

VISIT MCKINNEY BOARD

REGULAR MEETING

JANUARY 28, 2020

The Visit McKinney Board met in regular session at the MISD Stadium, 4201 S Hardin Blvd., McKinney, Texas 75070 on January 28, 2020 at 8 a.m.

Board members present: Jon Dell'Antonia, Vincent Vittatoe, Jim Bressler, Connie Gibson, Sally Huggins, Bryan Perkins.

Absent: Michelle Gamble.

Alternate Member Present: Tamra Gaines filled in for Michelle Gamble in a voting capacity.

Staff Present: Executive Director Dee-dee Guerra, Communications Manager Beth Shumate, Sales Manager Vanesa Rhodes, Staff Assistant Sue Davis, Administrative Assistant Sabine Smith, City Manager Paul Grimes, Assistant City Manager Kim Flom, McKinney Performing Arts Center/Main Street Program Director Amy Rosenthal, MCDC Board Liaison John Mott and City Council Liaison Charlie Philips.

CALL TO ORDER

Board Chairman Perkins called the meeting to order at 8:06 a.m. upon determining a quorum was present.

Perkins introduced McKinney ISD Athletic Director Shawn Pratt, who in turn introduced Associate Athletic Director Jennifer Frazier. Pratt gave an overview of the stadium and highlighted some of the past and future events bringing in revenue and hotel stays. Pratt thanked Executive Director Guerra and her staff for all the hard work during the NCAA D2 Championship Game activities. Board member Bressler in return praised the efforts Pratt has made in bringing events to McKinney. City Council Liaison Philips mentioned that Pratt was named the Region III Athletic Director of the Year for Texas in 2019.

Perkins greeted everybody in the room by name and asked City Manager Grimes to introduce the new Assistant City Manager Kim Flom. Grimes outlined the hiring process and Flom's assigned responsibilities. Flom continued her introduction by expressing her gratitude to be here and she shared a story about participating in "all

things McKinney” over the weekend and she praised the large amount of offerings the City has.

Perkins noted that no representative from MEDC or the public was in attendance.

CONSENT ITEMS

20-0106 Minutes of the Visit McKinney Board Meeting of November 26, 2019

Board members unanimously approved the motion by Board member Jon Dell'Antonia, seconded by Board member Tamra Gaines, to approve and refer the Minutes of the Visit McKinney Board Meeting of November 26, 2019 to City Council.

REPORTS

20-0107 Board and Liaison Reports City of McKinney MEDC MCDC McKinney Main Street / MPAC Visit McKinney Finance Committee

Board Chairman Perkins called for Board and Liaison updates.

City of McKinney – City Manager Paul Grimes mentioned the following upcoming events: February 7, 2020: Annual Strategic Goal Setting Meeting in the Council Chambers; February 10, 2020: Joint Meeting with McKinney Independent School District (MISD); January 28, 2020: Joint Meeting with Council work session and Planning and Zoning; February 12, 2020: Open House Session on 5G Technology at the Senior Recreation Center, open to the public. Board member Bressler asked Grimes to take time to brainstorm during the Annual Strategic Goal Setting Meeting and consider Visit McKinney by addressing how tourism and convention development can be a larger part of the City's plan and goals. City Council Liaison Philips stated that a recent meeting with auditors revealed that the City is in great financial standing with part of the reason being that Visit McKinney brings in business generating tax dollars, hence contributing to the revenue stream of the City as a whole. Grimes answered questions about the two apartment complex developments, the future of the resort hotel, and other potential future full service hotels, as well as the new Federal Qualified Health

Center/Community Health Clinic being built on Virginia.

MEDC – No representatives from MEDC were present, Board Chairman Perkins asked Board Members to refer to their respective attached reports.

MCDC – Board Chairman Perkins asked MCDC Board Liaison John Mott to give highlights from their board's report. Mott featured the three Promotional and Community Event grants that were received, explained the newly created Retail Development Infrastructure Grants Program, mentioned that a total of 14 nominations were received for the Quality of Life Award, and detailed the new branding campaign.

McKinney Main Street / MPAC – McKinney Performing Arts Center/Main Street Program Director Amy Rosenthal recapped the statistics of the recent Bridal Show and thanked everybody for their help and support. February 12, 2020 is the McKinney Main Street Strategic Session and Rosenthal invited Visit McKinney to be in attendance; details will be communicated to Executive Director Guerra. Rosenthal highlighted the events taking place February 16, 2020 in honor of Black History Month, a performance by Grammy Award Winner Kathy Mattea on February 20, 2020, and the annual Krewe of Barkus Parade February 23, 2020. Rosenthal alerted the board that an update of the parking study and a discussion of a possible pedestrian area downtown will be brought before the City Council, tentatively scheduled for the Council Meeting on February 18, 2020. Rosenthal shared the details of phase one and phase two of construction on Louisiana Street and assured that measures will be taken to have the least impact on the downtown area events and businesses. Board member Dell'Antonia inquired about the amount of wedding venues in the McKinney area and Staff Member Vanesa Rhodes stated it was about 30.

Visit McKinney Finance Committee – Board member Jim Bressler pointed out that November 2019 was the highest ever HOT Tax month.

For December 2019 a budget surplus is showing because the approved additional sales position has not been filled. Guerra reported that the position has been posted and she is taking a closer look at three to four specific candidates. The finalized September 2019 report for the end of the fiscal year 2018/2019 is showing to be slightly under budget by about \$8,600 and Bressler praised the staff for managing Visit McKinney's budget funds well. Looking at the market share report (STR), Bressler made the case that McKinney will greatly benefit from the resort hotel and/or a full service hotel. Some of the numbers he pointed out showed that both the occupancy and the room rate in McKinney Year-To-Date over a 12 month period only dropped in the one percent category even though room inventory was higher due to the opening of the new hotels (SpringHill Suites and Home2 Suites by Hilton). The occupancy was slightly down, but the revenue was actually up 4.3 percent despite the fact that the hotels were only open a couple of months by the time of reporting. Bressler's point was that increased room inventory, with a slightly lower occupancy rate, still increased the revenue stream coming to the City. In comparison to the Allen, Frisco and Plano markets, the report showed a McKinney low average daily rate of \$80 versus \$104 to \$140 in the comparable markets of our sister cities. That, coupled to McKinney's high occupancy rate of 68 percent versus Allen/Frisco/Plano's 60 to 66 percent, shows that McKinney still is a motel/limited service community. Bressler pointed out Allen's 20.5 percent increase in rooms sold and stated that it was because of the addition of the 300-room, full-service Delta Hotel. Allen's available rooms jumped by 32 percent and the revenue to the City of Allen jumped 23 percent. Bressler's conclusion was that the City of McKinney has a lack of facilities, stating if McKinney builds more higher-end hotels, the historic and market comparing numbers show that the revenue stream coming to the City of McKinney will greatly increase. Bressler asked City Manager

Grimes to take that into consideration during the upcoming City goal setting meetings. Alternate Member Tamra Gaines supported Bressler's findings by relaying the information she gathered from an industry event she attended last week: Demand is outpacing supply, luxury properties are the only sector growing besides meeting space at convention centers. Gaines stated that the national average is about a 66 percent occupancy rate which positions McKinney nicely, Rev/PAR is the highest it has been, and while millennials stay at Air B&Bs, the bulk of the higher age bracket millennials and transient business can afford to stay in higher end properties, supporting the point that McKinney needs to be able to provide these types of facilities. Bressler summarized the urgent need for more upscale, higher-end hotels with large meeting spaces and adequate environment, like walkability to shops and restaurants surrounding them, and stated that this will invite more groups to come to McKinney.

20-0108 Executive Director's Report

Executive Director Dee-dee Guerra referred to her attached reports, reported on the picked up rooms from the NCAA D2 Event, and thanked everybody for their help to make this a successful event. Guerra pointed out the Texas Music Friendly event scheduled for later today, discussed staff working with Main Street merchants on coupons, and handed out samples of the free cover on Bus Tour Magazine and the Reader Choice Award coverage. Guerra reported that there was positive press coverage on the press release the board helped write, and stated that the Daytripper is coming next week and the upcoming Chamber Award Ceremony is on February 21, 2020.

REGULAR AGENDA

20-0109 Consider/Discuss/Act on the Lease Agreement with Jim Latino

Board members unanimously approved the motion by Board member Jon Dell'Antonia, seconded by Board member Vincent Vittatoe, to approve the lease

agreement with Jim Latino. Guerra highlighted the increased sales numbers for December and the new merchandise.

CITIZEN COMMENTS

Board Chairman Perkins called for Citizens Comments. There were none.

BOARD OR COMMISSIONER COMMENTS

Board Chairman Perkins called for Board or Commissioner Comments. City Council Liaison Charlie Philips congratulated City Secretary Empress Drane on her induction into the McKinney Sports Hall of Fame.

ADJOURN

Board members unanimously approved the motion by Board member Bryan Perkins, seconded by Board member Jon Dell'Antonia, to adjourn the meeting at 9:05

BRYAN PERKINS
Chair