

## **MCKINNEY ECONOMIC DEVELOPMENT CORPORATION**

**NOVEMBER 21, 2023**

The McKinney Economic Development Corporation met in regular session in the City Hall Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on Tuesday, November 21, 2023, at 8:00 a.m.

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

Absent: Julie Williams.

City Council Present: Mayor George Fuller, Councilmen Rick Franklin, and Justin Beller.

Staff Present: President Michael Kowski, Senior Vice President Michael Talley, MEDC Executive Assistant Melanie Molina, MEDC Marketing & Social Media Manager Luke Gajary, MEDC Project Manager Caroline Causey, Assistant City Manager Kim Flom, MEDC Attorney Mark Houser, Accounting Manager Chance Miller, and Visit McKinney Executive Director Aaron Werner.

There were 5 guests present.

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

Chairman Loughmiller announced he would like to present former Board member Mohamed Kacem with a recognition award. Mr. Kacem was a member of the MEDC Board from 2021-2023. Chairman Loughmiller thanked Mr. Kacem for his service to the MEDC Board and the City of McKinney.

Mr. Kacem congratulated President Kowski on his new position and noted his role is vital to continue our success in the City of McKinney. Mr. Kacem thanked Chairman Loughmiller for his contributions, wisdom, and guidance to the MEDC Board, and thanked the Board members for their support. Mr. Kacem thanked Mayor Fuller, City Manager Grimes, and MEDC Attorney Mark Houser. Mr. Kacem thanked Ken Sipiora, Patrick Cloutier, Joe Minissale, Michael Jones, Councilwoman Feltus, Rainey Rogers, his late parents, his late mother-in-law, his wife Mouna, and children Adam and Lena. Mr. Kacem announced he is a life-learner and will be graduating after thanksgiving in executive

leadership for AI. Mr. Kacem wished everyone a happy thanksgiving and asked everyone to keep our troops in their prayers.

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

**23-0944** Chairman Loughmiller called for Recognition of National Entrepreneurship Month. Chairman Loughmiller announced the MEDC has made tremendous strides in providing resources for startups through our Innovation Fund that began in 2020. Chairman Loughmiller noted other cities have tried to emulate the Innovation Fund. MEDC continues to add resources and programs to support the entrepreneurial community and believes it is a very important part of what we do, so much so that we have a Board committee devoted to innovation. Chairman Loughmiller announced want to celebrate the spirit of innovation and enterprise as we recognize the trailblazers and visionaries among our business residents and future partners. Chairman Loughmiller welcomed Adam McAbee, COO of StadiumDrop, an Innovation Fund portfolio company and Venture Dallas nominee for startup of the year. Mr. McAbee announced the City of McKinney, in his mind, has always been one of the top cities in the DFW metroplex. StadiumDrop has been operating with the Dallas Cowboys since May of 2021, University of Oklahoma, Oklahoma State University, and are in talks with several NFL teams, NBA teams and arenas across the country. Mr. McAbee noted it would not be possible without MEDC. Mr. McAbee noted Luke Gajary reached out to him about the Innovation Fund, and he applied. To date, StadiumDrop has over 200 employees in the company with about seven full-time employees. Mr. McAbee noted it would not be possible without Michael Talley, his team, and the MEDC.

**23-0945** Chairman Loughmiller called for the Minutes of the McKinney Economic Development Corporation Meeting of October 17, 2023.

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

**23-0946** Chairman Loughmiller called for Board and Liaison Updates.

City of McKinney- Assistant City Manager Kim Flom announced construction is coming along with the new City Hall, with a topping-out ceremony occurring a few weeks ago. The City sent out a Request for Qualifications (RFQ) to developers to find someone to partner with to redevelop the spaces the City will vacate. The three finalists (Hines, Nack, and M2G) will be making presentations to the City Council on November 28<sup>th</sup> at 5:30 p.m. in the Council Chambers. The meeting will include presentations, a meet and greet, and request feedback from the public. City Council will deliberate and possibly select a developer soon after the meeting. Ms. Flom announced on December 5<sup>th</sup> there will be two topics for discussion on the Work Session agenda, the Lower 5 Plaza (the pedestrian connection across State Highway 5) and information presented on the Airport. Ms. Flom noted the Bond Committee has met four times; three with the full group, and once with the Executive Committee. The results and information from those meetings will be presented on December 19<sup>th</sup> and will prep City Council for a decision on to whether to call a bond election for 2024. Ms. Flom announced this bond usually comes out every five years and covers areas such as transportation, parks, and public safety. Ms. Flom announced the Dallas Morning News awarded the City of McKinney as one of the top places to work in the "large company" category. The City of McKinney was the only government organization to be awarded this designation. Ms. Flom wished everyone a wonderful Thanksgiving holiday.

Community Development Corporation- Board member Kathryn McGill announced applications for the first cycle of promotional grants are now open and will run through November 30<sup>th</sup>. Applicant presentations are scheduled for the December MCDC Board meeting and action will occur

at the January 2024 MCDC Board meeting. The first cycle of project grants opens on December 1<sup>st</sup> and runs through the end of December. Public hearings on applications that are submitted are scheduled for the January 2024 MCDC Board meeting and action will occur at the February 2024 MCDC Board meeting. The MDCC Grant Review Subcommittee spent a lot of time updating, reviewing, and streamlining the grant application process. It will be an online-only process in 2024. Ms. McGill announced Tupps Brewery is moving along and looking at final completion in January. Ms. McGill announced there are lots of activities going on that MCDC is proud to sponsor and have partnership in including the weekly Farmers Market (runs through December), Home for the Holidays (November 24<sup>th</sup> through November 26<sup>th</sup>), McKinney Repertory Theatre's "A Christmas Carol" (November 24<sup>th</sup> through November 25<sup>th</sup> and December 8<sup>th</sup> through December 9<sup>th</sup>), McKinney Philharmonic Orchestra's "All Star Christmas" (December 2<sup>nd</sup>), the McKinney Rotary Parade of Lights (December 9<sup>th</sup>), and the Heritage Guild Holiday Tour of Homes (December 2<sup>nd</sup> through 3<sup>rd</sup> and December 9<sup>th</sup> through 10<sup>th</sup>). Ms. McGill wished everyone a happy Thanksgiving.

Visit McKinney- Visit McKinney Executive Director Aaron Werner wished everyone a happy early Thanksgiving. Mr. Werner announced in Fiscal Year 2023 we received \$2.9 million hotel tax for the City of McKinney. This is a 21% increase from Fiscal Year 2022. Mr. Werner noted this is a healthy sign for the hospitality industry in McKinney and shows some signs of maxing out some of our properties. There was a month that had 80% occupancy city-wide, the first time we have crossed out of the 70s into the 80s. Mr. Werner announced the NCAA DII football will come to town. Fan Fest will be on December 15<sup>th</sup> at Tupps Brewery at the Cotton Mill. It will be the last year to host it at that location. Mr. Werner noted he would like to publicly thank the Cotton Mill for allowing the use of their grass parking for the Fan Fest event. Mr. Werner announced Visit

McKinney promotional grant cycle applications were due last week. Those will be presented at the next Visit McKinney meeting. There is at least one brand new event coming in to present, which is something Visit McKinney always likes to see.

MEDC Committee Updates:

Governance Committee- Chairman Loughmiller announced the Governance Committee did not meet.

Finance Committee- Vice Chairman Kuehn announced there were no updates.

Marketing Committee- Vice Chairman Kuehn announced there were no updates.

Innovation Fund Committee- Board member Denissen announced there were no updates.

Real Estate Committee- Secretary/Treasurer Helsley announced the Real Estate Committee met and have a few items to discuss in Executive Session today.

Board Chairman- Chairman Loughmiller wished everyone a happy Thanksgiving and noted the downtown decorations are looking fantastic for Home for the Holidays. Chairman Loughmiller noted the annual MEDC holiday party is coming up but unfortunately, he will be unable to attend due to traveling out-of-state.

**23-0949** Chairman Loughmiller called for discussion on appointing MEDC Standing Committee Members. Chairman Loughmiller announced the Board has a draft of the proposed committee assignments in front of them. The proposal is: Finance Committee; Vice Chairman Kuehn, Board member Denissen, and Board member Woodruff, Governance Committee; Chairman Loughmiller, Vice Chairman Kuehn, Secretary/Treasurer Helsley, Innovation Fund Committee; Board member Denissen, alternate Board member Kadala, Board member Hamilton, Marketing Committee; Board member Williams, alternate

Board member Kadala, Board member Hamilton, Real Estate Committee; Board member Williams, Secretary/Treasurer Helsley, Board member Woodruff. Chairman Loughmiller noted the meeting dates are listed on the draft that was handed out to the Board.

Board members unanimously approved the motion by Board member Denissen, seconded by Board member Woodruff, to approve the appointments of the MEDC Standing Committee Members as proposed.

**23-0947** Chairman Loughmiller called for the MEDC Monthly Reports.

Organizational Report- President Kowski thanked everyone who comes to the podium and shares updates with MEDC, and Board members who participate on the MEDC committees. President Kowski also thanked MEDC staff for their travel to events the past few months. President Kowski noted this is a rough time of the year with the number of expos, events and conferences staff must attend for MEDC to stay relevant in the market. President Kowski announced we had our Tech and Trucks event last week, with close to 100 guests. President Kowski noted a lot of attendees came from Dallas because of the “work in Dallas” Innovation event held a few weeks ago. President Kowski noted he is a firm believer in organic growth and thanked Vice Chairman Kuehn for attending Tech and Trucks.

KPI Report- Senior Vice President Talley announced he would like to echo President Kowski. Mr. Talley noted staff had a site visit with a couple of our Board members. This takes a lot of time out of the Board members’ normal schedules to commit to committees and site visits. Mr. Talley noted he appreciates the open-mindedness of our Board and the amount of commitment they have for the events we do. Mr. Talley noted Adam from StadiumDrop is a perfect example of what happens organically through relationships. Mr. Talley noted the active project pipeline is at 32. Traditional Request for Proposals (RFPs) from the Governor’s Office have slowed down the past few months and the market

has changed with interest rates, but that is why being present at events is important in keeping the pipeline robust.

Marketing Report- MEDC Marketing & Social Media Manager Luke Gajary announced we are trying to capitalize better on sponsorships. Any event we attend, we try to obtain a list of attendees from that event. For example, Project Manager Wilkes attended Dallas Startup Week about two months ago. We received an attendee list of about 1,700 people. We sent a follow-up email mentioning the Innovation Fund and what we do in McKinney. We received a 58% open rate on that email. Mr. Gajary noted you can usually expect an 18%-25% open rate on a cold email. Mr. Gajary announced we are trying to take our sponsorship efforts beyond attending an event and setting up a booth at a table; we want to really maximize our dollars by taking the attendee lists and converting them into conversations. Mr. Gajary announced there was a dip in views on Instagram reels, with a reel with seven views and another reel with five views. Mr. Gajary realized the reels were being scheduled through a social media management system, where any reels posted through that system received low views. We are now back to posting organically through the default platforms, and views have increased. Mr. Gajary noted the Hugs short-form video received 685 views.

**23-0948** Chairman Loughmiller called for the September 2023 Financials. Accounting Manager Chance Miller announced the City of McKinney fiscal year ends September 30<sup>th</sup>. Once October begins, the majority of the City gets ready for fiscal year 24. However, the Finance staff works to close out fiscal year 23. Mr. Miller noted he will return at the January Board meeting with the final numbers for fiscal year 23 after the auditors approve the numbers. Revenue for the month of September was a little over \$2 million, with most of it coming from sales tax revenue. Revenue for the year is at \$23.3 million. The number may change slightly after the final audited sales tax numbers. Operation expenses for the month of

September were \$458,000 for (personnel, supplies, rent, etc.) For the year, the total was close to \$3 million. Project expenses for the month of September were \$340,000. For the year, the total was close to \$9.6 million. Mr. Miller noted the budget is usually around \$15 million. There will be an audit adjustment for the Kaizen office building that will get close to the \$15 million budget. Mr. Miller noted if there are funds left over, he will work with President Kowski and determine whether to reappropriate funds for projects that didn't get paid out in fiscal year 23 and move those to fiscal year 24, or let those funds roll into fund balance. Mr. Miller noted he and President Kowski will discuss and come back in the new year with the final decision and give the final fund balance numbers. Total expenses for the month of September were a little over \$1 million. For the year, expenses were \$15.486 million. Net increases for the month of September were \$966,000 to fund balance. Mr. Miller announced sales tax received in September applies to July sales. McKinney had a 7.7% increase, Allen stayed the same, Frisco had a 4.8% decrease, and Plano had a 4.5% increase. Due to audit collections, McKinney had a true increase of only 5.4%, Allen had a true increase of 4%, Frisco had a true decrease of 8%, and Plano had a true increase of 4.5%. Year-to-date , McKinney had a 6.3% increase, Allen had a 8.9% increase, Frisco had a 5.2% increase, and Plano had a 6.6% increase. For sales tax by industry, McKinney had an 8% increase in retail trade for the month of September. Wholesale trade had a 66% increase for the month of September.

Board members unanimously approved the motion by Secretary/Treasurer Helsley, seconded by Board member Denissen, to approve the September 2023 Financials.

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

Chairman Loughmiller called for Board Comments and there were none.



Chairman Loughmiller recessed the meeting into Executive Session at 8:37 a.m.

Chairman Loughmiller reconvened the meeting into open session at 10:30 a.m.

Board members unanimously approved the motion by Vice Chairman Kuehn, seconded by Board member Woodruff to approve the amendment to Craig Ranch, LLC as discussed in Executive Session.

Board members unanimously approved the motion by Board member Hamilton, seconded by Board member Woodruff, to extend Project Harry to March 1<sup>st</sup> as discussed in Executive Session.

Board members unanimously approved the motion by Vice Chairman Kuehn, seconded by Board member Hamilton, to Adjourn.

Chairman Loughmiller adjourned the meeting at 10:32 a.m.

These minutes were approved by the MEDC members on: December 19, 2023.

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BRIAN S. LOUGHMILLER  
Chairman

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THAD HELSLEY  
Secretary/Treasurer