

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

APRIL 18, 2017

The McKinney Economic Development Corporation met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on April 18, 2017 at 8:00 a.m.

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

City Council members Present: Travis Ussery and Chuck Branch

Staff present: President Darrell Auterson, Executive Vice President Abby Liu, Director of BRE/Emerging Tech John Valencia, Business Development Specialist Madison Clark, Operations/Compliance Administrator Sheri Van Slycke, City Manager Paul Grimes, Assistant City Manager Barry Shelton, Senior Financial Analyst Trevor Minyard, Director of Strategic Services Chandler Merritt, MCVB Director Dee-dee Guerra, MEDC Attorney Mark Houser and MEDC Temporary Administrative Assistant Sterrett Coleman.

There were six guests present.

Chairman Burress called the meeting to order at 8:00 a.m. after determining a quorum was present. Chairman Burress called for action on the consent items.

17-395 Minutes of the McKinney Economic Development Corporation Meeting of March 21, 2017. Board members unanimously approved the motion by Vice Chairman Merritt, seconded by Chairman Burress, to approve the March 21, 2017 minutes.

17-396 Chairman Burress called for the Consideration/Discussion of the MEDC Strategic Plan Draft Report. President Auterson shared the phases of the strategic plan process and up to what point the facilitator has completed the coaching procedure with the MEDC staff and Board. Phase I was updating the MEDC targeted industry analysis. Phase II is delving into a better understanding of our competitiveness, reviewing the best business case opportunities, fine tuning the marketing activities and

other recruitment efforts. In the third phase, MEDC completed the asset evaluation and will be discussed at a high level today with a summary of the work sessions. The draft plan submitted today is the result of those three phases. There is a strategic initiative work session next week with MEDC staff and the consultant to fill in the gaps that still exist to finalize the strategic plan. Mr. Auterson thanked the Board for their participation in the strategic plan process. Board member Sipiora expressed his congratulations to President Auterson and staff for their efforts on the strategic plan and the direction it's headed. Mr. Sipiora further encouraged staff to research and implement the marketing aspect of the plan since this has been an ongoing area with which the MEDC has been underinvested.

17-397 Chairman Burress called for the Board and Liaison Updates.

City of McKinney – City Manager Paul Grimes expressed his kudos for EDC's strategic planning effort. Tonight, the 18th of April, City Council and the MCDC Board will be presented the Craig Ranch resort hotel project for consideration. Mr. Grimes continued that the City of McKinney is the first Texas city to achieve a fifth transparency star under the financial transparency initiative program. City Council and the City Manager's Office is allowing public comment and input for the 2018 budget planning earlier in the process than usual through a section of the City Council agenda this evening. City Manager stated staff is in the process of finalizing the urban transit district agreement. Mr. Grimes was sad to announce that Director of Strategic Services Chandler Merritt will be leaving the City of McKinney and has accepted a position as Chief of Staff for Tarrant County Judge Glen Whitley.

17-398 Chairman Burress called for the Consideration/Discussion of the MEDC Staff Monthly Reports. The Board had no questions regarding the staff monthly reports, however President Auterson took the opportunity to share with the Board that May 8th-12th is National Economic

Development Week and MEDC will be planning activities or events or announcements to draw attention to this very important subject matter to reinforce why economic development is important and why organizations like the MEDC exist.

17-399 Chairman Burress called for the Consideration/Discussion/Action on March Financials. Senior Financial Analyst Trevor Minyard reported revenue for the MEDC is above budget YTD by 17.63%. Sales tax figures came in 13.19% above last year's collection through March. Expenditures continue to be under budget due to savings in rebate expenditures paid out for incentives. During the month of March MEDC paid \$85,000 to UPS, \$75,000 to Playful Corporation, \$12,500 to TUPPS Brewery and \$11,750 to The WERX. Board members unanimously approved the motion by Board member Clark, seconded by Board member Sipiora, to approve the March Financials as presented.

17-400 Chairman Burress called for the Consideration/Discussion/Action on the Team McKinney Gateway Memorandum of Understanding. President Auterson explained the MOU was developed through the Gateway project team. Mr. Grimes, Mr. Houser and Mr. Auterson hammered out the final details. This is a straightforward simplified document intended to allow staff to move quickly forward with implementation of the early phases of the Gateway project. It does consist of three primary phases. The design phase, the master development agreement and the initial development phase and the subsequent development phase. Of the three phases outlined in the MOU, the only one binding upon the organization is the design phase. That does call for a 90 day period where MEDC will work in partnership with the KDC team and authorize the incurrence of expenses associated with developing design concepts for the Gateway site, including marketing activities, with a cap not to exceed \$100,000. The structure is for a 50% reimbursement from the EDC for any expenses incurred by the KDC team with design concept

preparation site information, marketing activities, etc. Last week, staff had a meeting with the team and began fleshing out some of the site-specific design issues like ingress-egress, any impediments that might exist on the site and the need for realignment of drainage areas or discussion about where roadways might be needed. There will be a pre-meeting later this week with the KDC team, their legal counsel and a smaller group of us to start talking about the elements that need to go into the master development agreement, since that is the next part of this process. The goal was to produce an agreement that will allow us to move swiftly into implementation, not waiting for us to negotiate the master development agreement. The MOU is presented today for Board action and it's on the agenda for City Council ratification tonight. The MOU has been executed by the partners of the team. Board members unanimously approved the motion by Board member Denny, seconded by Vice Chairman Merritt, to approve the presented Memorandum of Understanding.

17-401 Chairman Burress called for the Consideration/Discussion/Action on the McKinney Innovation Center Grant Request. Mr. Harry Smeenck, The WERX Executive Director and Mr. John Miller, The WERX Consultant provided an update on the McKinney Innovation Center (The WERX) concerning the leadership, the business model and the current location. The WERX projects that the proposed McKinney Innovation Center will create a minimum of 295 direct jobs and the economic impact to be generated by the MIC for the area will be \$220 million over the next three years. The WERX forecasts operations will be self-sustaining by year four. The return on investment should be between 10-13% with a seven to eight year payback. The request for assistance is \$1 million in grants over a three year period. The vote on agenda item **17-401** will be taken after Executive Session.

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

Chairman Burress recessed the meeting into Executive Session at 9:41 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 551.072. Deliberations about Real Property -MEDC Land. Section 551.087. Deliberation Regarding Economic Development Matters as listed on the posted agenda. Chairman Burress reconvened the meeting to open session at 10:39 a.m.

Board members unanimously approved the motion by Vice Chairman Merritt, seconded by Board member Page, to approve the proposed changes to the Project Fishing offer letter, as presented in Executive Session.

17-401 Chairman Burress called for action on McKinney Innovation Center Grant Request. Board members unanimously approved the motion by Board member Sipiora, seconded by Board member Clark, to deny the grant request for the McKinney Innovation Center. Board members stated that the EDC remains open to innovation and entrepreneurial projects.

Board members unanimously approved the motion by Board member Clark, seconded by Vice Chairman Merritt, to adjourn. Chairman Burress adjourned the meeting at 10:41 a.m.

JASON BURRESS
Chairman