approve the incentive package for Project Fishing, as discussed in Executive Session.

Board members approved, by a vote of 6-0, the motion by Board member Sipiora, seconded by Vice Chairman Merritt, to approve a grant for the McKinney Innovation Center in the amount requested $47,000 to be paid in four equal monthly installments.

Board members approved, by a vote of 6-0, the motion by Board member Sipiora, seconded by Board member Page, to adjourn. Chairman Burress adjourned the meeting at 11:41 a.m.

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JASON BURRESS
Chairman

17-296

TITLE:	Minutes of the McKinney Economic Development Corporation Meeting of February 21, 2017

SUPPORTING MATERIALS:

Minutes

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

FEBRUARY 21, 2017

The McKinney Economic Development Corporation met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on February 21, 2017 at 8:00 a.m.

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

City Council members Present: Mayor Brian Loughmiller, Mayor Pro Tem Randy Pogue, Councilwoman Tracy Rath and Council members Travis Ussery, Don Day, Chuck Branch and Rainey Rogers.

Staff Present: President Darrell Auterson, Executive Vice President Abby Liu, Director of BRE/Emerging Tech John Valencia, Economic Development Coordinator Madison Clark, Operations/Compliance Administrator Sheri Van Slycke, City Manager Paul Grimes, Assistant City Manager Barry Shelton, Deputy City Manager Jose Madrigal, MCDC President Cindy Schneible, MEDC Attorney Mark Houser, and MCVB Administrative Assistant Ashley Ford.

There were eight guests present.

Chairman Burress called the meeting to order at 8:01 a.m. after determining a quorum was present.

17-179 Chairman Burress called for the Gateway Development Presentations. Chairman Burress shared there were five or so semi-finalists that submitted RFQ's for the Gateway development. Currently, there are two remaining finalists. Today, those two remaining finalists are providing their presentations in this meeting and they are the Trammell Crow Company and Team McKinney Gateway. Team McKinney Gateway is a partnership of KDC Land Ventures, Columbus Realty and Corinth Properties. Representing KDC were Senior Vice President Bill Guthrey and Vice President Colin Fitzgibbons. Representing Columbus Realty were Managing Partner Robert Shaw and Vice President of Construction

Mike Flowers. Representing Corinth Properties were Partners Anthony Ruggeri and Frank Mihalopoulos. Representing Trammell Crow Company were Senior Managing Director's Scott Krikorian and Denton Walker, Senior Associate Jonathan Probst and Principal and Development Construction Group Services Leader Jeff Debruin. Team McKinney and Trammell Crow Company each shared their individual experience, their portfolio of previous and ongoing projects and their vision for the Gateway Development. Upon completion of each of the presentations from Team McKinney and Trammel Crow Company, City Council members Mayor Loughmiller, Mayor Pro Tem Pogue and Council member Ussery, all of whom served on the Gateway Committee, conducted a question and answer session, along with the MEDC Board.

Chairman Burress called for citizen comments and there were none. Chairman Burress called for Board or Commissioner comments. Board member Sipiora offered his compliments to the EDC staff for the effectiveness of this selection process.

Chairman Burress recessed the meeting into Executive Session at 11:01 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), 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 12:32 p.m.

Board members approved, by a vote of 4-0, the motion by Board member Clark, seconded by Vice Chairman Merritt, to approve that KDC be selected as the Gateway Developer designee, and would further move that our President, the City Manager and the Gateway Development Team commence exclusive negotiations with KDC to bring forward a non-binding Memorandum of Understanding containing terms, including an exclusive negotiation period for finalizing a Master Development Agreement, it recommends that the Board consider and approve.

Board members approved, by a vote of 4-0, the motion by Vice Chairman Merritt, seconded by Board member Sipiora, to approve the changes to Project Red River as proposed in Executive Session.

Board members approved, by a vote of 4-0, the motion by Board member Sipiora, seconded by Board member Clark, to approve the staff's recommendation for Project 3-Tab as presented in Executive Session.

Board members approved, by a vote of 4-0, the motion by Vice Chairman Merritt, seconded by Board member Clark, to approve the changes to Project Blinky as presented in Executive Session.

Board members approved, by a vote of 4-0, the motion by Board member Clark, seconded by Board member Sipiora, to adjourn. Chairman Burress adjourned the meeting at 12:35 p.m.

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JASON BURRESS
Chairman

17-297

TITLE: Board and Liaison Updates
Board Chairman
City of McKinney
Chamber of Commerce
Main Street/MPAC
McKinney Airport
MCVB
MCDC

SUPPORTING MATERIALS:

MCVB Report
MCDC Report

MEDC-MCDC-MAIN ST.

Talking Points March 2017 for February 2017

MCVB Updates:

- Attended TTIA Unity Dinner & Converge on the Capital 2/15-16/17
- Austin Sales Calls: 2/13-17/17
- HelmsBriscoe Planners at Sheraton, North Texas Escape Room & Tupps Brewery (2/8-9/17).
- Atended Health Fair at Old Settler's for East Side of McKinney.
- Met with Sports Source-Discussed Dec. 2-3, 2017 event, Hotel Room nights, Tupps event for VIP's, bags, 12 Gift Baskets for VIPS & partnership with MISD Athletics.
- Pogue Construction- Site Visit (May meeting & Christmas Party) – Planners: Josie Betts & Melinda Garcia.

New Venue: 1

- **Rosemary Barn: http://www.therosemarybarn.com/**

MCVB Room Nights Generated: TTL Room nights: 114; TTL Revenue: $ 12,539

WEDDINGS Completed in February 2017 - TTL Room Nights: 94 TLL Rev: $10,139

- Blanchard /Seeman Wedding: Holiday Inn - Room Nights: 52; TTL Rev: $5419
- Nease/Brown Wedding: Holiday Inn- Room Nights: 8; TTL Rev: $872
- Romero/Rodrigues Wedding: Holiday Inn – Room Nights: 5; TTL Rev: $542, Hampton Inn & Suites – Room Nights: 29; TTL Rev: $3306

Association/Corporate/SMERF: TTL Room nights: 20 TTL Revenue: $2400,

- Christ's Church Ministers Retreat: Holiday Inn – TTL Room Nights: 20; TTL Rev: $2400

Visitors: YTD Total: 518

February Total: 273

Out of State: 22

Out of Country: 13

Texas Residents: 19

McKinney Residents: 0

MEDC-MCDC-MAIN ST.

RFP's: 22 (1-Association, 0-Corporate, 15-Weddings, 4-Social (1-Religious), 1 -Sports, 1 -Day Trips)

Association: 1

- Texas Rural Letter Carrier's Assoc.- For June 2020 6/25-7/1-2020. Peak Night – 100 Rooms, sent to Sheraton.

Weddings: 15

- LM Media World Wide, LLC -Bambico/Dillard Wedding September 2017
- Zina Patel Wedding, November 2017. *Actually received in January
- Rachel Kaplan Wedding – January 2018, The Springs
- Hannah Brewer Wedding – November 2017, Myers Park
- Zoe Blevins Wedding – September 2017, Stone Crest
- Rachel Cohenouer - October 2017, The Springs
- Julie Perry Wedding – June 2017, The Springs
- Perez/Bowman Wedding – March 2017, Springs
- Megan Richards Wedding – March 2017
- Rachel Wilson Wedding – May 2017
- Erin Ramsey Wedding – June 2017, The Springs
- Ashley Fernendex Wedding – June 2017,
- Julian Haugh Wedding – September 2017
- Lora Hall (MOG) Wedding – September 2017, The Springs
- Shelbie Gardner Wedding – July 2017, The Springs

Day Trip:1

- Meals and Wheels Waco – Day Trip to McKinney – Scheduled for late April, currently working on details and possible site visit to Heard-Craig House.

Social: 4

- Amazing Church –May 2017, Planing a Festival that includes music/good/games, low potential for overnights. Forwarded info to MPAC also.
- Rug Fest/Hook Inn, Robin Reynolds – 15-20 Rooms Needed 1 night only, July 20, 2017
- U.S. Bankruptcy Court – June 2017 at The Grand Hotel
- Cvent – National Antique Oldsmobile Club National Meet – Sent to Sheraton

Sports: 1

- Sports Source Dec 2-3, 2017

Advertising: Ads/materials created and submitted:

- Took photos at Krewe of Barkus
- Took photos at Friendship Force International breakfast with mayor
- Took photos at Mad Hatters Event at Sharla's
- Took photos at Helms Briscoe night at TUPPS
- Submitted content for Daytripper March newsletter
- Submitted content for script for Book Festival

MEDC-MCDC-MAIN ST.

February Free Publicity:

FEBRUARY 2017 - MCVB Publicity/Free Media Coverage					
Publication	*Article/Topic/Writer*	*Print Value*	*Web Value*	*PR Value*	*Impressions*
Restless Chipotle Sponsored Blog	2 entries – what to do in McKinney; McKinney B&B	$0	$9,000	$27,000	315,000
BubbleLife Collin County	Shared our blog and web postings 6 times	$0	$ 18,000	$54,000	2,650,000
Courier Gazette	Used our Krewe of Barkus photo with story (24 in.)	$864	$ 2,000	$8,592	595,000
TOTALS for Month		$864	$ 29,000	$89,592	3,560,000

LOST BUSSINESS-0

March 17, 2017

TO: MEDC Board

FROM: Cindy Schneible, MCDC

RE: MCDC Update

Project Grants
The MCDC board recently approved the following project grants:

- 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, in an amount not to exceed $25,000, for purchase of a Polaris GEM, an electric, six-seat vehicle to be utilized to provide shuttle service in downtown McKinney.

The second cycle for project grant applications is open, and will be accepted through March 31, 2017.

17-298

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
March 2017

Prospect Activities:

- **Project Red River's latest incentive offer letter is still being evaluated by company leadership. Staff continues to maintain close communication with the site consultant to insure McKinney remains responsive.**
- **A draft of the Gateway MOU has been shared with the KDC team & it is our desire to keep this vital project on a continued fast track. The MOU was crafted with three phases (design, master development agreement & initial development phase, subsequent development phase) to facilitate prompt design/marketing implementation steps while the master development agreement is being negotiated. If KDC responds to the MOU the week of 3/13, we could seek MEDC Board action on 3/21.**
- **McKinney has recently been added to the shortlist for several sizeable development projects. Consideration for these projects reaffirms the strong development interest in our area & also reinforces some of the industry targets we have identified preliminarily in our strategic planning process.**
- **Participated in Aramark's ribbon cutting ceremony in February for their clean room facility. The first class facility will employ up to 120 people.**
- **Providing backup support to the City airport staff as they explore the viability of some airport expansion activities to accommodate a potential user of the facility.**

Business Retention/Expansion Program (BREP) Activities:

- **Visited recently with Medical City McKinney, Baylor Medical Center McKinney, Prosperity Bank, Hisun & Popular Ink.**
- **Received good company participation at our February strategic planning roundtable discussions.**

Entrepreneurial Activities:

- **Continue to monitor the progress of the McKinney Innovation Center & McKinney Technology Center initiatives. These two groups have**

been in discussions to insure their business models are complementary.

Marketing/Promotion/Connections Activities:

- **Have gotten some very positive media coverage in recent weeks due to the announcements surrounding our Gateway developer selection process & other related project activities. To read the article in the Community Impact Newsletter, click here: http://impactne.ws/cin/225329**
- **In February, staff participated in several events including the Greater Taiwanese Chamber Chinese New Year's Gala, the Governor's pre-Super Bowl reception in Houston, the McKinney Chamber's Community Awards, a "Connect" Conference in Dallas & a BisNow event in the Harwood neighborhood of Uptown Dallas.**
- **Coordinating our domestic & international marketing program activities with the Dallas Regional Chamber, TexasOne & Team Texas. Target markets include major cities on the east & west coasts & the Midwest. International target markets include North America, Europe & Asia at this time.**
- **Attending a Collin County Days information session on 3/15, hosted by the McKinney Chamber at the Collin College Education Center. Collin County Days are scheduled in Austin March 28-29th.**

Research Activities:

- **The strategic planning roundtable discussions in February were well attended & we received valuable feedback to assist with the asset evaluation process. The process continues to move forward with the board strategic prioritization work session scheduled for 3/17. This five hour session will flesh out those priority activities that will help define & create the goals & objectives that will become the foundation for our 5 year strategic plan.**
- **We have secured a subscription to CoStar to enhance our property research/analysis capabilities when working with developers & prospects.**
- **Met with City finance department staff to discuss development of a 10 year project funding plan. Future funding needs will become better defined through the strategic planning process.**
- **Working with a small ad hoc group from the MEDC Board to ascertain the appropriate level of due diligence to perform on companies seeking incentives. Protocols will be developed for board consideration.**
- **Attended a McKinney National Airport Open House to learn more about the master plan process.**

CITY & COUNTY | DEVELOPMENT | NEWS

MEDC works to build McKinney business

City manager: Gateway project is part of 'new era' of development

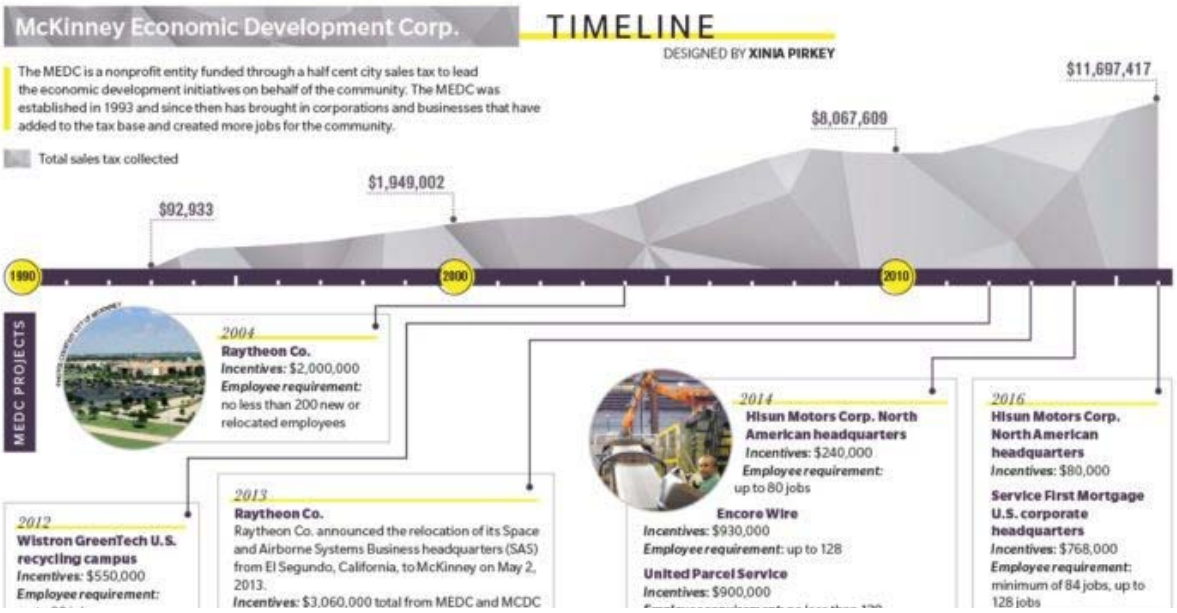
By Marthe Rennels | Posted March 4, 2017 at 7:39 am

The city of McKinney and the McKinney Economic Development Corp. on Feb. 22 agreed to enter into exclusive negotiations with development company KDC for the development of the Gateway site at SH 121 and US 75.

The commercial real estate development and investment firm is responsible for developing the Plano office campuses for JPMorgan Chase and Liberty Mutual as well as Toyota's North American headquarters complex. KDC also developed the Raytheon and State Farm Insurance campuses at City Line in Richardson.

"KDC has a great reputation for doing incredible work in North Texas, and we couldn't be more excited to work with them as they will help bring our vision and guiding principles for the Gateway development to fruition," McKinney EDC President Darrell Auterson said.

KDC will work with the city and MEDC to determine what the development will include, and Auterson said he hopes to see Class A office space become a part of Gateway to fill the growing office space demand in the region.



up to 80 jobs

Employee requirement: no less than 120

MEDC momentum

Since Auterson took the helm of the EDC in July, city officials have been looking at the Gateway project as just the start of growing momentum for the MEDC and the city of McKinney.

"Darrell and his staff are highly regarded in the field of economic development and among the business community," City Manager Paul Grimes said. "This is truly a new era for economic development in the city of McKinney, and we are excited for the future of McKinney economic development."

The MEDC, established in 1993, is a nonprofit entity funded through a half cent McKinney sales tax. The organization's role is to bring in corporations and businesses to add jobs and add to the tax base.

The organization has facilitated dozens of incentives to bring companies to the area since its inception, and it is now working to revamp the MEDC strategic plan. The process to update the plan began in February, and it includes roundtable discussions with developers, landowners, utility companies and builders.

"When our strategic plan is complete, it will be our manual for success," Auterson said. "We are going to commit ourselves to accomplishing as much as is defined in that plan, and if we need to adjust as development trends or demands change, then we will."

Auterson said the MEDC has hired a specialist to help teach the staff how to better understand what the business community is looking for.

"[The knowledge] will make it a lot better for us when we are sitting in front of an executive to have deep, meaningful conversations about their business," he said. "We will be the ones who have done all of the homework and have learned how to do the proper business case analysis, so when that CEO is talking about the complexities of their business, we are better-equipped to tell them why McKinney is the right fit for them."

Road to development

McKinney Mayor Brian Loughmiller said most of the development taking place in surrounding cities occurred once infrastructure was in place, adding that he expects McKinney to follow that trend.

"Compared to how long the Dallas North Tollway has existed, McKinney and Allen will just be beginning to look to development opportunities on SH 121 as the projects move east from the DNT," he said.

McKINNEY
M E D C
Unique by nature.SM

Economic Development Highlights
Executive Vice President Liu
March 2017

Economic Development

- Staff is humbled and honored to be named one of North America's Top 50 Economic Developers by Consultant Connect. Per Consultant Connect, the economic development professionals selected for this award were nominated by their colleagues in both the economic development industry and the site consultant community for excellent practices, innovation and success in building the communities they serve. The Top 50 Economic Developer eBook was released to the general public on March 1. (News Release and Partial eBook Attached)

- Staff organized a follow up Project Red River on January 24. Mayor Loughmiller, City Manager Grimes, Assistant City Manager Shelton, Development Services Executive Director Quint, MEDC Chairman Burress, MEDC President Auterson, Staff and MEDC Business Development Director Walker represented McKinney in attendance. Two Vice Presidents, Staff and Site Selection Consultant from Project Red River joined. It was a productive meeting.

- Staff continued working with Project Red River executives, consultants and real estate brokers.

Business Retention and Expansion

- Staff hosted two meetings for Executive Director of Development Services, Michael Quint, with Hisun President Sun to discuss the City's development services issues during Hisun's Phase II Expansion. The second meeting was held on January 23.

- President Auterson and Staff held a meeting with Hisun President Sun to discuss Hisun's potential Phase III Expansion on March 8.

Marketing and Networking

- City Manager Grimes, President Auterson and Staff attended Chinese New Year Charity Gala at InterContinental Hotel in Addison, Texas on February 3. Mayor Pro Tem Pogue delivered a brief speech on behalf of McKinney. Tong Yang Group President, Hisun President and Wistron GreenTech General Manager also joined the event. (Picture attached)

- President Auterson and Staff attended Governor Abbott TexasOne Super Bowl Reception at Partnership Tower in Houston, Texas on February 4. (Picture attached)

- MEDC Business Development Director Walker and Staff attended Team Texas Member Round Table at Frisco Economic Development Office on February 10.

- President Auterson, Economic Development Coordinator Clark and Staff attended McKinney Chamber's Annual Community Awards on February 17. (Brochure cover attached)

- President Auterson, Business Development Director Walker, Economic Development Coordinator Clark and Staff attended McKinney Urban Transit District's first meeting to discuss public transit on February 28.

New Project Updates

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

consultantconnect

FOR IMMEDIATE RELEASE

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North America's Top 50 Economic Developers are Back In A New Way: Consultant Connect Announces Leaders In The Industry

KALAMAZOO, Michigan – Consultant Connect, a consulting agency designed to bridge the gap between economic developers and site consultants, announces its 2017 list of North America's Top 50 Economic Developers. The economic development professionals selected for this list were nominated by their colleagues in both the economic development industry and the site consultant community for excellent practices, innovation and success in building the communities they serve.

Each top 50 economic developer will be featured in an ebook. These industry leaders will be interviewed for the ebook to share their expertise in the field and leadership insights they've learned along the way. Consultant Connect strives to lift up this industry by recognizing remarkable economic developers for the entire economic development community to learn from.

"This annual list recognizing North America's Top 50 Economic Developers is designed to acknowledge the hard work of the top leaders in this field and elevate the conversation around economic development and job creation," said Ron Kitchens, managing partner of Consultant Connect. "Each of the leaders represented on this year's list are beyond deserving of this recognition for their efforts in building our communities."

The complete list of North America's Top 50 Economic Developers includes:

Abby Liu, McKinney Economic Development Corporation, Texas
Ben White, Round Rock Chamber
Benjamin Teague, Economic Development Coalition for Asheville-Buncombe County
Bentley Story, Arkansas Economic Development Commission
Beth Doughty, Roanoke Regional Partnership
Brad Smidt, Greater Phoenix Economic Council
Brian Hilson, Birmingham Business Alliance
Buddy Rizer, Loudoun County Department of Economic Development
Carrie Chenery, Shenandoah Valley Partnership
Cathy Chambers, JAXUSA Partnership
Chris Wimsatt, Team Volusia Economic Development Corporation
Clark Krause, BVEP
Clay Walker, NETWORKS Sullivan Partnership

-more-

Dan Culhane, Ames Chamber of Commerce & Economic Development
Dan Henderson, Gilbert, Arizona
Deborah Price, Missouri Partnership
E. Ray Covey, AEP Texas
Gary Tonjes, Albuquerque Economic Development, Inc.
Gene Goddard, Greater MSP
Gregg Simon, Metro Atlanta Chamber
James Otterstein, Rock County, WI
Jessica Breaux, TVA
Jim Paetsch, Milwaukee 7
Juawana Colbert Williams, Fayetteville-Cumberland County Economic Development Corporation
Julie Sullivan, Dayton Development Coalition
Kati Hynes, Charlotte Chamber
Keith Gillenwater, EDG of Wabash County
Kimm Coyner, REDI Cincinnati
Kurt Foreman, Greater Oklahoma City Chamber
Larry Barnett, Midlothian Economic Development
Lee Crume, Jobs Ohio
Lucienne Pears, Charlotte County EDC
Mark Young, Jonesboro Ark Chamber of Commerce
Matt McQuade, Columbus 2020
Megan Lucas, Lynchburg Regional Business Alliance
Mike Rosa, Dallas Regional Chamber
Mitchel Allen, Greater Phoenix Economic Council
Pandy Brazeau, Virginia Economic Development Partnership
Patrick Murphy, Alabama Power
Patty Horvatich, Pittsburgh Regional Alliance
Rob Cleveland, Cornerstone Alliance
Robert Van Goens, RowanWORKS
Susan Davenport, Gainesville FL Area Chamber of Commerce
Susie Davidson, Idaho Commerce
Tim Vanderhoof, Enterprise Florida
Tom Long, San Antonio EDF
Tony Kaai, Denison Dev. Alliance (Denison, TX)
Tricia Paesani, CT Department of Economic and Community Development
Vanessa Goeschl, Charlotte Regional Partnership
Walter Sprouse, Augusta Economic Development Authority

About Consultant Connect

Consultant Connect is designed to bridge the gap between leading economic developers and location consultants through exclusive networking events and educational services. Consultant Connect not only gives economic developers an inside look into the world of site selection – it gives them the applicable information necessary to propel their communities forward. For more information, please visit www.consultantconnect.org or call 269.207.4982.

###

NORTH AMERICA'S TOP 50 ECONOMIC DEVELOPERS

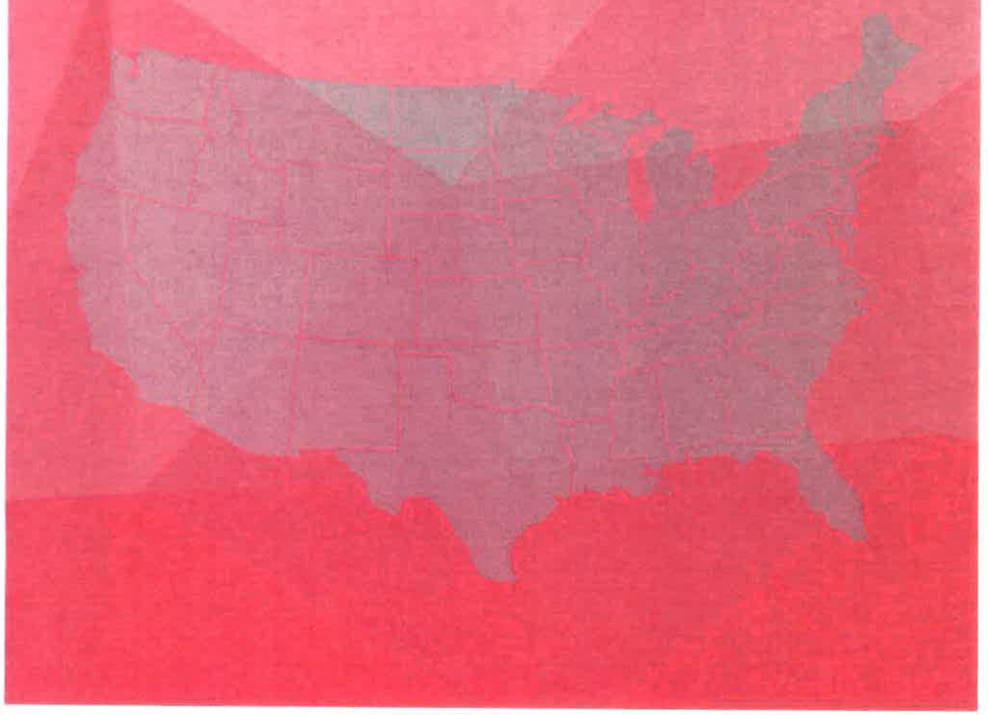
consultantconnect

Hello friends,

We are thrilled to announce **North America's Top 50 Economic Developers** for 2017! Each year, Consultant Connect asks our robust community of site selectors and economic development partners to nominate individuals they feel are top-notch and worthy of the Top 50 Economic Developer title. This year we were inundated with nominations from across the nation and we are so, very pleased to present to you this year's group of remarkable economic developers.

We truly believe the economic development industry is better because of this group of pioneers pushing the boundaries with innovative ideas and best practices that actually work. We trust you will find this eBook to be an insightful read, a resource for creative spark and an opportunity to grow and learn as professionals and leaders.

Always Forward.



NORTH AMERICA'S TOP 50 ECONOMIC DEVELOPERS — 2017

Abby Liu
Bentley Story
Ben White
Brad Smidt
Brian Hilson
Buddy Rizer
Carrie Chenery
Cathy Chambers
Chris Wimsatt
Clark Krause
Clay Walker
Dan Culhane
Dan Henderson
Deborah Price
Gary Tonjes
Gene Goddard
Gregg Simon
James Otterstein
Jeff Janiszewski
Jessica Breaux
Jim Paetsch
Juawana Colbert
Julie Sullivan
Kati Hynes
Keith Gillenwater
Kimm Coyner
Larry Barnett
Lee Crume
Lucienne Pears
Mark Young
Mary Ellen Wiederwohl
Matt McQuade
Megan Lucas
Mike Rosa
Mitchell Allen
Pandy Brazeau
Patricia Bayley
Patricia Paesani
Patrick Murphy
Patty Horvatich
Paul Lucy
Rob Cleveland
Robert Van Geons
Susan Davenport
Susan Davidson
Tim Vanderhoof
Tom Long
Tony Kaai
Vanessa Goeschl
Walter Sprouse

ABBY LIU

McKinney Economic Development Corporation, Texas

WHAT IS ONE THING ABOUT YOUR COMMUNITY THAT MAKES IT UNIQUE?

McKinney, Texas is centrally located in the heart of the United States, making it a strategic choice for companies who do business all over the country and even worldwide. The thirty-minute drive time from Dallas/Ft. Worth International Airport (DFW) with less than a five-hour flight time to major cities in North America is beneficial to many companies in McKinney and a huge selling point to those considering McKinney. The outstanding quality of life sets McKinney apart from other communities. Money Magazine named McKinney its #1 Best Place to Live in America in 2014, up from #2 in 2012, #5 in 2010 and #14 in 2008.

HOW DO YOU DEFINE SUCCESS FOR YOURSELF AS A LEADER AND FOR YOUR ORGANIZATION?

Each day I work hard to lead the successful recruitment of domestic and international businesses to choose our city as the place they want to establish their business. Adding to the city's healthy tax base leads to a higher quality of life in the city for its residents – which I am very proud to be part of. By being proactive, persistent and determined, I demonstrate to those around me that I am committed to making McKinney a great place to live and work.

WHAT DO YOU THINK HAS BEEN THE KEY TO YOUR PERSONAL LEADERSHIP SUCCESS?

I am a highly driven person, but I have found that flexibility, perseverance and hard work are vital characteristics of successful economic developers. Prospect company's situations can change quickly during the economic development process so we must be able to remain flexible to respond to the changes they bring up or the industry requires. Perseverance is needed because some projects can take three weeks and others can take over three years.

KNOWING WHAT YOU KNOW NOW, WHAT ADVICE WOULD YOU GIVE TO A NEW LEADER IN THIS FIELD?

I believe strong work ethics will take a new leader far in this profession. Don't give up. I would also encourage a new leader to continue to learn more in depth about professional economic development including an increase in legal and financial knowledge. Another bit of advice would be to know and study the market and business environment domestically and abroad. The climate in the market can change frequently so I encourage everyone to stay alert to the current political and economic affairs.

WHAT ARE YOU MOST LOOKING FORWARD TO IN THE NEXT FIVE YEARS?

I look forward to the continued growth of the U.S. market domestically and to attract more direct foreign investment. Currently the Dallas/Ft. Worth region leads the nation in job growth and I look forward to its continued growth and to all of the opportunities that entails. I look forward to the prospect of Dallas/Ft. Worth region becoming even more internationally recognized as a global business leader. I believe an increase in international flight options from DFW airport would be a great business addition to our area. We have proven McKinney can attract Fortune 500/Global 500 companies and have attracted three companies since 2013 that are notably ranked on those lists. McKinney is uniquely situated to welcome more companies because of our McKinney National Airport, a full-service general aviation resource offering full service corporate fleets, hanger space, and 24-hour on-site U.S. Customs. In the next 5 years, I hope more Fortune 500/Global 500 companies will consider McKinney for their headquarters.

IF MONEY WASN'T A BARRIER AND YOU COULD FILL A CURRENT RESOURCE GAP AT YOUR AGENCY WHAT WOULD YOU DO?

McKinney is growing at a rapid pace, and our biggest shortage is in infrastructure and amenities. If cost weren't a barrier, I would build up these areas so we have more products to sell and use to market our city. If resources were not an issue, I would love to travel more frequently to meet with business leaders, executives and decision makers in person, domestically and internationally.

"Our greatest glory is not in never falling, but in rising every time we fall." —Confucius

Chinese New Year Charity Gala 2017

Intercontinental Hotel

Addison, TX | February 3, 2017

McKinney Mayor Pro- Tem Randy Pogue

Part of the group representing McKinney

MEDC President Darrell Auterson/

Eric & Sharon Huang-Wistron GreenTech

Jason Sun & Family-Hisun Motors /MEDC EVP Abby Liu

Texas Wide Open for Business
Super Bowl Reception

Partnership Tower

Houston, TX | February 4, 2017

Governor Abbott/EVP Abby Liu

TEDC President Tracye McDaniel /MEDC EVP Abby Liu

Governor's Office ED Ex.Dir. Bryan Daniels/EVP Abby Liu

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MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

March 14, 2017

To: MEDC Board

From: John Valencia

Director of BRE & ET Programs

Subject: March 21, 2017 MEDC Board Meeting; BREP Report/Update

Business Retention & Expansion Program

The following three are updates from my January Report:

- Blount continues with their soup line installation and production area. I have visited twice over the past couple of weeks and each time, progress being made. And, very impressive on all the stainless steel being installed for all their cooking/transfer processes! Their April completion date might slip to May, but they're pressing on.
    - One of their biggest challenges is workforce availability. In working with their HR Team, we hear they struggle with getting production line personnel. At this time, they have almost 200 and could use another 20 to 30 without hesitation. With new capacity, products and demand coming with the completion, this will become even more critical for them.
- Simpson Strong-Tie expansion is well under way. They are making huge progress on their building project. Phase 2 is due to be complete April 20th. They are in the finishing stages and Phase 3 is well under way. They believe they are about to complete the fire lane as that was needed to be complete before phase 3 could progress along. So far so good!
- Popular Ink has now expanded into the East bay adding another 15K sf. For inventory warehousing. Their new state of the art press from Italy has arrived and installed. At $2.5 million they are very proud AND excited about it. Paul Grimes, Darrell Auterson and I had the chance to tour the plant on March 8th. Dru and Ray have come a long way from the barn they started in… literally!

Some time ago, I was asked what the BRE Program was. I do not believe I stammered, but making it a statement I could put on the back of a t-shirt, I got a bit long winded! So, I went to my study materials and found a definition (quote) I felt pretty much put it in sync:

"…Very simply, two things: communication and action. If a community takes the time to talk with a business, to understand its concerns, risks, opportunities and challenges, it will understand exactly what it takes to improve business. Then it needs to act on what it has heard. The company also has the responsibility and opportunity to engage shareholders in a proactive dialog." David Trebing, General Manager, State/Local Relations, Daimler, AG

I stuck a stake in the ground then and counted forward on my calendar how many times I feel I have directly worked in these two areas of communication and action. In the past two months, 22 face to face contacts and then numerous and various other communications efforts. McKinney is an active community between our MEDC efforts and what our local businesses have to offer.

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 February. 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.

New Business

Although this is not my specific area, we all do a bit of everything. I've spoken and worked with three companies recently; one local start up, a Richardson, Texas technology company wanting to head north to McKinney, and a McPherson, Kansas gaming company that wants to expand into North Texas.

Emerging Technology

With the MEDC working on a Strategic Plan with the TadZo Team, this program as we know it is in the discussions and under evaluation. It might 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 considered.

The WERX in McKinney

During the Board meeting and in Open Session, John Miller and Harry Smeenk will give a full update on The WERX and the proposed McKinney Innovation Center.

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.

Chad Walker
Director of Business Development
March 2017

Recent Activities:

- Leadership McKinney – 2/21
- Attended TEDC Legislative Conference in Austin 2/22 - 2/24
- Attended McKinney Urban Transit District Meeting – 2/28
- Attended Area Development Automotive Workshop in Nashville – 3/5 - 3/7
- Attended IEDC Real Estate Development course in New Orleans – 3/8 - 3/10
- Attended Site Selectors Guild Annual Conference in Tucson – 3/13 - 3/15
- Leadership McKinney – 3/16
- Toured an industrial broker around McKinney – 3/20

Projects:

Several exciting new projects have intensified very recently, but they are not to the point of needing board action.

Upcoming Activities:

- Tour of Lockheed Martin F-35 assembly line in Fort Worth 3/23
- Dallas Regional Chamber quarterly luncheon 3/29
- Leadership McKinney 4/6
- McKinney Chamber Quarterly Luncheon 3/29
- Leadership McKinney 4/6
- IAMC Spring Forum in Tampa 4/8 – 4/12
- SEDC Meet the Consultants in Atlanta 4/19 – 4/20

17-299

TITLE: Update from McKinney Innovation Center/WERX Foundation

SUPPORTING MATERIALS:

17-300

TITLE: Consider/Discuss/Act on December Financials

SUPPORTING MATERIALS:

- December Transmittal Letter
- December Financials
- December Checks

December Monthly Financial Report

January 17, 2016

Each month, city staff provides a financial report to the McKinney Economic Development Corporation's board to apprise them of the financial status of the corporation. In an effort to continue providing meaningful financial updates, this transmittal letter includes links to the interactive online financial tool for the month of December. The following is a brief analysis of each section of the corporation's financials.

December Analysis

MEDC Revenue-

Revenue of the McKinney Economic Development Corporation is above budget YTD by 16.88%. Sales tax figures came in 9.19% above last year's collection through December. Below is a link to the current year-to-date revenue of the MEDC:

MEDC Revenues – YTD through December

MEDC Expenditures-

Expenditures of the McKinney Economic Development Corporation are continue to be under budget due to savings in rebate expenditures paid out for incentives. However, during the month of December MEDC paid $5,000 to The Werx. In addition, payments were made for communications/media service, as well as architectural and engineering services.

MEDC Expenditures – YTD through December

Sales Tax Analysis-

Below are three links that show some unique analysis for the sales tax of the McKinney Economic Development Corporation and the City of McKinney at large. The first two links relate directly to the sales tax performance, and the third is a picture of the city's collection by industry:

FY2017 Monthly Sales Tax Comparison

MEDC – Historic Sales Tax Comparison: December

City of McKinney – Sales Tax by Industry

Project Details-

Project details for the McKinney Economic Development Corporation are provided as an attachment.

Checks Issued-

Below is a link to the checks that were issued by the McKinney Economic Development Corporation during the month of December:

MEDC December Checks Issued

Conclusion-

The information included in the interactive monthly financial report is intended to provide a status update on the operations of the McKinney Economic Development Corporation. Staff is available to answer any additional questions you may have.

Sincerely,

Mark Holloway

Chief Financial Officer

City of McKinney

McKinney Economic Development Corporation

Summary Operating Statement

December 2016 (25% of FY Complete)

Revenues	FY17 Adopted Budget	Monthly Actual	YTD Actual	Remaining Budget	Budget Received	Monthly Comparison: Monthly Budget	Monthly Comparison: Monthly Variance	YTD Comparison: YTD Budget	YTD Comparison: YTD Variance
Sales Tax	$ 10,750,000	$ 929,699	$ 3,111,485	$ 7,638,515	28.9%	$ 895,833	$ 33,866	$ 2,687,500	$ 423,985
Interest Income	75,300	16,776	51,621	23,679	68.6%	6,275	10,501	18,825	32,796
Total Revenues	**$ 10,825,300**	**$ 946,475**	**$ 3,163,105**	**$ 7,662,195**	**29.2%**	**$ 902,108**	**$ 44,367**	**$ 2,706,325**	**$ 456,780**

Expenditures	FY17 Adopted Budget	Monthly Actual	YTD Actual	Remaining Budget	Budget Spent	Monthly Budget	Monthly Variance	YTD Budget	YTD Variance
MEDC Operations									
Personnel	$ 878,819	$ 92,474	$ 212,554	$ 666,265	24.2%	$ 73,235	$ (19,239)	$ 219,705	$ 7,151
Supplies	58,000	2,544	5,435	52,565	9.4%	4,833	2,290	14,500	9,065
Maintenance	29,000	-	-	29,000	0.0%	2,417	2,417	7,250	7,250
Services/Sundry	801,519	78,064	164,503	637,016	20.5%	66,793	(11,271)	200,380	35,877
Total MEDC Operational Exp.	**$ 1,767,338**	**$ 173,082**	**$ 382,492**	**$ 1,384,846**	**21.6%**	**$ 147,278**	**$ (25,804)**	**$ 441,835**	**$ 59,343**
Projects									
Committed Projects	$ 11,817,086	$ 5,000	$ 27,167	$ 11,789,919	0.2%	$ 984,757	$ 979,757	$ 2,954,272	$ 2,927,105
Other Project Expenses	210,000	544	576	209,424	0.3%	17,500	16,956	52,500	51,924
Total Project Expenses	**$ 12,027,086**	**$ 5,544**	**$ 27,743**	**$ 11,999,343**	**0.2%**	**$ 1,002,257**	**$ 996,713**	**$ 3,006,772**	**$ 2,979,029**
Non-Departmental									
Other - Adm Fee	$ 290,000	$ 24,167	$ 72,500	$ 217,500	25.0%	$ 24,167	$ -	$ 72,500	$ -
Insurance & Risk Fund	$ 1,708	142	427	1,281	25.0%	142	-	427	-
MEDC I & S Fund	2,405,887	200,491	601,472	1,804,415	25.0%	200,491	-	601,472	-
Total Non-Departmental Expenses	**$ 2,697,595**	**$ 224,800**	**$ 674,399**	**$ 2,023,196**	**25.0%**	**$ 226,883**	**$ 2,083**	**$ 674,399**	**$ -**
Total Expenses	**$ 16,492,019**	**$ 403,426**	**$ 1,084,633**	**$ 15,407,386**	**6.6%**	**$ 1,376,418**	**$ 972,993**	**$ 4,123,005**	**$ 3,038,371**
Net	**$ (5,666,719)**	**$ 543,050**	**$ 2,078,472**			**$ (474,310)**	**$ 1,017,360**	**$ (1,416,680)**	**$ 3,495,152**

FY17 Beginning Fund Balance	**$ 31,518,766**
Add FY17 Budgeted Revenue	**10,825,300**
Less FY17 Budgeted Expense	**(16,492,019)**
FY17 Proj. End Fund Balance	**$ 25,852,047**

Debt Service / Project Details

December 2016

Debt Service Payments	Project Code	FY17 Adopted Budget	FY17 Budget Transfers	Monthly Actual	YTD Actual	Remaining Budget	YTD Budget Spent
Gateway	E00010	946,765	-	78,897	236,691	710,074	25.0%
University Park	E97030	824,159	-	68,680	206,040	618,119	25.0%
Replacement Runway	n/a	634,963	-	52,914	158,741	476,222	25.0%
Total Debt Service Payments		**$ 2,405,887**	**$ -**	**$ 200,491**	**$ 601,472**	**$ 1,804,415**	**25.0%**

Committed Projects		FY17 Adopted Budget	FY17 Budget Transfers	Monthly Actual	YTD Actual	Remaining Budget	YTD Budget Disbursed
Perfectly Green	E12019	110,000	-	-	-	110,000	0.0%
Raytheon	E13005	1,530,000	-	-	-	1,530,000	0.0%
Statlab	E13007	157,500	-	-	-	157,500	0.0%
Hisun	E13011	126,000	-	-	-	126,000	0.0%
Wistron II	E14002	240,000	-	-	-	240,000	0.0%
O'Hara Flying Service	E14003	120,000	-	-	-	120,000	0.0%
Ag-Power, Inc	E14004	160,000	-	-	-	160,000	0.0%
Headington Energy	E14010	160,000	-	-	-	160,000	0.0%
Playful	E14016	75,000	-	-	-	75,000	0.0%
Encore Wire	E14017	930,000	-	-	-	930,000	0.0%
AIM	E14021	69,000	-	-	-	69,000	0.0%
Popular Ink II	E15005	24,000	-	-	-	24,000	0.0%
Wright IMC	E15007	108,000	-	-	-	108,000	0.0%
Accent Care	E15008	169,020	-	-	-	169,020	0.0%
Horizon Data Center	E15010	256,000	-	-	-	256,000	0.0%
Blount Fine Food Corp	E16001	510,000	-	-	-	510,000	0.0%
Cookies-N-Milk	E16002	44,480	-	-	-	44,480	0.0%
Undesignated FY 17		6,477,486	-	-	-	6,477,486	0.0%
Total Committed Projects		**$ 11,266,486**	**$ -**	**$ -**	**$ -**	**$ 11,266,486**	**0.0%**

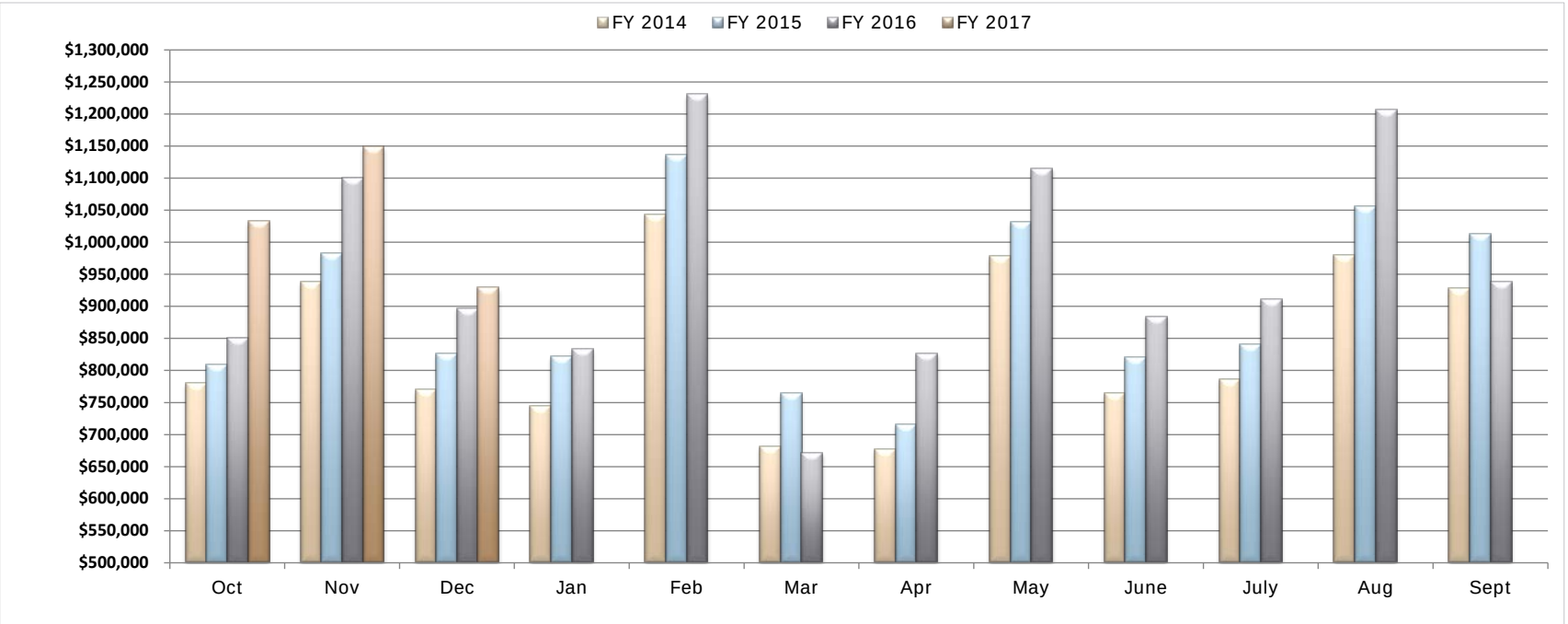
Emerging Technologies		FY17 Adopted Budget	FY17 Budget Transfers	Monthly Actual	YTD Actual	Remaining Budget	YTD Budget Disbursed
Munzee	E14015	-	4,167	-	4,167	-	100.0%
Werx in McKinney Inc,	E15001	23,000	-	5,000	23,000	-	100.0%
Pest Routes	E15006	27,600	-	-	-	27,600	0.0%
Undesignated FY 17		500,000	(4,167)	-	-	495,833	0.0%
Total Emerging Technologies		**$ 550,600**	**$ -**	**$ 5,000**	**$ 27,167**	**$ 523,433**	**4.9%**
Total Projects		**$ 11,817,086**	**$ -**	**$ 5,000**	**$ 27,167**	**$ 11,789,920**	**0.2%**

McKinney Economic Development Corporation

Sales Tax Revenue

December 2016

Month Received	FY 2012 Received	FY 2013 Received	FY 2014 Received	FY 2015 Received	FY 2016 Received	FY 2017 Received	Difference to FY 2016	Variance to FY 2016	% of Budget
October	$677,019	$716,718	$780,694	$809,613	$851,178	**$1,032,847**	**$181,669**	**21.3%**	**9.6%**
November	788,763	1,039,163	938,090	982,351	1,101,106	**1,148,939**	**$47,832**	**4.3%**	**20.3%**
December	590,569	722,045	770,221	826,009	897,304	**929,699**	**$32,395**	**3.6%**	**28.9%**
January	652,773	669,397	744,988	821,731	833,503				
February	900,507	1,231,993	1,043,205	1,136,044	1,231,183				
March	582,592	666,620	681,914	764,445	671,518				
April	563,639	676,334	677,086	716,258	825,953				
May	837,767	903,002	978,399	1,031,572	1,114,575				
June	646,007	703,897	765,309	820,908	884,501				
July	678,542	694,500	787,000	840,355	910,886				
August	845,911	951,437	980,251	1,055,774	1,207,558				
September	995,666	725,552	928,323	1,013,186	938,767				
Total	**$8,759,753**	**$9,700,659**	**$10,075,479**	**$10,818,246**	**$11,468,033**	**$3,111,485**	**$261,897**	**9.2%**	**28.9%**

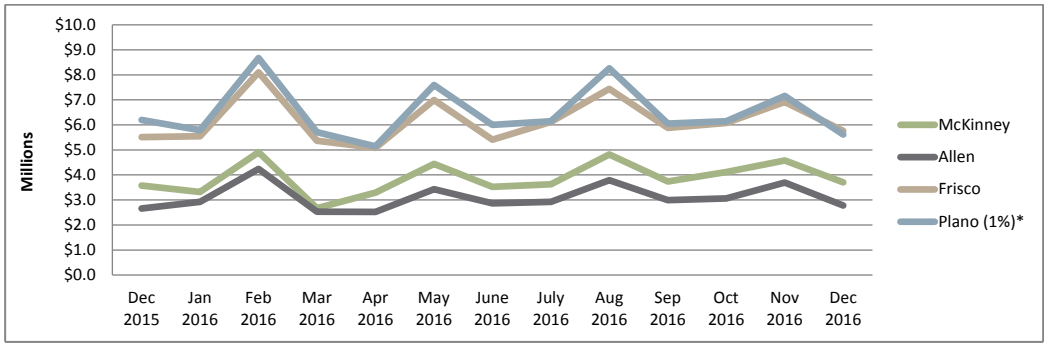


TOTAL SALES TAX COLLECTED

Sister City Comparison

Dec 2016	McKinney	Allen	Frisco	Plano (1%)*
Diff to LY	$129,047	$123,154	$249,199	-$580,485
Var to LY	3.6%	4.6%	4.5%	-9.4%

Year To Date	McKinney	Allen	Frisco	Plano (1%)*
Diff to LY	$1,046,130	$753,560	-$361,774	$751,105
Var to LY	9.2%	8.6%	-1.9%	4.1%



Year-to-Date Collections

FY 2016	McKinney	Allen	Frisco	Plano 1% *
Oct 2015	$3,389,959	$2,697,390	$6,390,476	$5,419,975
Nov 2015	4,389,632	3,428,833	7,212,966	6,559,191
Dec 2015	**3,574,431**	**2,655,217**	**5,508,523**	**6,194,708**
FY 2016 Total	**$11,354,023**	**$8,781,440**	**$19,111,965**	**$18,173,874**

FY 2017	McKinney	Allen	Frisco	Plano 1% *
Oct 2016	$4,116,182	$3,061,944	$6,075,708	$6,150,300
Nov 2016	4,580,493	3,694,686	6,916,761	7,160,454
Dec 2016	3,703,478	2,778,371	5,757,723	5,614,224
FY 2017 Total	**$12,400,152**	**$9,535,000**	**$18,750,191**	**$18,924,978**

** State Comptroller reports 1% sales tax for City of Plano and 1% for DART. All other Sister Cities represent 2% sales tax.*

McKinney Economic Development Corporation

Balance Sheet

December 2016

	MEDC Operations	Interest and Sinking	Reserve Fund	Long-Term Debt	General Fixed Assets	Total
Assets						
Cash and Cash Equivalents	$ 1,321,857	$ 524,583	$ 20,309	$ -	$ -	$ 1,866,749
Investment Pools	30,104,316	-	1,582,150	-	-	31,686,467
Accounts Receivable/Other Taxes & Franchise Fees	2,177,970	-	-	-	-	2,177,970
Deposits/Security Deposits	5,528	-	-	-	-	5,528
Land	-	-	-	-	15,007,272	15,007,272
Land Improvements (Net of Depreciation)	-	-	-	-	24,704	24,704
Machinery & Equipment (Net of Depreciation)	-	-	-	-	1,614	1,614
GASB 68 TMRS/Actuarial	-	-	-	15,101	-	15,101
GASB 68 TMRS/Investment	-	-	-	110,441	-	110,441
GASB 68 TMRS/Contributions	-	-	-	69,137	-	69,137
Total Assets	**$ 33,609,671**	**$ 524,583**	**$ 1,602,459**	**$ 194,679**	**$ 15,033,590**	**$ 50,964,982**
Other Debits						
Amount Available for Debt Service	$ -	$ -	$ -	$ 1,600,637	$ -	$ 1,600,637
Amount Provided for Retirement of Long-term Debt	-	-	-	12,912,873	-	12,912,873
Total Other Debits	**$ -**	**$ -**	**$ -**	**$ 14,513,509**	**$ -**	**$ 14,513,509**
Total Assets and Other Debits	**$ 33,609,671**	**$ 524,583**	**$ 1,602,459**	**$ 14,708,188**	**$ 15,033,590**	**$ 65,478,492**
Liabilities						
Vouchers Payable	$ 12,434	$ 500	$ -	$ -	$ -	$ 12,934
Compensated Absences Payable	-	-	-	66,549	-	66,549
Accrued Interest Payable	-	-	-	44,383	-	44,383
Note Payable to Primary Government	-	-	-	2,423,840	-	2,423,840
Bonds Payable	-	-	-	11,710,000	-	11,710,000
TMRS Pension Liability	-	-	-	449,980	-	449,980
TMRS Actuarial Experience	-	-	-	13,436	-	13,436
Total Liabilities	**$ 12,434**	**$ 500**	**$ -**	**$ 14,708,188**	**$ -**	**$ 14,721,122**
Fund Balances/Equity						
Reserve for Encumbrances	$ 99,917	$ -	$ -	$ -	$ -	$ 99,917
Unreserved Fund Balance	33,497,320	524,083	1,602,459		-	35,623,862
Investment and Capital Assets	-	-	-	-	15,033,590	15,033,590
Total Fund Balances/Equity	**$ 33,597,237**	**$ 524,083**	**$ 1,602,459**	**$ -**	**$ 15,033,590**	**$ 50,757,370**
Total Liabilities and Fund Balances	**$ 33,609,671**	**$ 524,583**	**$ 1,602,459**	**$ 14,708,188**	**$ 15,033,590**	**$ 65,478,492**

McKINNEY ECONOMIC DEVELOPMENT CORPORATION

Checks Issued: December 2016

DATE	NUMBER	DESCRIPTION	AMOUNT	FPO #	PO #
12/2/2016	932	The WERX (Proj#E15001) Grant Reimbursement	$5,000.00		170139
12/2/2016	933	Fredshots Photography (Holiday Card photos)	$200.00	F32060	
12/2/2016	934	J. Valencia Mileage Reimbursement (November 2016)	$96.12	F32061	
12/6/2016	935	Brown & Hofmeister (General)	$2,348.00	F32079	
12/6/2016	936	Brown & Hofmeister (Encore Wire)	$160.00	F32080	
12/6/2016	937	Brown & Hofmeister (Board Meetings)	$352.00	F32081	
12/6/2016	938	Brown & Hofmeister (Simpson Strong Tie)	$32.00	F32082	
12/6/2016	939	Brown & Hofmeister (StatLab)	$384.00	F32083	
12/6/2016	940	Brown & Hofmeister (TPUSA)	$1,138.00	F32084	
12/6/2016	941	Standard Coffee	$42.61		170140
12/9/2016	942	A. Liu Mileage Reimbursement (Oct/Nov'16)	$163.89	F32112	
12/9/2016	943	McKinney Chamber (MYP Sponsorship)	$500.00	F32110	
12/9/2016	944	Dallas Regional Chamber (Annual Membership Marketing Team)	$2,500.00	F32109	
12/9/2016	945	Foliage Design (Office Plant Care)(December)	$105.00		170049
12/9/2016	946	Foliage Design (Holiday Tree/Poinsettias)	$880.00		170779
12/9/2016	947	Ink Publishing (Half Page-American Way Spotlight)	$17,750.00		170763
12/9/2016	948	Foliage Design (Office Plant Care)(November)	$105.00		170049
12/13/2016	949	Harmon Fire Extinguisher Service (Annual Inspection)	$40.44	F32125	
12/13/2016	950	TEDC (TexasOne Developer Membership-Annual)	$25,000.00	F32126	
12/21/2016	951	Kimley Horn & Assoc.	$15,370.00		170745
12/21/2016	952	Lake Forest McKinney Investors			
		Rent	$5,103.00		170165
		Electric	$382.77		170165
12/21/2016	953	A. Liu Mileage Reimbursement (Dec'16)	$198.19	F32187	
12/27/2016	954	TEDC (Sales Tax Training-D. Auterson)	$175.00	F32210	

17-301

TITLE: Consider/Discuss/Act on January Financials

SUPPORTING MATERIALS:

- January Transmittal Letter
- January Financials
- January Checks

January Monthly Financial Report

February 21, 2017

Each month, city staff provides a financial report to the McKinney Economic Development Corporation's board to apprise them of the financial status of the corporation. In an effort to continue providing meaningful financial updates, this transmittal letter includes links to the interactive online financial tool for the month of January. The following is a brief analysis of each section of the corporation's financials.

January Analysis

MEDC Revenue-

Revenue of the McKinney Economic Development Corporation is above budget YTD by 15.59%. Sales tax figures came in 11.23% above last year's collection through January. Below is a link to the current year-to-date revenue of the MEDC:

MEDC Revenues – YTD through January

MEDC Expenditures-

Expenditures of the McKinney Economic Development Corporation are continue to be under budget due to savings in rebate expenditures paid out for incentives. However, during the month of January MEDC paid $65,798.33 to The Werx. In addition, a payment of $25,000 was made for the MEDC's Texas One-Developer membership.

MEDC Expenditures – YTD through January

Sales Tax Analysis-

Below are three links that show some unique analysis for the sales tax of the McKinney Economic Development Corporation and the City of McKinney at large. The first two links relate directly to the sales tax performance, and the third is a picture of the city's collection by industry:

FY2017 Monthly Sales Tax Comparison

MEDC – Historic Sales Tax Comparison: January

City of McKinney – Sales Tax by Industry

Project Details-

Project details for the McKinney Economic Development Corporation are provided as an attachment.

Checks Issued-

Below is a link to the checks that were issued by the McKinney Economic Development Corporation during the month of January:

MEDC January Checks Issued

Conclusion-

The information included in the interactive monthly financial report is intended to provide a status update on the operations of the McKinney Economic Development Corporation. Staff is available to answer any additional questions you may have.

Sincerely,

Mark Holloway

Chief Financial Officer

City of McKinney

McKinney Economic Development Corporation

Summary Operating Statement

January 2017 (33% of FY Complete)

Revenues	FY17 Adopted Budget	Monthly Actual	YTD Actual	Remaining Budget	Budget Received	Monthly Comparison: Monthly Budget	Monthly Comparison: Monthly Variance	YTD Comparison: YTD Budget	YTD Comparison: YTD Variance
Sales Tax	$ 10,750,000	$ 985,393	$ 4,096,878	$ 6,653,122	38.1%	$ 895,833	$ 89,560	$ 3,583,333	$ 513,544
Interest Income	75,300	22,322	73,943	1,357	98.2%	6,275	16,047	25,100	48,843
Total Revenues	**$ 10,825,300**	**$ 1,007,715**	**$ 4,170,820**	**$ 6,654,480**	**38.5%**	**$ 902,108**	**$ 105,607**	**$ 3,608,433**	**$ 562,387**

Expenditures	FY17 Adopted Budget	Monthly Actual	YTD Actual	Remaining Budget	Budget Spent	Monthly Budget	Monthly Variance	YTD Budget	YTD Variance
MEDC Operations									
Personnel	$ 878,819	$ 87,709	$ 300,263	$ 578,556	34.2%	$ 73,235	$ (14,474)	$ 292,940	$ (7,323)
Supplies	58,000	1,627	7,062	50,938	12.2%	4,833	3,206	19,333	12,271
Maintenance	29,000	-	-	29,000	0.0%	2,417	2,417	9,667	9,667
Services/Sundry	871,519	43,511	208,014	663,505	23.9%	72,627	29,116	290,506	82,493
Total MEDC Operational Exp.	**$ 1,837,338**	**$ 132,847**	**$ 515,339**	**$ 1,321,999**	**28.0%**	**$ 153,112**	**$ 20,265**	**$ 612,446**	**$ 97,107**
Projects									
Committed Projects	$ 11,817,086	$ 65,798	$ 92,965	$ 11,724,121	0.8%	$ 984,757	$ 918,959	$ 3,939,029	$ 3,846,064
Other Project Expenses	140,000	-	576	139,424	0.4%	11,667	11,667	46,667	46,091
Total Project Expenses	**$ 11,957,086**	**$ 65,798**	**$ 93,541**	**$ 11,863,545**	**0.8%**	**$ 996,424**	**$ 930,626**	**$ 3,985,695**	**$ 3,892,154**
Non-Departmental									
Other - Adm Fee	$ 290,000	$ 24,167	$ 96,667	$ 193,333	33.3%	$ 24,167	$ -	$ 96,667	$ -
Insurance & Risk Fund	$ 1,708	142	569	1,139	33.3%	142	-	569	-
MEDC I & S Fund	2,405,887	200,491	801,962	1,603,925	33.3%	200,491	-	801,962	-
Total Non-Departmental Expenses	**$ 2,697,595**	**$ 224,800**	**$ 899,198**	**$ 1,798,397**	**33.3%**	**$ 226,883**	**$ 2,083**	**$ 899,198**	**$ -**
Total Expenses	**$ 16,492,019**	**$ 423,445**	**$ 1,508,078**	**$ 14,983,941**	**9.1%**	**$ 1,376,418**	**$ 952,974**	**$ 5,497,340**	**$ 3,989,262**
Net	**$ (5,666,719)**	**$ 584,270**	**$ 2,662,742**			**$ (474,310)**	**$ 1,058,580**	**$ (1,888,906)**	**$ 4,551,649**

FY17 Beginning Fund Balance	**$ 31,518,766**
Add FY17 Budgeted Revenue	**10,825,300**
Less FY17 Budgeted Expense	**(16,492,019)**
FY17 Proj. End Fund Balance	**$ 25,852,047**

Debt Service / Project Details

January 2017

Debt Service Payments	Project Code	FY17 Adopted Budget	FY17 Budget Transfers	Monthly Actual	YTD Actual	Remaining Budget	YTD Budget Spent
Gateway	E00010	946,765	-	78,897	315,588	631,177	33.3%
University Park	E97030	824,159	-	68,680	274,720	549,439	33.3%
Replacement Runway	n/a	634,963	-	52,914	211,654	423,309	33.3%
Total Debt Service Payments		**$ 2,405,887**	**$ -**	**$ 200,491**	**$ 801,962**	**$ 1,603,925**	**33.3%**

Committed Projects		FY17 Adopted Budget	FY17 Budget Transfers	Monthly Actual	YTD Actual	Remaining Budget	YTD Budget Disbursed
Perfectly Green	E12019	110,000	-	-	-	110,000	0.0%
Raytheon	E13005	1,530,000	-	-	-	1,530,000	0.0%
Statlab	E13007	157,500	-	-	-	157,500	0.0%
Hisun	E13011	126,000	-	-	-	126,000	0.0%
Wistron II	E14002	240,000	-	-	-	240,000	0.0%
O'Hara Flying Service	E14003	120,000	-	-	-	120,000	0.0%
Ag-Power, Inc	E14004	160,000	-	-	-	160,000	0.0%
Headington Energy	E14010	160,000	-	-	-	160,000	0.0%
Playful	E14016	75,000	-	-	-	75,000	0.0%
Encore Wire	E14017	930,000	-	-	-	930,000	0.0%
AIM	E14021	69,000	-	-	-	69,000	0.0%
Popular Ink II	E15005	24,000	-	-	-	24,000	0.0%
Wright IMC	E15007	108,000	-	-	-	108,000	0.0%
Accent Care	E15008	169,020	-	-	-	169,020	0.0%
Horizon Data Center	E15010	256,000	-	-	-	256,000	0.0%
Blount Fine Food Corp	E16001	510,000	-	-	-	510,000	0.0%
Cookies-N-Milk	E16002	44,480	-	-	-	44,480	0.0%
Werx (Grant Match)	E17001	-	162,145	54,048	54,048	108,097	33.3%
Undesignated FY 17		6,477,486	(162,145)	-	-	6,315,341	0.0%
Total Committed Projects		**$ 11,266,486**	**$ -**	**$ 54,048**	**$ 54,048**	**$ 11,212,438**	**0.5%**

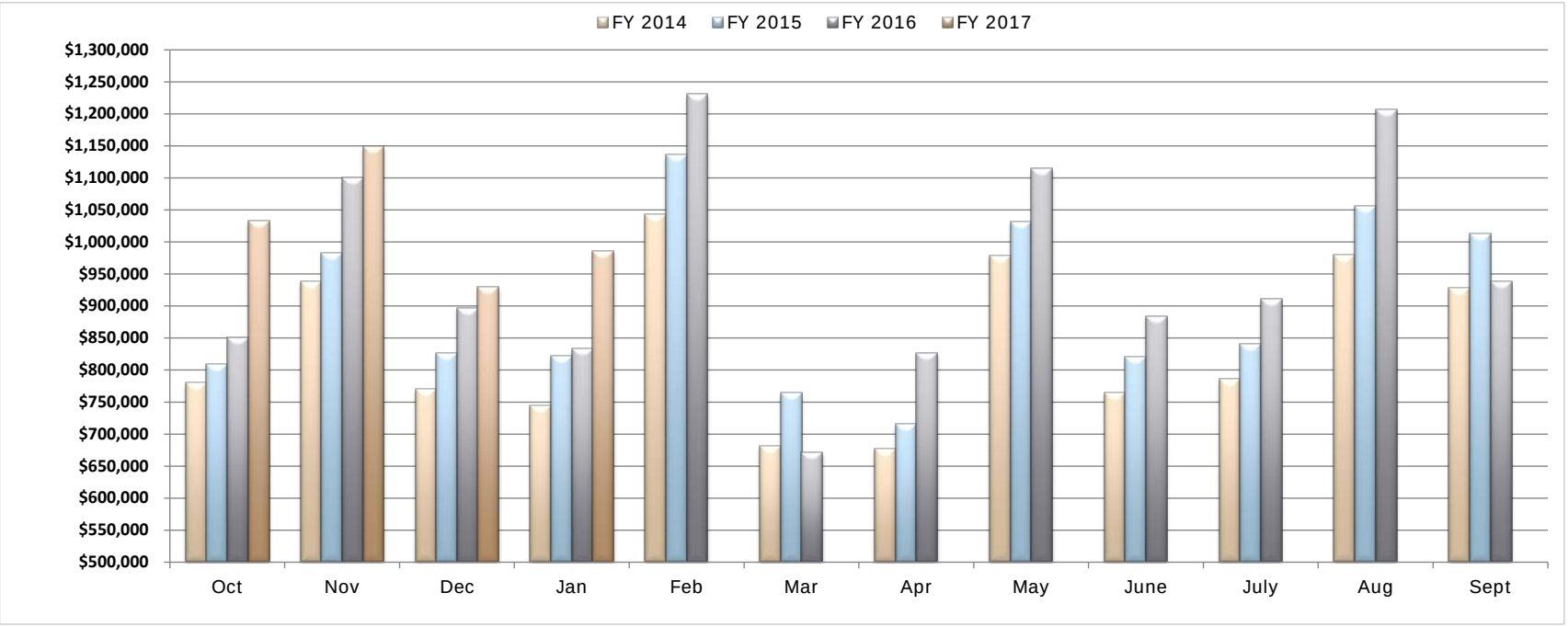
Emerging Technologies		FY17 Adopted Budget	FY17 Budget Transfers	Monthly Actual	YTD Actual	Remaining Budget	YTD Budget Disbursed
Munzee	E14015	-	4,167	-	4,167	-	100.0%
Werx in McKinney Inc,	E15001	23,000	47,000	11,750	34,750	35,250	49.6%
Pest Routes	E15006	27,600	-	-	-	27,600	0.0%
Undesignated FY 17		500,000	(51,167)	-	-	448,833	0.0%
Total Emerging Technologies		**$ 550,600**	**$ -**	**$ 11,750**	**$ 38,917**	**$ 511,683**	**7.1%**
Total Projects		**$ 11,817,086**	**$ -**	**$ 65,798**	**$ 92,965**	**$ 11,724,121**	**0.8%**

McKinney Economic Development Corporation

Sales Tax Revenue

January 2017

Month Received	FY 2012 Received	FY 2013 Received	FY 2014 Received	FY 2015 Received	FY 2016 Received	FY 2017 Received	Difference to FY 2016	Variance to FY 2016	% of Budget
October	$677,019	$716,718	$780,694	$809,613	$851,178	**$1,032,847**	**$181,669**	**21.3%**	**9.6%**
November	788,763	1,039,163	938,090	982,351	1,101,106	**1,148,939**	**$47,832**	**4.3%**	**20.3%**
December	590,569	722,045	770,221	826,009	897,304	**929,699**	**$32,395**	**3.6%**	**28.9%**
January	652,773	669,397	744,988	821,731	833,503	**985,393**	**$151,890**	**18.2%**	**38.1%**
February	900,507	1,231,993	1,043,205	1,136,044	1,231,183				
March	582,592	666,620	681,914	764,445	671,518				
April	563,639	676,334	677,086	716,258	825,953				
May	837,767	903,002	978,399	1,031,572	1,114,575				
June	646,007	703,897	765,309	820,908	884,501				
July	678,542	694,500	787,000	840,355	910,886				
August	845,911	951,437	980,251	1,055,774	1,207,558				
September	995,666	725,552	928,323	1,013,186	938,767				
Total	**$8,759,753**	**$9,700,659**	**$10,075,479**	**$10,818,246**	**$11,468,033**	**$4,096,878**	**$413,787**	**11.2%**	**38.1%**

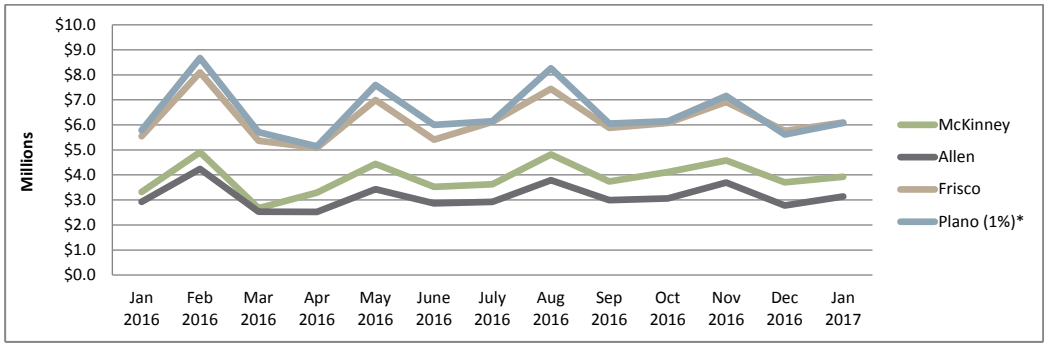


TOTAL SALES TAX COLLECTED

Sister City Comparison

Jan 2017	McKinney	Allen	Frisco	Plano (1%)*
Diff to LY	$607,108	$220,188	$549,027	$291,618
Var to LY	18.3%	7.5%	9.9%	5.0%

Year To Date	McKinney	Allen	Frisco	Plano (1%)*
Diff to LY	$1,653,237	$973,749	$187,253	$1,042,723
Var to LY	11.3%	8.3%	0.8%	4.4%



Year-to-Date Collections

FY 2016	McKinney	Allen	Frisco	Plano 1% *
Oct 2015	$3,389,959	$2,697,390	$6,390,476	$5,419,975
Nov 2015	4,389,632	3,428,833	7,212,966	6,559,191
Dec 2015	3,574,431	2,655,217	5,508,523	6,194,708
Jan 2016	**3,319,142**	**2,920,196**	**5,550,315**	**5,785,538**
FY 2016 Total	**$14,673,165**	**$11,701,636**	**$24,662,280**	**$23,959,411**

FY 2017	McKinney	Allen	Frisco	Plano 1% *
Oct 2016	$4,116,182	$3,061,944	$6,075,708	$6,150,300
Nov 2016	4,580,493	3,694,686	6,916,761	7,160,454
Dec 2016	3,703,478	2,778,371	5,757,723	5,614,224
Jan 2017	**3,926,250**	**3,140,385**	**6,099,342**	**6,077,156**
FY 2017 Total	**$16,326,402**	**$12,675,385**	**$24,849,533**	**$25,002,134**

** State Comptroller reports 1% sales tax for City of Plano and 1% for DART. All other Sister Cities represent 2% sales tax.*

McKinney Economic Development Corporation

Balance Sheet

January 2017

	MEDC Operations	Interest and Sinking	Reserve Fund	Long-Term Debt	General Fixed Assets	Total
Assets						
Cash and Cash Equivalents	$ 937,626	$ 723,718	$ 20,310	$ -	$ -	$ 1,681,654
Investment Pools	31,126,581	-	1,583,440	-	-	32,710,021
Accounts Receivable/Other Taxes & Franchise Fees	2,177,970	-	-	-	-	2,177,970
Deposits/Security Deposits	5,528	-	-	-	-	5,528
Deferred Charges/Prepaid Items	1,225	-	-	-	-	1,225
Land	-	-	-	-	15,007,272	15,007,272
Land Improvements (Net of Depreciation)	-	-	-	-	20,408	20,408
Machinery & Equipment (Net of Depreciation)	-	-	-	-	1,255	1,255
GASB 68 TMRS/Actuarial	-	-	-	15,101	-	15,101
GASB 68 TMRS/Investment	-	-	-	110,441	-	110,441
GASB 68 TMRS/Contributions	-	-	-	69,137	-	69,137
Total Assets	**$ 34,248,930**	**$ 723,718**	**$ 1,603,750**	**$ 194,679**	**$ 15,028,935**	**$ 51,800,011**
Other Debits						
Amount Available for Debt Service	$ -	$ -	$ -	$ 1,600,637	$ -	$ 1,600,637
Amount Provided for Retirement of Long-term Debt	-	-	-	12,912,873	-	12,912,873
Total Other Debits	**$ -**	**$ -**	**$ -**	**$ 14,513,509**	**$ -**	**$ 14,513,509**
Total Assets and Other Debits	**$ 34,248,930**	**$ 723,718**	**$ 1,603,750**	**$ 14,708,188**	**$ 15,028,935**	**$ 66,313,521**
Liabilities						
Vouchers Payable	$ 67,422	$ -	$ -	$ -	$ -	$ 67,422
Compensated Absences Payable	-	-	-	66,549	-	66,549
Accrued Interest Payable	-	-	-	44,383	-	44,383
Note Payable to Primary Government	-	-	-	2,423,840	-	2,423,840
Bonds Payable	-	-	-	11,710,000	-	11,710,000
TMRS Pension Liability	-	-	-	449,980	-	449,980
TMRS Actuarial Experience	-	-	-	13,436	-	13,436
Total Liabilities	**$ 67,422**	**$ -**	**$ -**	**$ 14,708,188**	**$ -**	**$ 14,775,610**
Fund Balances/Equity						
Reserve for Encumbrances	$ 129,224	$ -	$ -	$ -	$ -	$ 129,224
Unreserved Fund Balance	34,052,284	723,718	1,603,750		-	36,379,752
Investment in Capital Assets	-	-	-	-	15,028,935	15,028,935
Total Fund Balances/Equity	**$ 34,181,508**	**$ 723,718**	**$ 1,603,750**	**$ -**	**$ 15,028,935**	**$ 51,537,910**
Total Liabilities and Fund Balances	**$ 34,248,930**	**$ 723,718**	**$ 1,603,750**	**$ 14,708,188**	**$ 15,028,935**	**$ 66,313,521**

McKINNEY ECONOMIC DEVELOPMENT CORPORATION

Checks Issued: January 2017

DATE	NUMBER	DESCRIPTION	AMOUNT	FPO #	PO #
1/9/2017	955	Standard Coffee Service	$30.68		170140
1/9/2017	956	Foliage Design System (Office Plant Care)	$105.00		170049
1/9/2017	957	Pitney Bowes (Postage Machine)	$243.00		170843
1/9/2017	958	Dimaco Ltd (MEDC Holiday Cards-Print)	$270.73		170436
1/10/2017	959	A. Liu Mileage Reimbursement (Dec'16)	$198.19	F32285	
1/10/2017	960	S. Van Slycke Mileage Reimbursement (Nov/Dec'16)	$59.50	F32286	
1/10/2017	961	Brown & Hofmeister (General)	$2,559.50	F32287	
1/10/2017	962	Brown & Hofmeister (Cotiviti)	$320.00	F32293	
1/10/2017	963	Brown & Hofmeister (Red River)	$240.00	F32292	
1/10/2017	964	Brown & Hofmeister (Service First)	$64.00	F32291	
1/10/2017	965	Brown & Hofmeister (TPUSA)	$2,150.00	F32290	
1/10/2017	966	Brown & Hofmeister (Simpson StrongTie)	$681.00	F32289	
1/10/2017	967	Brown & Hofmeister (Board Meetings)	$832.00	F32288	
1/13/2017	968	The WERX I6 Matching Grant Reimbursement (1st Year of 3)	$54,048.33		170925
1/13/2017	969	Dun & Bradstreet (Hoovers Online Subscription)	$1,138.09		170923
1/13/2017	970	Greater Dallas Taiwanese Chamber (Sponsorship-Chinese NY Gala)	$1,200.00	F32322	
1/13/2017	971	4-D Property Maintenance (Oct-Nov 2016 Services)	$1,404.00		170924
1/20/2017	972	NCTCOG (Bronze Sponsorship-Workforce Solutions)	$250.00	F32356	
1/20/2017	973	McKinney Chamber (VIP Reception Sponsorship-1/31/17)	$500.00	F32354	
1/20/2017	974	McKinney Chamber (QTRLY Luncheon-Sipiora 1/31/17))	$50.00	F32353	
1/20/2017	975	McKinney Chamber (QTRLY Luncheon-MEDC Staff 1/31/17))	$200.00	F32352	
1/20/2017	976	D Magazine (December issue)	$1,572.50	F32351	
1/23/2017	977	TadZo (Strategic Plan Consultant)	$10,750.00		170947
1/23/2017	978	McKinney Chamber (QTRLY Luncheon-Denny/Burress 1/31/17)	$100.00	F32385	
1/23/2017	979	Impact Datasource Dashboard License (A.Liu)	$3,675.00		170954
1/23/2017	980	Lake Forest McKinney Investors			
		Rent	$5,103.00		170165
		Electric	$460.27		170165
1/24/2017	981	The WERX (Bridge Agreement-Project #E15-001)1st of 4 payments	$11,750.00		170967
1/25/2017	982	Salesforce.com (5 Licenses for MEDC staff)(Annual contract)	$3,880.80	F32402	
1/25/2017	983	McKinney Chamber (D.Auterson Collin County Days)	$125.00	F32404	
1/25/2017	984	TEDC (A.Liu Annual Membership)	$500.00	F32405	

17-302

TITLE: Consider/Discuss/Act on February Financials

SUPPORTING MATERIALS:

- February Transmittal Letter
- February Financials
- February Checks

February Monthly Financial Report

March 21, 2017

Each month, city staff provides a financial report to the McKinney Economic Development Corporation's board to apprise them of the financial status of the corporation. In an effort to continue providing meaningful financial updates, this transmittal letter includes links to the interactive online financial tool for the month of February. The following is a brief analysis of each section of the corporation's financials.

February Analysis

MEDC Revenue-

Revenue of the McKinney Economic Development Corporation is above budget YTD by 22.5%. Sales tax figures came in 10.5% above last year's collection through February. Below is a link to the current year-to-date revenue of the MEDC:

MEDC Revenues – YTD through February

MEDC Expenditures-

Expenditures of the McKinney Economic Development Corporation are continue to be under budget due to savings in rebate expenditures paid out for incentives. However, during the month of February MEDC paid $11,750 to The Werx.

MEDC Expenditures – YTD through February

Sales Tax Analysis-

Below are three links that show some unique analysis for the sales tax of the McKinney Economic Development Corporation and the City of McKinney at large. The first two links relate directly to the sales tax performance, and the third is a picture of the city's collection by industry:

FY2017 Monthly Sales Tax Comparison

MEDC – Historic Sales Tax Comparison: February

City of McKinney – Sales Tax by Industry

Project Details-

Project details for the McKinney Economic Development Corporation are provided as an attachment.

Checks Issued-

Below is a link to the checks that were issued by the McKinney Economic Development Corporation during the month of February:

MEDC February Checks Issued

Conclusion-

The information included in the interactive monthly financial report is intended to provide a status update on the operations of the McKinney Economic Development Corporation. Staff is available to answer any additional questions you may have.

Sincerely,

Mark Holloway

Chief Financial Officer

City of McKinney

McKinney Economic Development Corporation

Summary Operating Statement

February 2017 (42% of FY Complete)

Revenues	FY17 Adopted Budget	Monthly Actual	YTD Actual	Remaining Budget	Budget Received	Monthly Comparison: Monthly Budget	Monthly Comparison: Monthly Variance	YTD Comparison: YTD Budget	YTD Comparison: YTD Variance
Sales Tax	$ 10,750,000	$ 1,334,043	$ 5,430,921	$ 5,319,079	50.5%	$ 895,833	$ 438,210	$ 4,479,167	$ 951,754
Interest Income	75,300	20,508	94,451	(19,151)	125.4%	6,275	14,233	31,375	63,076
Total Revenues	**$ 10,825,300**	**$ 1,354,551**	**$ 5,525,372**	**$ 5,299,928**	**51.0%**	**$ 902,108**	**$ 452,443**	**$ 4,510,542**	**$ 1,014,830**

Expenditures	FY17 Adopted Budget	Monthly Actual	YTD Actual	Remaining Budget	Budget Spent	Monthly Budget	Monthly Variance	YTD Budget	YTD Variance
MEDC Operations									
Personnel	$ 878,819	$ 65,433	$ 365,696	$ 513,123	41.6%	$ 73,235	$ 7,801	$ 366,175	$ 478
Supplies	58,000	1,904	8,966	49,034	15.5%	4,833	2,930	24,167	15,201
Maintenance	29,000	-	-	29,000	0.0%	2,417	2,417	12,083	12,083
Services/Sundry	871,519	58,181	266,195	605,324	30.5%	72,627	14,446	363,133	96,938
Total MEDC Operational Exp.	**$ 1,837,338**	**$ 125,518**	**$ 640,857**	**$ 1,196,481**	**34.9%**	**$ 153,112**	**$ 27,593**	**$ 765,558**	**$ 124,701**
Projects									
Committed Projects	$ 11,817,086	$ 102,700	$ 195,665	$ 11,621,421	1.7%	$ 984,757	$ 882,057	$ 4,923,786	$ 4,728,121
Other Project Expenses	140,000	858	1,434	138,567	1.0%	11,667	10,809	58,333	56,900
Total Project Expenses	**$ 11,957,086**	**$ 103,558**	**$ 197,099**	**$ 11,759,988**	**1.6%**	**$ 996,424**	**$ 892,866**	**$ 4,982,119**	**$ 4,785,021**
Non-Departmental									
Other - Adm Fee	$ 290,000	$ 24,167	$ 120,833	$ 169,167	41.7%	$ 24,167	$ -	$ 120,833	$ -
Bond Issuance Costs	$ -	$ 2,500	$ 2,500	$ (2,500)		$ -	$ (2,500)	-	$ (2,500)
Insurance & Risk Fund	$ 1,708	142	712	996	41.7%	142	-	712	-
MEDC I & S Fund	2,405,887	200,491	1,002,453	1,403,434	41.7%	200,491	-	1,002,453	-
Total Non-Departmental Expenses	**$ 2,697,595**	**$ 227,300**	**$ 1,126,498**	**$ 1,571,097**	**41.8%**	**$ 226,883**	**$ (417)**	**$ 1,123,998**	**$ (2,500)**
Total Expenses	**$ 16,492,019**	**$ 456,375**	**$ 1,964,453**	**$ 14,527,566**	**11.9%**	**$ 1,376,418**	**$ 920,043**	**$ 6,871,675**	**$ 4,907,221**
Net	**$ (5,666,719)**	**$ 898,176**	**$ 3,560,918**			**$ (474,310)**	**$ 1,372,486**	**$ (2,361,133)**	**$ 5,922,051**

FY17 Beginning Fund Balance	**$ 31,518,766**
Add FY17 Budgeted Revenue	**10,825,300**
Less FY17 Budgeted Expense	**(16,492,019)**
FY17 Proj. End Fund Balance	**$ 25,852,047**

Unaudited

Debt Service / Project Details

February 2017

Debt Service Payments	Project Code	FY17 Adopted Budget	FY17 Budget Transfers	Monthly Actual	YTD Actual	Remaining Budget	YTD Budget Spent
Gateway	E00010	946,765	-	78,897	394,485	552,280	41.7%
University Park	E97030	824,159	-	68,680	343,400	480,759	41.7%
Replacement Runway	n/a	634,963	-	52,914	264,568	370,395	41.7%
Total Debt Service Payments		**$ 2,405,887**	**$ -**	**$ 200,491**	**$ 1,002,453**	**$ 1,403,434**	**41.7%**

Committed Projects		FY17 Adopted Budget	FY17 Budget Transfers	Monthly Actual	YTD Actual	Remaining Budget	YTD Budget Disbursed
Perfectly Green	E12019	110,000	-	-	-	110,000	0.0%
Raytheon	E13005	1,530,000	-	-	-	1,530,000	0.0%
Statlab	E13007	157,500	-	-	-	157,500	0.0%
Hisun	E13011	126,000	-	-	-	126,000	0.0%
Wistron II	E14002	240,000	-	-	-	240,000	0.0%
O'Hara Flying Service	E14003	120,000	-	-	-	120,000	0.0%
Ag-Power, Inc	E14004	160,000	-	-	-	160,000	0.0%
Headington Energy	E14010	160,000	-	-	-	160,000	0.0%
Playful	E14016	75,000	-	75,000	75,000	-	100.0%
Encore Wire	E14017	930,000	-	-	-	930,000	0.0%
AIM	E14021	69,000	-	-	-	69,000	0.0%
Popular Ink II	E15005	24,000	-	-	-	24,000	0.0%
Wright IMC	E15007	108,000	-	-	-	108,000	0.0%
Accent Care	E15008	169,020	-	-	-	169,020	0.0%
Horizon Data Center	E15010	256,000	-	-	-	256,000	0.0%
Blount Fine Food Corp	E16001	510,000	-	-	-	510,000	0.0%
Cookies-N-Milk	E16002	44,480	-	-	-	44,480	0.0%
Werx (Grant Match)	E17001	-	162,145	-	54,048	108,097	33.3%
Undesignated FY 17		6,477,486	(162,145)	-	-	6,315,341	0.0%
Total Committed Projects		**$ 11,266,486**	**$ -**	**$ 75,000**	**$ 129,048**	**$ 11,137,438**	**1.1%**

Emerging Technologies		FY17 Adopted Budget	FY17 Budget Transfers	Monthly Actual	YTD Actual	Remaining Budget	YTD Budget Disbursed
Munzee	E14015	-	4,167	-	4,167	-	100.0%
Werx in McKinney Inc,	E15001	23,000	47,000	23,500	58,250	11,750	83.2%
Pest Routes	E15006	27,600	-	4,200	4,200	23,400	15.2%
Undesignated FY 17		500,000	(51,167)	-	-	448,833	0.0%
Total Emerging Technologies		**$ 550,600**	**$ -**	**$ 27,700**	**$ 66,617**	**$ 483,983**	**12.1%**
Total Projects		**$ 11,817,086**	**$ -**	**$ 102,700**	**$ 195,665**	**$ 11,621,421**	**1.7%**

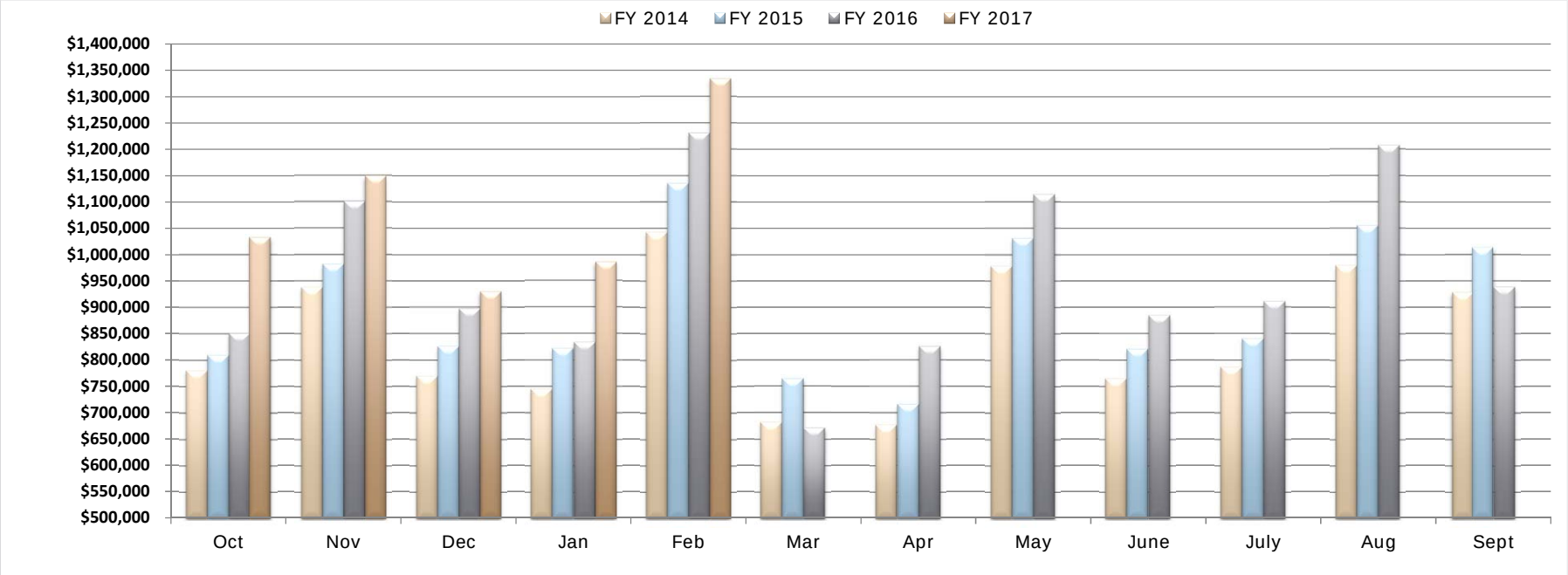
Unaudited

McKinney Economic Development Corporation

Sales Tax Revenue

February 2017

Month Received	FY 2012 Received	FY 2013 Received	FY 2014 Received	FY 2015 Received	FY 2016 Received	FY 2017 Received	Difference to FY 2016	Variance to FY 2016	% of Budget
October	$677,019	$716,718	$780,694	$809,613	$851,178	**$1,032,847**	**$181,669**	**21.3%**	**9.6%**
November	788,763	1,039,163	938,090	982,351	1,101,106	**1,148,939**	**$47,832**	**4.3%**	**20.3%**
December	590,569	722,045	770,221	826,009	897,304	**929,699**	**$32,395**	**3.6%**	**28.9%**
January	652,773	669,397	744,988	821,731	833,503	**985,393**	**$151,890**	**18.2%**	**38.1%**
February	900,507	1,231,993	1,043,205	1,136,044	1,231,183	**1,334,043**	**$102,860**	**8.4%**	**50.5%**
March	582,592	666,620	681,914	764,445	671,518				
April	563,639	676,334	677,086	716,258	825,953				
May	837,767	903,002	978,399	1,031,572	1,114,575				
June	646,007	703,897	765,309	820,908	884,501				
July	678,542	694,500	787,000	840,355	910,886				
August	845,911	951,437	980,251	1,055,774	1,207,558				
September	995,666	725,552	928,323	1,013,186	938,767				
Total	**$8,759,753**	**$9,700,659**	**$10,075,479**	**$10,818,246**	**$11,468,033**	**$5,430,921**	**$516,647**	**10.5%**	**50.5%**



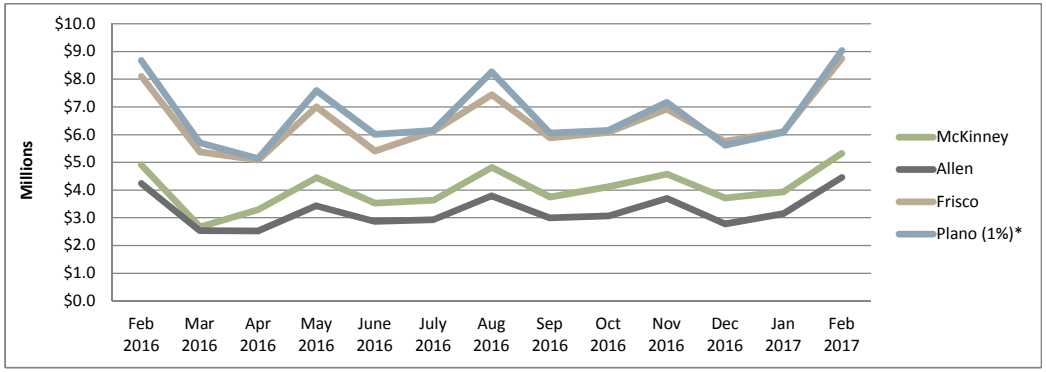
Unaudited

TOTAL SALES TAX COLLECTED

Sister City Comparison

Feb 2017	McKinney	Allen	Frisco	Plano (1%)*
Diff to LY	$410,912	$211,727	$649,619	$359,890
Var to LY	8.4%	5.0%	8.0%	4.2%

Year To Date	McKinney	Allen	Frisco	Plano (1%)*
Diff to LY	$2,064,150	$1,185,476	$836,872	$1,402,613
Var to LY	10.5%	7.4%	2.6%	4.3%



Year-to-Date Collections

FY 2016	McKinney	Allen	Frisco	Plano 1% *
Oct 2015	$3,389,959	$2,697,390	$6,390,476	$5,419,975
Nov 2015	4,389,632	3,428,833	7,212,966	6,559,191
Dec 2015	3,574,431	2,655,217	5,508,523	6,194,708
Jan 2016	3,319,142	2,920,196	5,550,315	5,785,538
Feb 2016	**4,909,813**	**4,240,249**	**8,100,618**	**8,671,921**
FY 2016 Total	**$19,582,978**	**$15,941,885**	**$32,762,899**	**$32,631,332**

FY 2017	McKinney	Allen	Frisco	Plano 1% *
Oct 2016	$4,116,182	$3,061,944	$6,075,708	$6,150,300
Nov 2016	4,580,493	3,694,686	6,916,761	7,160,454
Dec 2016	3,703,478	2,778,371	5,757,723	5,614,224
Jan 2017	3,926,250	3,140,385	6,099,342	6,077,156
Feb 2017	**5,320,725**	**4,451,976**	**8,750,238**	**9,031,811**
FY 2017 Total	**$21,647,128**	**$17,127,361**	**$33,599,771**	**$34,033,945**

** State Comptroller reports 1% sales tax for City of Plano and 1% for DART. All other Sister Cities represent 2% sales tax.*

Unaudited

McKinney Economic Development Corporation

Balance Sheet

February 2017

	MEDC Operations	Interest and Sinking	Reserve Fund	Long-Term Debt	General Fixed Assets	Total
Assets						
Cash and Cash Equivalents	$ 1,927,536	$ 793,856	$ 23,872	$ -	$ -	$ 2,745,265
Investment Pools	31,146,927	-	1,581,059	-	-	32,727,987
Accounts Receivable/Other Taxes & Franchise Fees	2,177,970	-	-	-	-	2,177,970
Deposits/Security Deposits	5,528	-	-	-	-	5,528
Deferred Charges/Prepaid Items	2,225	-	-	-	-	2,225
Land	-	-	-	-	15,007,272	15,007,272
Land Improvements (Net of Depreciation)	-	-	-	-	19,334	19,334
Machinery & Equipment (Net of Depreciation)	-	-	-	-	1,166	1,166
GASB 68 TMRS/Actuarial	-	-	-	15,101	-	15,101
GASB 68 TMRS/Investment	-	-	-	110,441	-	110,441
GASB 68 TMRS/Contributions	-	-	-	69,624	-	69,624
Total Assets	**$ 35,260,187**	**$ 793,856**	**$ 1,604,931**	**$ 195,166**	**$ 15,027,771**	**$ 52,881,912**
Other Debits						
Amount Available for Debt Service	$ -	$ -	$ -	$ 1,600,637	$ -	$ 1,600,637
Amount Provided for Retirement of Long-term Debt	-	-	-	12,912,385	-	12,912,385
Total Other Debits	**$ -**	**$ -**	**$ -**	**$ 14,513,021**	**$ -**	**$ 14,513,021**
Total Assets and Other Debits	**$ 35,260,187**	**$ 793,856**	**$ 1,604,931**	**$ 14,708,187**	**$ 15,027,771**	**$ 67,394,933**
Liabilities						
Vouchers Payable	$ 180,503	$ -	$ -	$ -	$ -	$ 180,503
Compensated Absences Payable	-	-	-	66,549	-	66,549
Accrued Interest Payable	-	-	-	44,383	-	44,383
Note Payable to Primary Government	-	-	-	2,423,840	-	2,423,840
Bonds Payable	-	-	-	11,710,000	-	11,710,000
TMRS Pension Liability	-	-	-	449,979	-	449,979
TMRS Actuarial Experience	-	-	-	13,436	-	13,436
Total Liabilities	**$ 180,503**	**$ -**	**$ -**	**$ 14,708,187**	**$ -**	**$ 14,888,690**
Fund Balances/Equity						
Reserve for Encumbrances	$ 206,669	$ -	$ -	$ -	$ -	$ 206,669
Unreserved Fund Balance	34,873,015	793,856	1,604,931		-	37,271,802
Investment in Capital Assets	-	-	-	-	15,027,771	15,027,771
Total Fund Balances/Equity	**$ 35,079,684**	**$ 793,856**	**$ 1,604,931**	**$ -**	**$ 15,027,771**	**$ 52,506,242**
Total Liabilities and Fund Balances	**$ 35,260,187**	**$ 793,856**	**$ 1,604,931**	**$ 14,708,187**	**$ 15,027,771**	**$ 67,394,933**

Unaudited

McKINNEY ECONOMIC DEVELOPMENT CORPORATION

Checks Issued: February 2017

DATE	NUMBER	DESCRIPTION	AMOUNT	FPO #	PO #
2/1/2017	985	Standard Coffee Service	$30.68		170140
2/1/2017	986	Foliage Design System (Office Plant Care)	$105.00		170049
2/1/2017	987	J. Valencia Mileage Reimbursement	$139.10	F32454	
2/1/2017	988	Petty Cash Reconciliation	$140.80	F32453	
2/1/2017	989	The WERX (#E15-001) Grant Reimbursement (Payment 2 of 4)	$11,750.00		170967
2/13/2017	990	C. Walker Mileage Reimbursement (Nov, Dec, Jan)	$118.00	F32540	
2/13/2017	991	TEDC -Team Texas Annual Dues	$3,000.00	F32541	
2/13/2017	992	McKinney Chamber (Community Awards Dinner)	$4,000.00	F32538	
2/13/2017	993	A. Liu Mileage Reimbursement (January)	$62.03	F32535	
2/13/2017	994	PestRoutes (#E15-006) Grant Reimbursement (Oct/Nov/Dec'16)	$4,200.00		170141
2/13/2017	995	Brown & Hofmeister (General Legal)	$1,497.80	F32544	
2/13/2017	996	Brown & Hofmeister (Board Meetings)	$880.00	F32545	
2/13/2017	997	Brown & Hofmeister (Simpson Strong Tie)	$16.00	F32546	
2/13/2017	998	Brown & Hofmeister (Wistron GreenTech)	$48.00	F32547	
2/13/2017	999	Brown & Hofmeister (The WERX)	$409.50	F32548	
2/13/2017	1000	Brown & Hofmeister (Hisun)	$176.00	F32549	
2/13/2017	1001	Brown & Hofmeister (Aim, LLC)	$288.00	F32550	
2/13/2017	1002	Brown & Hofmeister (TPUSA)	$96.00	F32552	
2/13/2017	1003	Brown & Hofmeister (Service First Mortgage)	$160.00	F32553	
2/13/2017	1004	Brown & Hofmeister (Project Red River)	$80.00	F32554	
2/13/2017	1005	Brown & Hofmeister (Project 3-TAB)	$224.00	F32555	
2/13/2017	1006	Playful Corp (#E14-016) Loan Reimbursement (Final payment)	$75,000.00	F32558	
2/20/2017	1007	Tadzo Consulting	$8,200.00		170947
2/20/2017	1008	McKinney Chamber (Membership Renewal)	$275.00	F32611	
2/20/2017	1009	Collin College Foundation (Sponsorship)	$1,250.00	F32609	
2/20/2017	1010	Jubilee Printing (D.Auterson Business Cards)	$42.00		170185
2/20/2017	1011	Lake Forest McKinney Investors			
		Rent	$5,103.00		170165
		Electric	$434.14		170165
2/24/2017	1012	The WERX (#E15-001) Grant Reimbursement (Payment 3 of 4)	$11,750.00		170967
2/24/2017	1013	Standard Coffee Service	$77.34		170140
2/24/2017	1014	Dun & Bradstreet (Hoovers Online Subcription)	$1,198.55		170923
2/27/2017	1015	Kimley Horn & Assoc (Hydrologic/Hydraulic Analysis)	$2,332.00		170745