

McKinney Economic Development Corporation

January 2019 Organizational Report

Peter Tokar
MEDC President

MEDC Board of Directors,

Happy New Year! I believe that 2019 is going to be a banner year for the MEDC. With all the new exciting initiatives we are going to be working on this year combined with the growing pipeline of great projects we have brewing, things are about to get really exciting.

During the holiday break, we were able to get lots of organizational tasks done to help streamline the goals and initiatives of the MEDC. We are about 75% done with administrative tasks and getting ready to launch the new marketing initiatives. Our 2019 KPI's are ready for presentation and I feel that we are getting the organization more focused than ever.

I look forward to what this year brings and continuing to show the world what McKinney has to offer.

As always, please feel free to reach out to me at any time.

-Peter

President's Report

A. Annual KPI's and Performance Scorecard

- Over the Holiday, we were able to complete the draft 2019 Key Performance Indicators for the Organization. We will be presenting the proposed KPI's for discussion at the board meeting. The new KPI's follow the more traditional KPI's rather than just metrics that we were reporting before. These represent larger overall organizational goals which are then supported by metrics that we will be tracking and reporting. The draft is attached in the board packet.

B. Staffing

- We have hired our new Social Media and Marketing Manager. Abey Mudd will be joining the MEDC team via Centipede Digital starting at the end of January. As a recap, this position was included in our marketing contract with Centipede Digital, so while Abey will be working at the MEDC full time, she will be an employee of Centipede. Her primary responsibilities will be to manage the existing and new social media channels for the MEDC and increase our reach and exposure to prospects and clients. We are excited for her to start and look forward to introducing her to you at the next board meeting.

C. New Business Attraction – Projects (RFP Received: 3, Responded to: 1)

- **Project Elsa** – New project focused on Southgate, going to executive session for discussion on real estate options.
- **Project Cyber** – Corporate relocation project lead that came in that is looking at McKinney as a potential destination to relocate their HQ to.
- **Project Sunny** – MEDC was successfully funded for the sale of MEDC owned three-acre land to Project Sunny on December 20. This is a beneficial land sale to MEDC under the land characteristics. Project Sunny President Zhu appreciated the Board support and sent kind comments to McKinney. The construction of Project Sunny's new US headquarters plans to commence in spring.
- **Project Empire** – We have a signed memorandum of understanding and are working towards a master development agreement.
- **Project Todd** – We are waiting on the final lease term agreements to make a formal announcement. Expected February 2019.
- **Project Cloud** – This project is ready for presentation to the MEDC board for consideration as soon as the contract negotiations with the City of McKinney have been completed. Expected presentation February 2019.
- **Project Switzerland** – Tour is scheduled for January 16 with the company to look at development opportunities.
- **Project Tahiti** - selected McKinney vs. a site in another state for their 120,000 SF headquarters office, R+D and manufacturing/distribution project. This project will be a relocation from California. The City Attorney prepared the revised incentive Offer Letter based on the direction from the Board at their December meeting. Both the company CEO and the local developer signed the Offer Letter prior to the deadline. The City Attorney will be working on the Purchase and Sale Agreement and the Incentive Agreement.
- **Project Undercover** – New. Tech company seeking 100K square feet of office/industrial space in McKinney are surrounding metro area. Staff is working with the company's broker and tenet rep to find potential space.
- **Project Whale** - Fortune 100 Company with expansion needs is still considering McKinney as a viable location. Conversations continue with the project and they anticipate the project to "pick up speed" in Q1 2019 and will begin identifying viable sites again. Initial conversations with this project began in summer 2017. Staff has remained in contact with the project and stands ready to assist as needed.
- **Project Parrot** – Speculative industrial office space project. They are requesting assistance with the creation of the spec industrial park.
- **Project Pine** – RFP received for small corporate HQ relocation. RFP has been responded to and we are awaiting follow-up.

D. Marketing / Communications

- **Centipede Digital** – We have seen a draft of the new website and are currently in the process of scheduling a new demo with the Marketing Committee.

- Partnered with new marketing firm, Centipede to create a marketing graphic for California marketing initiatives.
- Evaluated Proteus, a RFP response software platform with Centipede Digital. Demo was promising but does not meet our current needs.
- Once we launch the new website and social media sites, we will be including our month to month analytics to showcase performance.

E. Business Retention & Expansion

- Biz Dev team met with a design company, a home-grown McKinney company with expansion needs seeking headquarter, direct-to-consumer space, and potential warehouse and manufacturing space. Company is considering two locations in McKinney.
- BREP department has submitted draft 2019 plan for review and we will be going over it internally before bringing it to the board.
- PlayFul Corp received their final certificate of Occupancy December 21st. We are scheduling both a tour for the board and the grand opening celebration that will be announced forthcoming.
- Tong Yang Group (TYG) – Continued to work with TYG President Chen to plan a private TYG Tour and Lunch to meet/welcome City Council Member and MEDC Board members on January 31.
- Toyoshima GreenTech – Assisted Toyoshima GreenTech, MEDC's first company received the Soft Landing Program, for the company's expansion needs. Conducted an update company tour and met with President Wang and the company staff on January 3.
- Hisun – Continued to work with President Sun and Finance Manager You to discuss the November Board decision on Hisun Loan Agreement compliance. Received President Sun's signed letter to accept MEDC's offer on January 7. Legal Counsel Houser is working on the MEDC-Hisun Agreement Amendment.

F. Emerging Technology / Tech Ecosystem

- Following the trip to the Smart Cities World Congress, we are engaging with telecommunications infrastructure companies to get a roadmap for the 5G infrastructure started.
- Project Trumpet – New Emerging Tech Program Applicant
- Project SIM – Emerging Tech Program Applicant
- McKinney Technology Center
 - This week of Jan 7th will be some of the final installation of fixtures, furniture, wall coverings and art work. The new website will be live the week of Jan 14th and a marketing campaign will begin. All's looking good for an end of the month Grand Opening/Ribbon Cutting.
 - BREP Department has coordinated with Lance three different small "tech companies" introductions and tours. Even though there is no formal marketing

at this time, word of mouth is getting around. On his own he has three in temp spaces awaiting completion so they can move in.

G. Development Updates

- Cotton Mill – We hosted a team from Atlanta consisting of Executive Chef and Restaurateur, Chris Sedgwick and CEO and Founder of Jekyll Brewery, Michael Lundmark. They are both interested in the cotton mill as a potential site for development.
- Hub 121 – Utility work for the Multi-Family portion of the development has started. There are construction vehicles on site and construction is underway.

H. Networking / Business Development

- Initiated contacts and arranged to meet with a large European-based tech company looking to grow in the DFW Metroplex - to present McKinney. The company is seeking to locate [existing](#) office space within a relatively short timeframe. McKinney currently lacks any significant [existing](#) spec office space of the size requested. Nevertheless, staff contacted several prospective developers who are looking at creating spec office space in McKinney to encourage them to be in contact with this company about opportunities/timeframes for the development of new office space in McKinney. Staff will continue to actively pursue this opportunity with the company and the McKinney spec developers.
- Followed up on two data center inquiries from key Dallas brokers. One project is on hold until they finalize their European site selection. Staff will continue to pursue this opportunity through the broker. Regarding the other project, the broker indicated that the company decided to select a location closer in to Dallas for their project.
- MEDC team met with the developer of a proposed 3 story spec office building which has now submitted the MEDC Application for Economic Development Assistance.
- MEDC team met with the prospective developer of a 5 story spec office building and they are also seeking economic development assistance from the MEDC.
- Attended the City Council hearing on the rezoning of land to industrial – in support of Sentinel Capital. The property is part of a larger nearly 115 acre planned business/industrial park to be located west of McKinney National Airport.
- Contacted Sentinel Capital and they indicated that they have obtained their grading permit for the first phase of the 37 acres they acquired west of McKinney National Airport which will lead to the development of 150,000 SF of new industrial space in two buildings. Grading is expected to begin in January.
- Targeted and reached out to 50 CEO/CFO's of software/computer tech companies in Los Angeles and Orange County during December to encourage them to consider McKinney for the offices. This was a follow up on the nearly 200 direct mail letters previously sent to these companies. Some companies expressed an interest in obtaining more information on McKinney which was provided.
- Attended various business networking events and meetings in Dallas, including events with capital firms, Urban Land Institute, architects/design firms. In addition, Business

Development conducted numerous follow-up calls to tenant rep commercial brokers regarding leads obtained through MEDC participation at a Dallas Business Leads Group.

- Re-contacted a Los Angeles area Japanese-owned industrial company (previously visited during the MEDC Business Mission to Southern California last Spring) to determine the status of their interest in locating a site outside of California for their company. Company indicated that they have an interest but have been focused on other matters. The company encouraged McKinney to stay in contact.
- Held conversations with the broker representing both the Dalfen and Sentinel Capital industrial developments to encourage them to consider data center opportunities for their properties. Based on that discussion, staff contacted Oncor to determine specifically what electrical supply infrastructure would be needed to provide the power for data centers for these properties.
- Received inquiry from a Southern California company which does re-manufacturing work for two leading Japanese auto manufacturing companies about opportunities in McKinney for their company. The company may visit with staff during a weekend trip to McKinney in January.
- Continued to work with an e-sports company to encourage them to locate in McKinney. Connected them with prospective developers of new spec office space projects in McKinney. Will follow-up.
- Re-contacted Israel-Texas Chamber of Commerce president to seek meeting to present McKinney as location for Israeli tech companies.
- Between the Christmas and New Year's holidays, sent out emails to 300 previous business contacts in the DFW area, to update them on opportunities in McKinney.

Upcoming Events:

- Capitol Days in Austin Texas – We are partnered with the McKinney Chamber of Commerce to be a lead sponsor for Capitol Days.
- MEDC Staff will be participating in the Dallas Regional Chamber trade missions to the West Coast in February.
- February 12 – [McKinney Chamber Breakfast](#), Technology's Impact on Business Expansion in McKinney – 8:30-10:00 am – Playful Corp
- February 22 – [2019 Community Awards Celebration](#) – 6:00–9:00 pm Sheraton McKinney Hotel and Conference Center
- March 7 - [Bisnow: North 121 Corridor & 380 Boom](#) - 7:30 am – Sheraton McKinney Hotel and Conference Center