

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

JUNE 20, 2023

The McKinney Economic Development Corporation met in regular session in the City Hall Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on Tuesday, June 20, 2023, at 8:00 a.m.

Board members Present: Chairman Brian Loughmiller, Vice Chairman Kurt Kuehn, Secretary/Treasurer Thad Helsley, Mohamed Kacem, Julie Williams, and alternate Scott Woodruff.

Absent: Mark Denissen.

City Council Present: Councilman Rick Franklin.

Staff Present: President Peter Tokar, Senior Vice President Michael Talley, MEDC Operations Manager Deana Smithee, MEDC Executive Assistant Melanie Molina, MEDC Marketing & Social Media Manager Luke Gajary, MEDC Special Projects & Events Manager Emily Linares, MEDC Project Manager Mike Wilkes, City Manager Paul Grimes, MEDC Attorney Mark Houser, Accounting Manager Chance Miller, and Visit McKinney Executive Director Aaron Werner.

Chairman Loughmiller called the meeting to order at 8:01 a.m. after determining a quorum present.

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

23-0496 Chairman Loughmiller called for Minutes of the McKinney Economic Development Corporation Meeting of May 16, 2023.

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

23-0497 Chairman Loughmiller called for Board and Liaison Updates.

City of McKinney- City Manager Paul Grimes announced this past Saturday was the Juneteenth celebration at Finch Park. Mr. Grimes thanked City Secretary Empress Drane for spearheading the coordination and noted Councilwoman Feltus also played a key role in

the coordination of the event. Mr. Grimes announced every two years the City of McKinney conducts a randomly sampled survey with margin of error. It is given to residents, gauging their views on City services. The City of McKinney is then compared with cities across America. It is the gold standard for community-wide surveys, conducted by the National Research Center and POCO. The consultant for POCO will present survey results at the City Council Work Session tonight. Mr. Grimes announced Council will consider an increase in the Homestead exemption for over 65 and disabled. Mr. Grimes noted the City Council meeting tonight is the last regularly scheduled meeting until July 18th.

Community Development Corporation- Board member Kathryn McGill announced the MCDC Board approved project grants totaling \$3350,000.00 at their May 25th Board meeting. \$50,000 was awarded to the Heard Museum to complete construction on a structure for animal food. The McKinney Housing Authority was awarded \$1.8 million. This has been an ongoing project that includes the demolition of the Cockrell Homes and Lloyd- Owens low-income communities. Cockrell Homes and Lloyd-Owens are 65-year-old communities with a combined 50 units that have been deemed beyond repair. New construction will be built, increasing the units to 96, with duplexes, townhomes, and multi-story apartments. A second major project is for the construction of the Palladium of McKinney, 172 units of low-income housing, two 4-story buildings with 56 1-bedroom units, 84 2-bedroom units, and 32 3-bedroom units. This will be located at the northeast corner of Virginia and Carlisle. MCDC approved both affordable housing projects with the caveat that if another entity funded one, MCDC would fund the other. Ms. McGill announced the promotional and community grants will be presented at the June 22nd MCDC Board meeting, with 11 applications including the Heritage Guild of Collin County, the Lacrosse Club, McKinney Repertory Theatre, Art Club, Rotary Club, Philharmonic

Orchestra, Chamber Foundation, McKinney Main Street, Texas Cellos, Collin County Master Gardeners, and SBG Hospitality. The final grant cycle for retail development infrastructure applications opens July 1st and runs through July 31st. MCDC Board action will be in September. Tupps Brewery is ongoing, with a potential August 21st opening, but Spinelli Construction says that may not be possible. Efforts to continue to secure a temporary Certificate of Occupancy continue. Ms. McGill announced the Craft Beer Walk will be June 17th, Margarita Stroll July 8th, DCI Tupps Drumline Battle July 24th, DCI Competition July 25th at MISD Stadium, July 28th-29th, and SBG McKinney Sips of Summer on August 19th.

Visit McKinney- Visit McKinney Executive Director Aaron Werner announced May was a huge month for Visit McKinney. The Visit McKinney Sales and services team worked 1,750 rooms that were picked up. 750 welcome bags were put together and delivered to hotels or sports teams. May saw a 79.2% occupancy for all the McKinney hotels, with many Saturdays and Sundays at 94-95% occupancy. There was a 9.5% increase in hotel occupancy for the City in May. Mr. Werner announced Visit McKinney is working with multiple departments to prepare for the April 2024 solar eclipse. McKinney is a “total blackout community” for the solar eclipse. People flock from all over the country to visit communities in the “total blackout” region. Visit McKinney is preparing with room blocks and a marketing campaign. Mr. Werner noted Parks, McKinney Main Street and most likely the library will have their own organized events surrounding the solar eclipse, and other cities are also organizing events. Mr. Werner announced Visit McKinney is preparing for NCAA bids to open back up in July. This will be for the next few years of all NCAA sports, championships, and large events. Mr. Werner noted he is working with Director of Parks and Recreation Michael Kowski to see if there is anything else to recruit to McKinney such as a lower-level D2 or D3 soccer championship. Mr. Werner

announced this year Visit McKinney is partnering with McKinney Main Street, working to create a hotel package for Oktoberfest. One of Visit McKinney's newest staff members came from Addison and a hotel package was something they offered there, with a significant pickup. Mr. Werner noted there will be VIP benefits such as shuttle service directly to the hotels.

MEDC Committee Updates:

Marketing Committee- Board member Williams announced the Marketing Committee met and reviewed some numbers from the Byron Nelson as well as discussed marketing efforts surrounding MEDC's 30th anniversary.

Real Estate Committee- Secretary/Treasurer Helsley announced the Real Estate Committee met last week and has a lot of exciting things going on. Most of the items are discussed in Executive Session, but there will be a great presentation in Executive Session today.

Finance Committee- Vice Chairman Kuehn announced the Finance Committee met to discuss the budget which will be presented today.

Governance Committee- Chairman Loughmiller announced the Governance Committee has not met but will sometime in the next two weeks.

Board Chairman- Chairman Loughmiller announced one of the items he would like to discuss is getting signage on properties MEDC controls. This could show how our sales tax dollars are working. Signs that will show MEDC exists and has property at our disposal.

23-0498 Chairman Loughmiller called for the MEDC Monthly Reports. President Tokar announced he would like to introduce MEDC's newest employee, Project Manager Mike Wilkes. Mike will be taking over the Innovation Fund and innovation ecosystem projects. Mike is a recent Texas A&M graduate and served our country in the Marines. Mike has worked with the North Texas Angel Network and is an entrepreneur. President Tokar

announced Senior Vice President Michael Talley would present the KPI Metrics report. Senior Vice President Talley announced we had \$6 million current contracts last month, and it has been updated to \$43 million current contracts due to some project agreements which were closed out and signed. With Mike joining the staff, we will get more granular, with Innovation Fund broken up as far as applications that come in or are going to the Innovation Fund Committee and/or approved. BRE visits will also get a little more granular. Active project pipeline includes 21 active and three more added last month, for a total of just over \$3.6 billion in the pipeline.

23-0499 Chairman Loughmiller called for the MEDC 30th Anniversary Celebration presentation. Special Projects & Events Manager Emily Linares announced May 10th, during the week of the Byron Nelson, MEDC celebrated our 30th anniversary. The Marketing Committee discussed having some sort of celebration and decided to bring ideas to the Board and get feedback. The first option is a formal reception, the second option is an open house, bringing the community in to talk about what MEDC is, and the third option is a private concert, which is a little more celebration focused. Ms. Linares announced the formal reception would be like a gala, with presentations talking about the history of MEDC and how far we have come. It would be a great nod to everything MEDC has done over the past few years. One thing we would like to do is invite past Board members and stakeholders. For a community open house there could be a meet and greet event, a timeline of past Board members, and a fully open to the public event with food trucks. The third option of the private concert would be focused on celebrating and creating a special experience for stakeholders. Board members provided input on each option.

23-0500 Chairman Loughmiller called for the April 2023 Financials. Accounting Manager Chance Miller announced for the month of April we had sales

tax close to a little over \$1.5 million, interest income at a little over \$60,000, for a total of \$1.6 million in revenue for the month of April. \$250,000 in operational expenses, about \$1.7 million in project payouts, about \$237,000 for non-departmental (which is mainly the monthly transfer for debt-service payments). The month of April applies to February sales tax. McKinney had a 10.6% increase with a positive audit collection for a true increase closer to 7%, Allen had a 15.2% increase, Frisco stayed the same as last year, and Plano saw a 10.4% increase. Our year-to-date increase through April was 8.6%. For sales tax by industry, retail trade got up to 12%, and is our first month being back in the double digits. Construction had a decrease again, but for year-to-date is still trending along.

23-0501

Accounting Manager Chance Miller announced for May there was \$2.1 million in sales tax revenue, \$155,000 in interest income, \$150,000 in miscellaneous revenue (the parking fee for the parking garage at the new office building), total revenue for the month of May was a little over \$2.4 million. For expenditures, there was close to \$200,000 in operational expenses, a little over \$400,000 in project expenses, and about \$240,000 in non-departmental expenses, for a total of \$843,000 in expenses for the month of May. Sales tax for the month of May is sales tax for March. McKinney stayed about the same as last year with a .1% increase, Allen had a 3.8% increase, Frisco saw a decrease, and Plano saw a 7.3% increase. McKinney had audit collections last March and so our true period-to-period increase is around 4%. Year-to-date we are at 7.3%. Retail trade dropped back down to 4% for this month, utilities had a big decrease, but a lot of that was due to the audit collections last year. Year-to-date, all industries are around the 4-8% range depending on how big of a factor they are in our sales tax.

Board members unanimously approved the motion by Vice Chairman Kuehn, seconded by Board member Williams, to approve both the April 2023 and May 2023 Financials.

23-0502 Chairman Loughmiller called for the MEDC/City Council Joint Meeting Schedule and the City Council Strategic Priorities Regarding the MEDC. President Tokar announced one of the strategic priorities set forth by City Council is for MEDC to meet with City Council in a quarterly joint meeting. Four dates were proposed by City Secretary's office: October 24, 2023, January 23, 2024, April 23, 2024, and July 23, 2023. The recommendation from City Secretary's office is to hold the joint meeting at 4:00 p.m., which is the City Council work session start time. President Tokar asked if we want to continue to hold our Board meeting at 8:00 a.m. and return for the join meeting or move our meeting time. Do we want to have one meeting, or two? Chairman Loughmiller announced he would prefer not to start the meeting earlier than 3:30 p.m. if that is possible. President Tokar noted we will confirm the Council Chambers are available at 3:30 p.m. and if so we will move forward.

Board members unanimously approved the motion by Vice Chairman Kuehn, seconded by Secretary/Treasurer Helsley, to move the scheduled MEDC Board meetings to the days and times specified.

23-0503 Chairman Loughmiller called for the FY23-24 MEDC Budget. President Tokar announced the budget the Finance Committee approved is slightly different than what is being presented today. We are currently at a staff of nine, with 11 approved positions. When we had a reduction in staff, instead of keeping that money allocated in personnel, we decided to defund that position for the following year to save money in personnel costs. In our attempts to get back to full staffing we need to refund that position. To do so, it must go to City Council as a personnel supplemental request. So, the amount for that position is not included in what is being presented today, but it will be in the recommendation to City Council.

President Tokar asked Accounting Manager Miller to clarify. Mr. Miller announced to follow budget procedures, we show the budget without supplementals and then it all comes together in August. This budget shows what the amount looks like without that position, and there is a separate sheet showing the salary, benefits cost and everything associated with it like a normal supplemental. Vice Chairman Kuehn asked what two positions are open. President Tokar announced until we work with Human Resources to redefine the positions, they are currently Executive Vice President and Director of Technology and Research. Those roles will be redefined with Human Resources based on what our needs are.

Board members unanimously approved the motion by Vice Chairman Kuehn, seconded by Secretary/Treasurer Helsley, to approve the FY23-24 MEDC Budget.

Chairman Loughmiller called for Public Comments for items not on the agenda and there were none.

Chairman Loughmiller called for Board comments. Board member Williams announced the latest edition of McKinney Momentum with MDCD Chair Angela Richardson-Woods is outstanding and a great breakdown of MDCD versus MEDC. Board member Williams noted if you have not listened to it, check it out.

Chairman Loughmiller recessed the meeting into Executive Session at 8:53 a.m.

Chairman Loughmiller reconvened the meeting into open session at 10:18 a.m.

Board members unanimously approved the motion by Secretary/Treasurer Helsley, seconded by Board member Williams, to approve Project Pantheon as discussed in Executive Session.

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Board members unanimously approved the motion by Board member Williams, seconded by Board member Kacem, to amend ShearShare as discussed in Executive Session.

Board members unanimously approved the motion by Vice Chairman Kuehn, seconded by Secretary/Treasurer Helsley, to Adjourn.

Chairman Loughmiller adjourned the meeting at 10:19 a.m.

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

These minutes approved by the MEDC members on: July 18, 2023

BRIAN S. LOUGHMILLER
Chairman

THAD HELSLEY
Secretary/Treasurer