

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

OCTOBER 18, 2022

The McKinney Economic Development Corporation met in regular session in the City Hall Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on Tuesday, October 18, 2022, at 8:00 a.m.

Board members Present: Chairman Michael Jones, Vice Chairman Joe Minissale, Secretary/Treasurer Kurt Kuehn, Julie Williams, Thad Helsley, Brian Loughmiller, and Mark Denissen.

Staff Present: President Peter Tokar, Senior Vice President Michael Talley, MEDC Projects Manager Miguel Esparza, MEDC Operations Manager Deana Smithee, MEDC Executive Assistant Melanie Molina, City Manager Paul Grimes, Assistant City Manager Kim Flom, MEDC Attorney Mark Houser, Financial Compliance Manager Chance Miller, and MCDC President Cindy Schneible.

There were 2 guests present.

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

Chairman Jones called for public comments on the agenda and there were none.

22-0979 Chairman Jones called for the election of officers.

Board members unanimously approved the motion by Board member Helsley, seconded by Board member Williams, to approve the election of Board member Loughmiller as Chairman.

Board members unanimously approved the motion by Vice Chairman Minissale, seconded by Board member Loughmiller, to approve the election of Board member Kuehn as Vice Chairman.

Board members unanimously approved the motion by Board member Loughmiller, seconded by Chairman Jones, to approve the election of Board member Helsley as Secretary/Treasurer.

22-0986 Chairman Jones called for discussion on appointing MEDC Standing Committees.

Board members unanimously approved the motion by Board member Loughmiller, seconded by Chairman Jones, to approve the appointment of Board Member Denissen to the MEDC Finance Committee.

Board members unanimously approved the motion by Board member Loughmiller, seconded by Board member Helsley, to approve the appointment of Board member Williams to the MEDC Innovation Fund Committee.

Board members unanimously approved the motion by Chairman Jones, for the appointments of the MEDC Standing Committees Marketing and Real Estate to remain the same.

22-0980 Chairman Jones called for the Minutes of the McKinney Economic Development Corporation Meeting of September 20, 2022

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

22-0981 Chairman Jones called for Board and Liaison Updates.

City of McKinney- City Manager Paul Grimes congratulated the new officers-elect for MEDC and stated he looks forward to continued collaboration. Mr. Grimes announced last week he was present for the ribbon cutting of Bois d'arc Lake (located in Fannin County). This is a new water supply for the North Texas Municipal Water District. The City of McKinney is one of the founding members of the NTMWD, and this lake is a massive billion-dollar project that is about 40% full with about another 20 feet to go. Mr. Grimes announced next Wednesday will be the second meeting of the airport bond committee. Mr. Grimes noted the first meeting last week went very well and staff did a fantastic job along with consultants in facilitating questions and allowing the process to move smoothly. Mr. Grimes announced October 24th will be the groundbreaking for the new McKinney City Hall. At tonight's City Council meeting, Council will consider and hopefully adopt funding for construction.

Chamber of Commerce- President Lisa Hermes congratulated the new officers and welcomed Mark Denissen to the Board. Ms. Hermes announced the Business Development Update will be October 27th and is about the airport. MEDC President Tokar will be speaking as part of the economic development panel. Ms. Hermes announced the State of the City will be November 3rd featuring the McKinney Mayor, Superintendent of MISD, President of Collin College, and McKinney City Manager. Ms. Hermes gave an update on the package liquor store election and announced the Chamber has been all hands-on deck for the November 8th push. Ms. Hermes announced there have been social media campaigns and mailers, and the Chamber is very positive about the election with a goal to make sure everyone finishes the voting ballot. Ms. Hermes announced the Chamber is excited about their move, with a target move in date of November 17th. Ms. Hermes announced there will be an open house in January and a lot of exciting things regarding the partnership and collaboration with MEDC and MCDC.

MCDC- MCDC President Cindy Schneible congratulated the new officers and stated she looks forward to working with them. Ms. Schneible announced in the last MCDC meeting, the Board approved a retail infrastructure grant for a project at the Cotton Mill. As a reminder those grants are for exterior infrastructure for landmark retail. The project the Cotton Mill applied for was for exterior site work and sewer installation to allow for the opening of a new event center. The MCDC Board has made a couple of changes to the grant program, increasing the grant amount from a matching amount up to \$25,000 to up to \$50,000 per grant with a 25% match. Ms. Schneible noted the change will take effect with this year's grant program, and the hope is that the grant will become more attractive to downtown business owners and those with historic properties in the cultural district and general downtown area. Ms. Schneible gave an update on the Tupps project. The brewery building is

up and work continues on the site, with a early to mid-December target for brewing, and total move in for early to mid-January. Ms. Schneible announced the MCDC promotional grant program application period opens November 1st, followed by project grants December 1st.

Visit McKinney- Executive Director of Visit McKinney Aaron Werner announced Visit McKinney's success is dependent on the ability to partner and work with community organizations such as MEDC, MCDC, the City and others. Mr. Werner noted the importance on building these relationships was made very clear to him during his first few months on the job, and he is very thankful for Peter and the rest of the MEDC team. Mr. Werner gave an update on a McKinney hotel losing business after a company that had been bringing their meetings to the hotel the past five years decided not to return for 2023. Mr. Werner stated the City of McKinney will lose about \$500,000 in revenue over the course of a year from this one corporate loss alone. Mr. Werner announced Saturdays and Sundays in McKinney are at about 92-93% occupancy city-wide. Mr. Werner said he attributes this mainly to the wedding business in McKinney and the Parks department does a phenomenal job at youth sports and other sporting events that bring in guests.

MEDC Chair- Chairman Jones announced he would like to reiterate the words of Ms. Hermes. Our job is to spur tax and economic growth for the City of McKinney and while packaged liquor sales are a small part, it adds to the pie of McKinney. Chairman Jones announced next Monday is early voting and encouraged everyone to go out and vote and ask their friends to vote.

MEDC Board- Board member Loughmiller commented a city can be at a competitive disadvantage when it does not offer packaged liquor sales and other surrounding cities do have packaged liquor sales.

Secretary/Treasurer Kuehn announced he was able to participate in REDnews Collin County recently and it was very apparent in the meeting

how the McKinney National Airport will be a big part of the economy for Collin County and the City of McKinney. Mr. Kuehn noted it is important for those “in the know” to share with those who aren’t “in the know” that McKinney has an airport and how valuable it is. Mr. Kuehn recognized MEDC staff for getting out there and bringing opportunities to McKinney. Board member Helsley welcomed Board member Denissen to the Board and congratulated City Council on choosing Mr. Denissen. Board member Denissen commented the hotels we have today are not conducive to a walkability score. Mr. Denissen noted as we attract more business to McKinney we will have to think about hotels as it is a complex problem.

22-0982 Chairman Jones called for the MEDC Monthly Organizational Report. President Tokar announced MEDC Director of Research and Technology Michael DePaola exited the organization after receiving an offer from another company. President Tokar noted staff was discussing how to replace or supplement the vacated position. Michael DePaola had an instrumental role in technology and infrastructure projects and was a member of the citywide broadband initiative.

22-0983 Chairman Jones called for the MEDC Monthly KPI Metrics Report. President Tokar announced there are still a lot of outstanding contracts but in MEDC Executive Session today, some new projects will be discussed that will hopefully generate capital investment. President Tokar announced every other metric aside from community forums has been met or is on target for the year.

22-0984 Chairman Jones called for the August 2022 Financials. Financial Compliance Manager Chance Miller announced sales tax revenue for August was at \$1.97 million dollars, bringing year-to-date actual up to \$18.9 million dollars in sales tax revenue. There is one month left to get to a full 12 months. Mr. Miller announced operational expenses for August was \$173,000, bringing year-to-date up to \$2.5

million. Total project expenses were \$157,000 and \$238,000 for INS debt-ratio. Total expenses were \$569,000. Total revenue was \$2 million. August collections apply to the month of June. This was the month it was expected to see a decrease in sales tax revenue due to the interest rate hike and CPI increases. There was an 11.1% increase year-to-date this brings it to a 16% increase. Allen had a 3.6% increase, Frisco had a 22% increase, Plano 15.4% increase. Year-to-date Allen is at 7.6%, Frisco is at 24.4%, and Plano is at 17.4%. All of these are true increases with no audit collections impacting the numbers. Mr. Miller announced sales tax by industry was standard, with retail trade and construction a little higher but fluctuation was normal.

Board members unanimously approved the motion by Vice Chairman Minissale, seconded by Board member Helsley, to approve the August 2022 Financials.

22-0985 Chairman Jones called for a presentation by the City of McKinney on Potential 2023 Bond Election Including Projects to be Funded. Assistant City Manager Barry Shelton spoke on the McKinney National Airport team organization, how the airport aligns with City Council strategic goals, how the airport benefits the City of McKinney and its residents, current air traffic, future traffic projections, comparisons to regions of similar size with airports, potential routes, cost estimates, debt ratio, profitability, sources of funding, and how the bond will be brought to voters.

Chairman Jones recessed the meeting into Executive Session at 9:21 am.

Chairman Jones reconvened the meeting into open session at 10:13 a.m.

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

Board members unanimously approved the motion by Vice Chairman Minissale, seconded by Board member Williams, to approve Project Borderlands as discussed in Executive Session.

Board members unanimously approved the motion by Board member Loughmiller, seconded by Secretary/Treasurer Kuehn, to approve Project Cloud as discussed in Executive Session.

Board members unanimously approved the motion by Board member Helsley, seconded by Vice Chairman Minissale, to Adjourn.

Chairman Jones adjourned the meeting at 10:16 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: November 15, 2022.

BRIAN S. LOUGHMILLER
Chairman

THAD HELSLEY
Secretary/Treasurer