

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

FEBRUARY 20, 2024

The McKinney Economic Development Corporation met in regular session in the City Hall Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on Tuesday, February 20, 2024, at 8:00 a.m.

Board members Present: Chairman Brian Loughmiller, Vice Chairman Kurt Kuehn, Secretary/Treasurer Thad Helsley, Julie Williams, Mark Denissen, Scott Woodruff, and alternate Chantelle Kadala.

Absent: Robert Hamilton.

MCDC Board Chair Angela Richardson-Woods, Vice Chairman David Kelly, Secretary David Riche, Treasurer Deborah Bradford, Joy Booth, Mary Barnes-Tilley, Chris Wilkes.

Absent: Kathryn McGill.

Staff Present: President Michael Kowski, Senior Vice President Michael Talley, Director of Business Retention & Workforce Development Madison Clark, MEDC Operations Manager Deana Smithee, MEDC Executive Assistant Melanie Molina, MEDC Marketing & Social Media Manager Luke Gajary, MEDC Project Manager Mike Wilkes, MCDC President Cindy Schneible, MCDC Admin & Marketing Coordinator Linda Jones, City Manager Paul Grimes, MEDC Attorney Mark Houser, Accounting Manager Chance Miller, and Visit McKinney Executive Director Aaron Werner.

There were 2 guests present.

Chairman Loughmiller on behalf of the McKinney Economic Development Corporation and MCDC Board Chair Angela Richardson-Woods on behalf of the McKinney Community Development Corporation called the meeting to order at 8:02 a.m. after determining a quorum of their respective governing bodies present.

Chairman Loughmiller called for Public Comments for items on the agenda and there were none.

24-1234 Chairman Loughmiller on behalf of MEDC and MCDC Board Chair Richardson-Woods on behalf of MCDC called for the Minutes of the Joint Meeting of the McKinney City Council, McKinney Community

Development Corporation, and McKinney Economic Development Corporation of April 25, 2023.

MEDC Board members unanimously approved the motion by Board member Williams, seconded by Board member Denissen, to approve the Minutes of the Joint Meeting of the McKinney City Council, McKinney Community Development Corporation, and McKinney Economic Development Corporation of April 25, 2023.

MCDC Board members unanimously approved the motion by Vice Chairman Kelly, seconded by Secretary Riche, to approve the Minutes of the Joint Meeting of the McKinney City Council, McKinney Community Development Corporation, and McKinney Economic Development Corporation of April 25, 2023.

24-1235 Chairman Loughmiller called for the Minutes of the McKinney Economic Development Corporation Meeting of January 16, 2024.

Board members unanimously approved the motion by Vice Chairman Kuehn, seconded by Board member Denissen, to approve the Minutes of the McKinney Economic Development Corporation Meeting of January 16, 2024.

24-1236 Chairman Loughmiller called for the Minutes of the Joint Meeting of the McKinney City Council & McKinney Economic Development Corporation Meeting of January 23, 2023.

Board members unanimously approved the motion by Board member Woodruff, seconded by Secretary/Treasurer Helsley, to approve the Minutes of the Joint Meeting of the McKinney City Council & McKinney Economic Development Corporation Meeting of January 23, 2023.

Chairman Loughmiller on behalf of MEDC and Board Chair Richardson-Woods on behalf of MCDC recessed the meeting into Executive Session at 8:06 a.m.

MCDC Board Chair Richardson-Woods reconvened the MCDC Board to Open Session at 9:06 a.m.

MCDC Board members unanimously approved the motion by MCDC Chair Richardson-Woods, seconded by Board member Wilkes, to approve terms for Project Vibes as discussed in Executive Session.

MCDC Board Chair Richardson-Woods called for a motion to Adjourn the MCDC Board.

MCDC Board members unanimously approved the motion by Board member Barnes-Tilley, seconded by Secretary Riche, to adjourn the MCDC Board.

MCDC Board Chair Richardson-Woods adjourned the MCDC Board at 9:07 a.m.

Chairman Loughmiller reconvened the MEDC Board to open session at 9:33 a.m.

Board members unanimously approved the motion by Secretary/Treasurer Helsley, seconded by Board member Denissen, to approve terms for Project Vibes as discussed in Executive Session.

Board members unanimously approved the motion by Board member Woodruff, seconded by Board member Williams, to approve terms for Project Mirage as discussed in Executive Session.

24-1237 Chairman Loughmiller called for Board and Liaison Updates.

City of McKinney- City Manager Paul Grimes announced the annual development report has been posted at mckinneytexas.org/reports for information about development in the community. Mr. Grimes announced Amy Kinkade from Irving, Texas will be the new Parks & Recreation Director starting March 11th and will make a great addition to the leadership team in McKinney. Mr. Grimes announced last Friday the annual strategic goals setting meeting with the City Council took place. The City Council tells staff the strategic goals that they wish staff to focus on and staff returns with measurable Key Performance Indicators. City Council will then adopt those KPIs and a budget will be created in alignment with the KPIs. Mr. Grimes announced an item on the agenda for the City Council meeting tonight is for City Council to consider requesting funding from the MEDC and MCDC for development of infrastructure on the east side of McKinney National Airport. Mr. Grimes announced there was a joint meeting with McKinney Independent School District on February 11th. This annual meeting is an opportunity for MISD

and the City to share their priorities and answer any questions relating to the school district and items of mutual interest to both parties.

Visit McKinney- Visit McKinney Executive Director Aaron Werner announced one of the top priorities for Visit McKinney is to become a data-driven organization. Mr. Werner noted Visit McKinney has moved forward with a new data provider that focuses specifically on tourism. This data is something that will be provided to MEDC and MDCD. It tracks visitors coming into town, origin markets, how much money they are spending while they are in town, what they do while they are here. Mr. Werner noted it will give Visit McKinney data to show where tourists are coming from and what markets they spend the most money on while they are here. Mr. Werner announced the Visit McKinney shop is now selling solar eclipse merchandise for the event on April 8th. There will be a huge economic impact in Texas with the total solar eclipse. Mr. Werner announced the Visit McKinney shop is also selling merchandise for the McKinney Love campaign. The campaign kicked off in February and is a joint marketing program based off the book "For the Love of Cities" by Peter Kageyama. The idea is to love your city, love your community.

MEDC Committee Updates:

Marketing Committee- Board member Williams announced the Marketing Committee met and received updates on projects. Board member Williams noted there is a great McKinney Momentum episode on Plug and Play and another on Stadium Drop. Board member Williams asked everyone to please share it as it is a great way to show people what MEDC is all about.

Real Estate Committee- Secretary/Treasurer Helsley announced met last week and discussed their items in Executive Session today.

Finance Committee- Vice Chairman Kuehn announced the Finance Committee met and went through financials and the leasing of the District 121 Building.

Innovation Fund Committee- Board member Denissen announced the Innovation Fund met. Senior Vice President Michael Talley and Project Manager Mike Wilkes reviewed the foundations and history of the Innovation Fund and how Plug and Play will help to accelerate that.

Governance Committee- Chairman Loughmiller announced the Governance Committee will meet on February 28th and one item of discussion will be the format going forward for the President's review.

Board Chairman- Chairman Loughmiller announced he had no additional comments.

24-1238 Chairman Loughmiller called for the MEDC Monthly Reports.

KPI Report- SVP Talley announced the active project pipeline is at 27. Mr. Talley noted Luke Gajary will report on more items in a few minutes. Mr. Kowski and Mr. Gajary have been working on how to better report details to the Board.

Marketing Report- Marketing & Social Media Manager Luke Gajary announced Pocket Casts is a podcast platform targeted towards industry leaders and there is a trend with business-oriented leaders. Mr. Gajary noted it is a market we would like to be participating in when it comes to the McKinney Momentum podcast. Mr. Gajary announced at the end of the podcast episode where SVP Talley interviewed Kevin Parakkattu of Plug and Play, Kevin gives a great overview of how Plug and Play supplements the Innovation Fund, how they work with corporate integrations and startups, the five-minute clip is on our YouTube channel. Mr. Gajary announced by partnering with other EDOs such as Frisco, Plano, Allen, we have a great opportunity to level up the region. Mr. Gajary noted we have done better at marketing and projects teams at those organizations and understanding competition is a good thing.

24-1239 Chairman Loughmiller called for the 2023 Annual Key Performance Indicators. Mr. Gajary announced page 9 on the KPI report contains a snapshot that summarizes our KPIs into results showing what we

accomplished this year. (Total projects we have closed, capital expenditure generated, new jobs created, etc.) Mr. Gajary noted the report is available on our website and attached to today's agenda.

24-1240 Chairman Loughmiller called for the December 2023 Financials. Accounting Manager Chance Miller announced we received \$1.8 million in sales tax, there was interest income and other income of close to \$470,000. Mr. Miller noted the other income is unrealized gain on investments, so it is not true, realized income. Total revenue for December was \$2.3 million. For expenditures, there was \$304,000 in operational expenses, \$300,000 in project expenses, and \$237,000 in non-departmental expenses. There was a net increase of close to \$1.5 million for the month of December. For sales tax, there was a 3.2% increase, bringing the year-to-date increase to 5.2%. Allen had a 15.7% increase, Frisco had an 8.7% decrease, and Plano stayed pretty much the same as last year. For sales tax by industry, retail trade had an increase of 5%. There were a few decreases in the smaller categories, but they jump back up for the next month,

Board members unanimously approved the motion by Vice Chairman Kuehn, seconded by Secretary/Treasurer Helsley, to approve the December 2023 Financials.

24-1241 Chairman Loughmiller called for the January 2024 Financials. Accounting Manager Chance Miller announced we collected a little over \$2 million in sales tax revenue, a little over \$100,000 in interest income. Total revenue for the month of January was \$2.1 million. For expenditures there was \$239,000 in operational expenses, \$116,000 in project expenses, and \$237,000 in non-departmental expenses, resulting in a net increase of \$1.6 million. For sales tax, we had a strong month with a true 12% increase. It was not one specific business and there was no audit collection. Allen saw a 9.3% increase, Frisco about broke even and Plano had a 1.1% increase. This brings the year-to-date

increase to about 6.9%. For sales tax by industry, retail trade jumped by 9%, food services jumped by 17%.

Board members unanimously approved the motion by Vice Chairman Kuehn, seconded by Secretary/Treasurer Helsley, to approve the January 2024 Financials.

24-1242 Chairman Loughmiller called for the Final September 2023 Financials. Accounting Manager Chance Miller announced these are the final numbers for 2023. There was close to \$26 million in cash or investment pulls at year end. There was land valued at around \$66.8 million (the value of the land when it was purchased, not the current land value). For liabilities, there is an outstanding balance of debt on \$18.29 million from the purchase of the land. There was \$29 million in unreserved fund balance (\$48 million is the net value if you take the land minus the outstanding bonds at year-end). We received \$22.3 million sales tax revenue. Our original budget was \$21.8 million so we finished above budget by about \$500,000. There was interest income of about \$840,000, miscellaneous revenue of \$353,000. Total revenue equals \$23.5 million. For expenditures, there was \$3.1 million in operational expenses, \$17.3 million in project expenses, and for non-departmental expenses there was \$3.5 million (the majority of which was debt-service payments). The economic incentive for the roadway transfer ended up being \$654,000 at the end of the year. The beginning fund balance was \$25.8 million. Adding the revenues and subtracting expenses ended the fund balance at \$25.25 million. This was a decrease of about \$600,000 but it was mostly due to moving projects from fiscal year 2022 to fiscal year 2023.

Board members unanimously approved the motion by Vice Chairman Kuehn, seconded by Secretary/Treasurer Helsley, to approve the Final September 2023 Financials.

Chairman Loughmiller called for Public Comments for items not on the agenda.

Chairman Loughmiller announced there was one comment that was emailed in

from Stephanie Chavez. The comment “The extension of Ridge Road opened on December 20th... the lights seem to never have been turned on. If they are motion-activated, they are not turning on when there is a passing car or pedestrian. The road is completely black at night and should be addressed for all persons using the newly opened road”. Chairman Loughmiller announced the comment stated Ms. Chavez emailed Grayson Electric on January 7th, February 2nd, and February 4th and they said she needed to contact the economic developer about the issue. Chairman Loughmiller noted in this particular case he believes it would be the City. Mr. Grimes announced he would work with the Engineering department. When you open a roadway, the electrification usually lags due to an inspection regimen from the utility company. Mr. Grimes noted you can open a roadway without lighting, and it happened with Wilmeth just west of Lake Forest a few years ago when they added lanes it was dark for a while. Chairman Loughmiller announced if Ms. Chavez is watching the meeting, he is going to give the message to the City Manager.

Chairman Loughmiller called for Board comments. Vice Chairman Kuehn announced it has been fantastic to see President Kowski in Executive Session and how he is able to direct the team and keep everyone in the know on projects. Vice Chairman Kuehn gave a shoutout to Director of Business Retention & Workforce Development Madison Clark for inviting he and Board member Woodruff on a Business Retention & Expansion visit. Vice Chairman Kuehn noted it was fantastic to hear firsthand what the company’s experiences are and what their applause and displeasures are so the Board members can more educated.

Board members unanimously approved the motion by Board member Williams, seconded by Board member Denissen, to Adjourn.

Chairman Loughmiller adjourned the meeting at 9:58 a.m.

A video recording of this meeting is available through the City of McKinney meeting archive.

These minutes were approved by the MEDC members on March 19, 2024, and referred to the McKinney Community Development Corporation for approval.

McKinney Economic Development Corporation

SIGNED:

BRIAN S. LOUGHMILLER
MEDC Chairman

Date:_____

THAD HELSLEY
MEDC Secretary/Treasurer

McKinney Community Development Corporation

SIGNED:

ANGELA RICHARDSON-WOODS
MCDC Chair

Date:_____

David Riche
MCDC Secretary