

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

OCTOBER 15, 2024

The McKinney Economic Development Corporation met in regular session in the City Hall Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on Tuesday, October 15, 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, Robert Hamilton, and alternate Chantelle Kadala.

City Council Present:

Staff Present: President Michael Kowski, Senior Vice President Michael Talley, MEDC Executive Assistant Melanie Molina, MEDC Project Manager Mike Wilkes, City Manager Paul Grimes, MEDC Attorney Mark Houser, and Audio/Visual Technician Joshua Arias.

Chairman Loughmiller called the meeting to order at 8:00 a.m. after determining a quorum present.

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

24-2081 Chairman Loughmiller called for the Election of Officers.

Board members unanimously approved the motion by Board member Woodruff, seconded by Board member Williams, to approve the re-election of the current Officers.

24-2082 Chairman Loughmiller called for the Minutes of the McKinney Economic Development Corporation Meeting of September 17, 2024.

Board members unanimously approved the motion by Secretary/Treasurer Helsley, seconded by Board member Denissen, to approve the Minutes of the McKinney Economic Development Corporation Meeting of September 17, 2024.

24-2083 Chairman Loughmiller called for Board and Liaison Updates.

City of McKinney- City Manager Paul Grimes announced Governor Abbott appointed Director of Human Resources Jim Parrish to the Texas Municipal Retirement (TMRS) Board of Trustees. Mr. Grimes noted Mr. Parrish will do a great job of representing all municipal organizations, but we are excited to have our own staff member on the board. Mr. Grimes

announced he travelled to Houston for the Texas Municipal League. There were opportunities to attend break out sessions and network. Artificial Intelligence (AI) was a prominent topic. Mr. Grimes announced the National Collegiate Athletics Association (NCAA) has extended the City of McKinney contract for the NCAA II National Championship for football for 2026 and 2027. The game takes place at McKinney ISD Stadium, and this year the game will be on Saturday, December 21st at 1:00 p.m. There will be a fan fest as usual, at Tupps Brewery, this year at the new Tupps location. Tonight, there will be a conversation at the City Council Work Session regarding a use for City parkland and City land involving soccer. Mr. Grimes noted it will be an active Work Session with five or six items on the agenda. Mr. Grimes announced there is an item on the City Council regular agenda related to preconstruction services with Crossland Construction for the reimagining of Roy and Helen Hall Library.

MEDC Committee Updates

Marketing Committee- Board member Williams announced the Marketing Committee met and had a great discussion on PR and the MEDC website.

Real Estate Committee- Secretary/Treasurer Helsley announced the Real Estate Committee met and will have updates to share today in Executive Session.

Innovation Fund Committee- Board member Denissen announced that the Innovation Fund Committee met, and Mr. Wilkes will present the outcome of the meeting shortly.

Governance Committee- Chairman Loughmiller announced the Governance Committee met and will be voting today on the MEDC President contract.

Board Chairman- Chairman Loughmiller announced there was a great lunch with Aaron Demerson of the Governor's office. There is a Dynacraft

Board tour on October 18th and a Tupp's Brewery completion event on October 23rd. Chairman Loughmiller announced community member Bob Thomas passed away and was an incredible person, volunteer and philanthropist who will be missed. Chairman Loughmiller noted a visitation tonight and the funeral tomorrow at 2:00 p.m. at First United Methodist. Prayers go out to Barbara and the Thomas family.

24-2084

Chairman Loughmiller called for the MEDC Monthly Reports.

Organizational Report- President Kowski announced he would like to add to Chairman Loughmiller's words. Mr. Thomas left a great legacy in McKinney and beyond, including serving on the MEDC board. Mr. Kowski noted this is a reminder we all have a great part to play, and Mr. Thomas' legacy will live on forever. Mr. Kowski announced that Aaron Demerson, the president of the Texas EDC, was in town for a conference. We invited him to take a tour of McKinney to see the City Hall project and the downtown area. Mayor Fuller, Chairman Loughmiller, and other city leadership joined. Mr. Kowski announced MEDC Attorney Mark Houser has been doing incredible work the past month, even while on vacation with his family or on weekends. Mr. Kowski noted that a lot goes on behind the scenes; Mr. Houser is a key cog in the wheel and that his work does not go unnoticed.

KPI Report- SVP Talley announced there is a total of 26 in the active project pipeline, with 16 traditional projects and 10 Innovation Fund projects. Mr. Talley noted we are still on track to more than double application numbers over 2023, with better quality leads and applications. Mr. Talley announced the next few weeks will be busy. Mr. Kowski, Mr. Wilkes, and himself will be headed to Smart Cities as investors, which will allow the MEDC to get in front of the right people. Mr. Talley will head to the Web Summit conference after Smart Cities.

24-2085

Chairman Loughmiller called for Proposed Updates to the MEDC's Innovation Fund. Mr. Kowski announced we are always looking to

advance what we are doing, specifically with the Innovation Fund, which is about four years old at this point. Mr. Kowski announced we are looking to refresh one key component of the Innovation Fund. We are hoping to create a presentation we can refine over the coming weeks and months and use to promote McKinney. Mr. Wilkes will give a presentation where we are asking for action to adjust a component of our growth fund. The presentation for agenda item # 24-2085 not posted on the agenda is included in this document as *Exhibit A: Proposed Updates to the MEDC's Innovation Fund*.

Board members unanimously approved the motion by Board member Denissen, seconded by Board member Hamilton, to approve the proposed updates to the MEDC's Innovation Fund.

24-2086 Chairman Loughmiller called for the August 2024 Financials. Accounting Manager Chance Miller announced there was \$2.2 million in revenue, the majority from sales tax revenue. For expenditures, there was \$251,000 in operational expenses, \$370,000 in project expenses, and \$240,000 in non-departmental expenses for a total of \$855,000 in expenditures. Sales tax for the month of August applies to June sales. McKinney had a 5.4% increase, Allen had a 4.4% increase, Frisco broke even, and Plano had a 4.1% increase. For sales tax by industry retail trade was at 6%.

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

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

Chairman Loughmiller called for Board Comments. Vice Chairman Kuehn announced that the new City Hall facility looks fantastic.

Chairman Loughmiller recessed the meeting into Executive Session at 8:35 a.m.

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

MEDC MINUTES

October 15, 2024

PAGE 5

Board members unanimously approved the motion by Secretary/Treasurer Helsley, seconded by Board member Woodruff, to Amend the agreement for VENU/Notes Live as discussed in Executive Session, subject to City Council Approval.

Board members unanimously approved the motion by Vice Chairman Kuehn, seconded by Board member Denissen, to extend the MEDC President contract, as discussed in Executive Session.

Board members unanimously approved the motion by Board member Hamilton, seconded by Secretary/Treasurer Helsley, to Adjourn.

Chairman Loughmiller adjourned the meeting at 10:11 a.m.

These minutes were approved by the MEDC members on: November 19, 2024.

SIGNED:

BRIAN S. LOUGHMILLER
Chairman

THAD HELSLEY
Secretary/Treasurer

Exhibit A – 24-2085 Proposed Updates to the MEDC’s Innovation Fund



Celebrate!



Entered Innovation Fund:

- ❖ In 2021
- ❖ Team of 7
- ❖ Relocated from California

Currently:

- ❖ Over 100 Local Employees
- ❖ \$20M Revenue
- ❖ In Downtown McKinney



Entered Innovation Fund:

- ❖ In 2022
- ❖ Team of 5
- ❖ Relocated from California

Currently:

- ❖ 20 Local Employees
- ❖ Launched Stuff.io
- ❖ In Downtown McKinney

Innovation Fund

GROWTH	EXPANSION	RECRUITMENT
Non-Dilutive Capital for Early-Stage Tech	Graduation from Growth Fund	Later-Stage Tech Startups
\$50,000 Grant	Up to \$500,000 Grant	Up to \$500,000 Grant
50% Upfront	Performance-Based	Performance-Based



Accomplishments

Created January 2020, with 45 companies funded.



931 Projected New Jobs
\$80,727 Projected Avg Salary



Ongoing Support, Plug and Play McKinney
 Support startup as they grow



33 Growth / 9 Expansion / 3 Recruitment
 100% of deals in last 24 months have been Growth



MEDC Innovation Fund Portfolio Book



Dabot.ai

Product

Dabot, or Data Bot, is the First AI Integrated Auto-pilot For Data Engineering. They have built AI bots that automate the data movement from various sources and unifies it for their customer's needs. Dabot can accelerate the productivity of data teams by 10x.

Market

\$144B Total Addressable Market
 Dabot targets large enterprises with data & analytics requirements, encompassing any large corporation. The initial focus is in the retail, e-commerce, and audit industries. With the rise of AI and data-based decision making, timely and accurate data interpretation is a necessity.

Stage

Dabot is a pre-seed stage company earning initial revenue. Dabot has developed & improved upon their solution and is pursuing enterprise contracts as well as additional use cases.

Founder

Karthik Kannan describes data as his bread and butter. He has over 2 decades of data & analytics implementation, working with hundreds of enterprise customers. Karthik was crucial to the successful exit of Trifacta (acq. by Alteryx).

Recent Wins

- Completed Plug and Play McKinney Accelerator
- Raised \$500,000 Pre-Seed Round
- 5 Paid Pilots to Date
- Onboarded 15+ pilot users
- Validated 7x acceleration for data teams
- Grew to 4 employees
- Pursuing Pilot with McKinney Procurement

20 Projected New Jobs
 \$75,000 Avg. Salary
 Next Milestones:
 First Enterprise Customer

www.dabot.ai

7300 State Highway 121, Suite 300
 McKinney, TX 75070

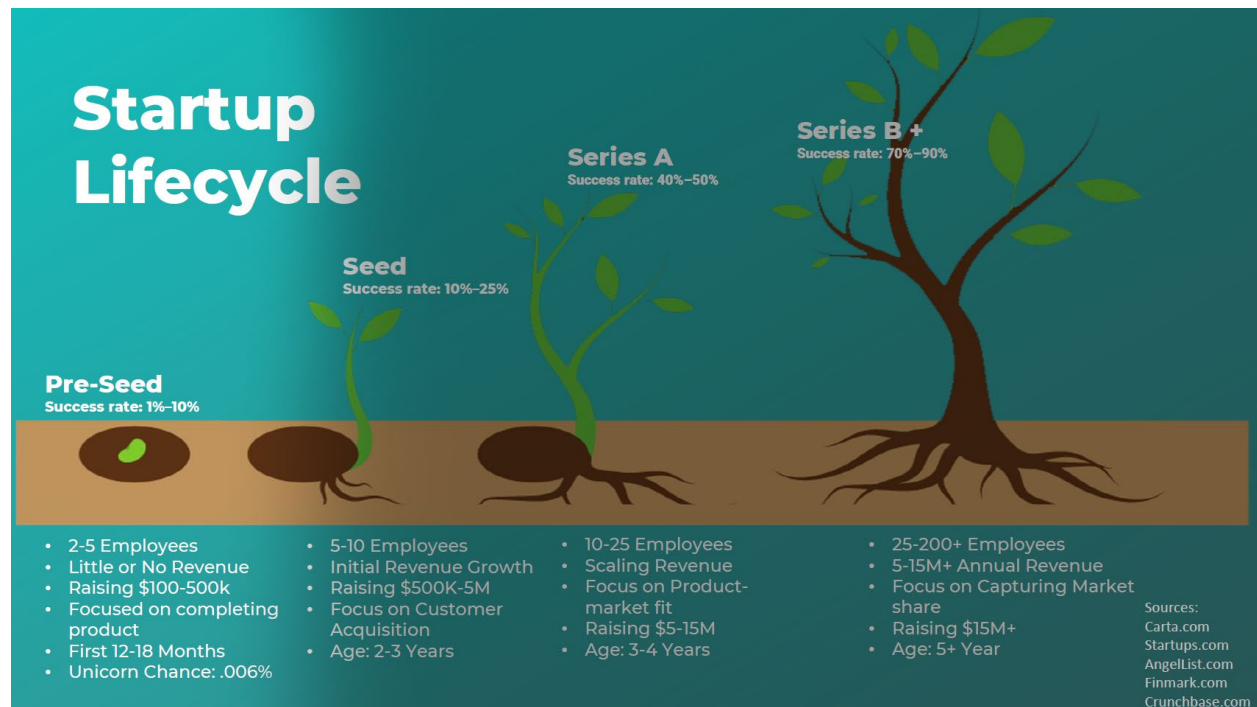
Dabot AI is Pre-Seed

★ Entered Fund with:

- 2 Employees in 2023
- Minimally Viable Product
- Raised \$200,000
- No Revenue
- *Higher Risk

★ One Year Later:

- 4 Employees
- Completed 5 Paid Pilots
- Raised \$500,000
- Plug and Play Spring Accelerator
- *Lower Risk



Benefits of Seed Stage

Lower Risk

- Lowered risk of failure
 - 90% → 60%
(sources: GrowthList, Carta)
- More established companies
- Past performance data
- Product has paying customers

Range of Deals

- Retain incoming deals
- Attract mature and serial founders

Plug and Play

- Incredible progress since March
- Corporate matchmaking success
- Syndication & VC partnerships

Why Now?

Despite...

Valuable resources and partnerships, such as Plug and Play McKinney and the City Pilot initiative

Expanding our reach, getting better and lower risk deals

We are missing out on bigger opportunities, and need to keep our incentives motivational

Now is the time to increase the available level of funding, to capture high-growth companies that will significantly elevate McKinney's innovation ecosystem

How to Attract Seed Stage

- ✓ Plug and Play McKinney
- ✓ Pilot Opportunities within McKinney Departments
- ✓ MEDC Portfolio Support
- \$50,000 - \$200,000 Check Size

Our Ask

Authorize us to negotiate up to \$200,000 Growth Fund deals

- Up to 50% upfront, 50% performance-based

Thank you!

