

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

MAY 21, 2024

The McKinney Economic Development Corporation met in regular session in the City Hall Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on Tuesday, May 21, 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.

City Council Present: Councilmen Justin Beller and Rick Franklin.

Staff Present: President Michael Kowski, Senior Vice President Michael Talley, MEDC Operations Manager Deana Smithee, MEDC Executive Assistant Melanie Molina, MEDC Marketing & Social Media Manager Luke Gajary, City Manager Paul Grimes, MEDC Attorney Mark Houser, Accounting Manager Chance Miller, MCDC President Cindy Schneible, and Visit McKinney Executive Director Aaron Werner.

There was 1 guest present.

Chairman Loughmiller called the meeting to order at 8:02 a.m. after determining a quorum present.

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

24-1559 Chairman Loughmiller called for the Minutes of the Joint Meeting of the McKinney Economic Development Corporation & McKinney Community Development Corporation of April 16, 2024.

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 Economic Development Corporation & McKinney Community Development Corporation of April 16, 2024.

24-1560 Chairman Loughmiller called for Board and Liaison Updates.

City of McKinney- City Manager Paul Grimes announced the McKinney National Airport is continuing to work on design. The City Council has approved funding with assistance of MEDC and MCDC for infrastructure

on the eastern side of the airport. This will be for general aviation and future passenger service. The design contract is estimated to be about \$5.3 million. Mr. Grimes announced we are in the process of working with M2G Partners for the redevelopment of the City Hall and Development Services buildings as well as the parking lot. City Council will be meeting in Executive Session tonight to review details. Mr. Grimes noted M2G Partners will also be sharing insight into how to move forward with more public input. Mr. Grimes announced the bond election on May 4th had four of the five bonds pass. The Municipal Courts facility bond did not pass. Mr. Grimes announced early voting began yesterday for the Democratic and Republic primary runoff elections. Mr. Grimes congratulated the Finance team for earning the sixth transparency star. We are one of only two public entities who have earned the sixth star. Mr. Grimes congratulated the Human Resources department for receiving the 2024 Human Resources Impact Award. Mr. Grimes announced new gray garbage and blue recycling carts would begin rolling out in the coming months as Frontier Waste begins their contract on October 1st.

Chamber of Commerce- Chamber of Commerce President Lisa Hermes thanked MEDC for being a sponsor of the Chamber golf tournament. Ms. Hermes announced 30 new leaders graduated the McKinney Leadership Academy. Ms. Hermes announced the selection committee has met to choose the new leadership class. Ms. Hermes announced the Chamber of Commerce is working on an “emerging leaders” program for next year. Ms. Hermes announced SERVE McKinney will be the evening of June 11th at Collin College. All City boards and commissions, nonprofits that serve McKinney, and the community are invited. Ms. Hermes noted it is not a fundraiser for nonprofits, but about leveraging talent and human capital we have in our backyard.

Community Development Corporation- MCDC President Cindy Schneible announced the MCDC Board recently approved eight retail infrastructure grants. These support exterior infrastructure and fire suppression for buildings primarily in the downtown Cultural District. Two are for the Eldorado and Highway 75 area. This week the MCDC Board will act on seven project grants including the design and infrastructure for the east side of the airport, affordable housing from Sphinx Development, and the McKinney Parks Foundation east McKinney learning garden. MCDC is currently accepting promotional grant applications through May 31st focused on fall and early 2025 events. The McKinney Philharmonic Orchestra has a concert scheduled at Boyd High School and the first weekend in June, Millhouse will host their outdoor Mural Fest at the Cotton Mill. Ms. Schneible announced business continues to be good at Tupps Brewery. This past weekend was Hippy Fest, the weekend before was R&B Festival. Ms. Schneible noted Tupps Brewery is currently operating on a Temporary Certificate of Occupancy (TCO) and has had to make a few changes on their site to accommodate Americans with Disabilities Act (ADA) requirements. They are hoping to get their final inspection on the ADA front this week to get their final Certificate of Occupancy.

Visit McKinney- Visit McKinney Executive Director Aaron Werner announced National Travel and Tourism Week kicked off in McKinney this week. Mr. Werner noted in McKinney in 2023, travel generated \$283 million in direct visitor spending. This is up from previous years and a new record for McKinney. \$32.9 million in local tax revenue from the tourism-related businesses in McKinney, and 2100 jobs are supported by travel and tourism-related jobs here. 28% of spending in McKinney is done by visitors from outside of a 50-mile radius that come into our community. Mr. Werner noted the highest points of interests were to sports facilities, with Gabe Nesbitt at the top of the list.

MEDC Committee Updates:

Marketing Committee- Board member Williams announced the Marketing Committee met but has nothing to report.

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

Finance Committee- Vice Chairman Kuehn announced the Finance Committee met and discussed the budget and leasing of the Kaizen Building.

Innovation Fund- Board member Denissen announced PlugAndPlay activities are going on this week.

Governance Committee- Chairman Loughmiller announced the Governance Committee did not meet but will in the near future.

Board Chairman- Chairman Loughmiller announced the Chamber golf tournament was a great event. Chairman Loughmiller announced the Byron Nelson tournament was a success again with several companies and prospects visiting McKinney. Chairman Loughmiller noted there is about \$35 million in economic impact to the area each year. Chairman Loughmiller announced there will be a Tek Leaders groundbreaking today at noon. Chairman Loughmiller congratulated SVP Michael Talley on his recognition by Consultant Connect for top 50 economic developers.

24-1561 Chairman Loughmiller called for the MEDC Monthly Reports.

Organizational Report- President Kowski thanked SVP Talley for all he does for MEDC and congratulated him on his recognition for top 50 economic developers.

KPI Report- Mr. Talley thanked Chairman Loughmiller and President Kowski for their mention. He noted he wanted to thank the team for their work us at speaking events and travel and so forth. Mr. Talley announced we have 28 active projects, and Mr. Kowski spoke at an event yesterday

and another event today. Mr. Talley announced we are trying to ramp up BRE visits before summer travel. Mr. Talley noted he wants to touch on why we do what we do in the first place. Tek Leaders is a considerable investment in McKinney with a capital investment of over \$7 million, 140 jobs relocating to McKinney, and 100 new jobs in the next three to five years all with six-figure average wages.

Marketing Report- Marketing & Social Media Manager Luke Gajary announced web visitor traffic on the Unique McKinney website is trending high. The Innovation Fund page is the most visited. We are doing some marketing with Bisnow and saturated marketing in tech-heavy cities such as Los Angeles, New York, and Chicago. As a result, we are seeing a lot of traffic not only to our site, but particularly to the Innovation Fund aspects. Mr. Gajary announced StadiumDrop recently filmed a promotional video with left guard for Dak Prescott of the Dallas Cowboys, Tyler Smith. Mr. Smith is coming on board as an endorser for StadiumDrop, and they used the McKinney Momentum podcast studio to film their promotional video. Mr. Gajary noted the podcast studio has been a great resource to our Innovation Fund portfolio companies and allows us to offer a different form of assistance. Mr. Gajary announced we will close out the month of May with an episode with McKinney ISD Superintendent Shawn Pratt.

24-1562 Chairman Loughmiller called for the March 2024 Financials. Accounting Manager Chance Miller announced in the month of March we received a little over \$1.7 million in sales tax revenue. Mr. Miller noted we sold land for close to \$900,000. Total revenue was close to \$2.7 million. For expenditures, there was \$270,000 in operations, \$180,000 in project expenses, and \$237,000 in non-departmental expenses (which is mainly the transfer for debt service payments), totaling \$682,000 in expenses for the month of March. Mr. Miller noted this was a net increase of a little over \$2 million. Sales tax for the month of March applies to the month of

January. 15.1% increase with audit collections for a true increase of 8.3%. Allen had a 13.6% increase, Frisco broke about even, and Plano had a 13.7% decrease but had audit collections for a true increase of about 8.3%. Year-to-date, we are at a 7.6% increase. Sales tax by industry, retail trade was strong at 5%, and manufacturing has been strong at 52%.

24-1563 Chairman Loughmiller called for the April 2024 Financials. Accounting Manager Chance Miller announced for the month of April we collected about the same as the month of March with \$1.7 million in sales tax revenue. There was \$50,000 in interest income and \$53,000 in miscellaneous revenue. For expenditures there was about \$250,000 in operational expenses, \$224,000 in project expenses, and \$237,000 in non-departmental, totaling \$7000,000 in expenses for the month of April. Mr. Miller noted this was a net increase of \$1.1 million. Sales tax for the month of April applies to the month of February. Allen had a 3.6% decrease, Frisco had a 11.1% increase, Plano had about an 8% increase. Year-to-date we are at an 8.3% increase and are trending well above budget. Sales tax by industry retail trade is trending at 5%, manufacturing is at 40%.

Board members unanimously approved the motion by Secretary/Treasurer Helsley, seconded by Board member Williams, to approve both the March 2024 and April 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 thanked the MEDC staff for their hard work at the Byron Nelson and congratulated everyone on a great event.

Chairman Loughmiller recessed the meeting into Executive Session at 8:30 a.m.

Chairman Loughmiller reconvened the meeting into open session at 9:17 a.m.

MEDC MINUTES

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Board members unanimously approved the motion by Vice Chairman Kuehn, seconded by Board member Denissen, to approve terms for MEDC v. Active Security Consulting as discussed in Executive Session.

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

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

Chairman Loughmiller adjourned the meeting at 9:18 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: June 18, 2024.

SIGNED:

BRIAN S. LOUGHMILLER
Chairman

THAD HELSLEY
Secretary/Treasurer