

CITY COUNCIL SPECIAL MEETING

NOVEMBER 29, 2017

The City Council of the City of McKinney, Texas met in special session in the Council Chambers of the Municipal Building on November 29, 2017 at 8:30 a.m,

Council Present: Mayor George C. Fuller, Mayor Pro Tem Rainey Rogers, Council members: Chuck Branch, Scott Elliott, Charlie Philips, Tracy Rath, and La'Shadian Shemwell.

Staff Present: City Manager Paul Grimes; Assistant City Manager Steve Tilton; Assistant City Attorney Alan Lathrom; City Secretary Sandy Hart; Assistant to the City Manager Trevor Minyard; McKinney Economic Development Corporation Executive Vice President Abby Liu; and McKinney Convention and Visitors Bureau Director Dee-dee Guerra.

There were five guests present.

17-1157 Mayor Fuller called for a Public Hearing to Consider/Discuss/Act on an Ordinance Reaffirming the City's Continued Participation in the Texas Enterprise Zone Program; Identifying and Summarizing Potential Business and Tax Incentives; and Designating the City Manager or Designee to Serve as the City Council's Liaison Regarding the Program. City Manager Paul Grimes stated that PACCAR Corporation is under construction now for a new manufacturing facility for their OEM component of their semi tractor-trailer plant. As part of their efforts to participate in the Texas Enterprise Zone Program, they need an Ordinance and Resolution by the City Council in order to submit their application to the state and that application is due by December 1st. McKinney Economic Development Corporation Executive Vice President Abby Liu stated the City committed to assist PACCAR in their application for the Texas Incentive Program. The Texas Enterprise Zone is part of the program and it is required for the City to nominate them as an Enterprise Project. Assistant City Attorney Alan Lathrom stated that the City has adopted this Texas Enterprise Zone and has participated in this program dating back to around 2006. We are reaffirming our

participation in the Texas Enterprise Zone because some of the submittals that we are required to send to the Texas Economic Development Bank and Governor's office require original documentation so we are generating the original documentation required to support PACCAR's submittal. The following companion item will be the Resolution nominating PACCAR Inc. to the Office of the Governor, Economic Development and Tourism and the Economic Development Bank for Designation as a Qualified Business and Enterprise Project Under the Texas Enterprise Zone Program Under the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code. There are a number of criteria and a lengthy process that the applicant has to submit to the state to be considered and approved as a Texas Enterprise Zone project. Ms. Liu stated that if they are approved and qualified, they will get some state sales tax reduction. Mr. Lathrom stated that the Ordinance reaffirms the City's participation in the Texas Enterprise Zone process and identifies the types of incentives available to applicants through the Texas Enterprise Zone process. These incentives were modified in 2016 and additional incentives were added at that time. This is the standard packet of incentives available to businesses that come into the City that request support or incentives to locate here. Mr. Lathrom stated that the Enterprise Zone is for companies relocating to Texas. The City established the Enterprise Zone which has been approved by the State. There are criteria that have to be met for different areas to be designated as an Enterprise Zone. For the Texas Enterprise Zone program, it is required that the local city government nominate a project in order for any business to apply as an enterprise project. Ms. Liu stated the attachment lists abatements that the City of McKinney and McKinney EDC will offer in trying to recruit PACCAR to our City. Mayor Fuller called for public comments and there were none. Council unanimously approved the motion by Mayor Pro-Tem Rogers, seconded by Council member Elliott,

to close the Public Hearing and approve an Ordinance reaffirming the City's continued participation in the Texas Enterprise Zone Program; identifying and summarizing potential business and tax incentives; and designating the City Manager or Designee to serve as the City Council's Liaison regarding the program. Caption reads as follows:

ORDINANCE NO. 2017-11-101

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, REAFFIRMING THE CITY OF MCKINNEY'S CONTINUED PARTICIPATION IN THE TEXAS ENTERPRISE ZONE PROGRAM PURSUANT TO THE TEXAS ENTERPRISE ZONE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE; IDENTIFYING AND SUMMARIZING POTENTIAL BUSINESS AND TAX INCENTIVES THAT MAY BE MADE AVAILABLE TO PARTICIPANTS IN SUCH PROGRAM; DESIGNATING A GOVERNING BODY LIAISON TO COMMUNICATE AND NEGOTIATE REGARDING THE TEXAS ENTERPRISE ZONE PROGRAM; AND PROVIDING FOR AN EFFECTIVE DATE

- 17-1158** Mayor Fuller called for Consideration/Discussion/Action on a Resolution Nominating PACCAR Inc. to the Office of the Governor, Economic Development and Tourism and the Economic Development Bank for Designation as a Qualified Business and Enterprise Project Under the Texas Enterprise Zone Program Under the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code. Mayor Fuller stated that this is a companion item to the item previously approved that will nominate PACCAR Inc. to the Office of the Governor, Economic Development and Tourism and the Economic Development Bank for Designation as a Qualified Business and Enterprise Project Under the Texas Enterprise Zone Program Under the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code. Council unanimously approved the motion by Mayor Fuller, seconded by Council member Elliott, to approve a Resolution nominating PACCAR Inc. to the Office of the Governor, Economic Development and Tourism and the Economic Development Bank for designation as a qualified business and enterprise project under the Texas Enterprise Zone Program under the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code. Caption reads as follows:

RESOLUTION NO. 2017-11-202 (R)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, NOMINATING PACCAR INC. TO THE OFFICE OF THE GOVERNOR, ECONOMIC DEVELOPMENT AND TOURISM AND THE ECONOMIC DEVELOPMENT BANK FOR DESIGNATION AS A QUALIFIED BUSINESS AND ENTERPRISE PROJECT UNDER THE TEXAS ENTERPRISE ZONE PROGRAM UNDER THE TEXAS ENTERPRISE ZONE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE

Council unanimously approved the motion by Mayor Fuller, seconded by Council member Elliott, to adjourn. Mayor Fuller adjourned the meeting at 8:50 a.m.

GEORGE C. FULLER
Mayor

ATTEST:

SANDY HART, TRMC, MMC
City Secretary