

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

MARCH 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, March 21, 2023, at 8:00 a.m.

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

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 Project Manager Caroline Causey, City Manager Paul Grimes, MEDC Attorney Mark Houser, Accounting Manager Chance Miller, MCDC President Cindy Schneible, and Visit McKinney Executive Director Aaron Werner.

There were 2 guests present.

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.

23-0212 Chairman Loughmiller called for Update on 2023 McKinney Board & Commission Member Appointments. City Secretary Empress Drane spoke. However, we experienced technical difficulty with the sound.

23-0213 Chairman Loughmiller called for the Minutes of the McKinney Economic Development Corporation Meeting of February 21, 2023.

23-0214 Chairman Loughmiller called for Amended Minutes of the McKinney Economic Development Corporation Meeting of November 15, 2022.

Board members unanimously approved the motion by Vice Chairman Kuehn, seconded by Board member Williams, to approve both the February 2023 and Amended November 2022 Minutes.

23-0215 Chairman Loughmiller called for Board and Liaison Updates.

City of McKinney- City Manager Paul Grimes spoke. However, we experienced technical difficulty with the sound.

Chamber of Commerce- McKinney Chamber of Commerce President Lisa Hermes spoke. However, we experienced technical difficulty with the sound for the first half of her report. Ms. Hermes announced the Chamber has had to refine the process of how they select their classes. Ms. Hermes thanked Julie Williams and Brian Mann for creating a new process for the Chamber. Ms. Hermes announced every five years the Chamber of Commerce goes through an exhaustive accreditation process with nine different areas examined. Ms. Hermes announced the McKinney Chamber was reaccredited as a five-star Chamber, which is the highest level. Ms. Hermes noted there are only 137 Chambers across the country who have received this five-star designation.

Community Development Corporation- MCDC President Cindy Schneible announced at the February MCDC Board meeting there were three project grants approved, one for the Flour Mill, one for Heard Craig Center for the Arts, and one for McKinney Roots. There were also public hearings on five retail development infrastructure grant applications. Ms. Schneible noted this program was created to support landmark retail, specifically businesses and buildings in the downtown Cultural District as well as gateways into the City that would be candidates for redevelopment. Ms. Schneible noted the five applications was the largest number MCDC has had during any application period. The retail development infrastructure grant is a matching grant program and funds exterior infrastructure and fire suppression. Ms. Schneible announced MCDC is currently accepting project grant applications through March 31st and any received will be presented to the MCDC Board in April. Ms. Schneible gave an update on the Tupps Brewery project, noting Tupps is currently working to secure a temporary Certificate of Occupancy in order to start brewing beer on the new site.

Visit McKinney- Visit McKinney Executive Director Aaron Werner announced McKinney is still trending at 30% above where we were last year on hotel occupancy tax collections, a sign McKinney hotels are doing very well. Mr. Werner noted last year trending 30% above was a record year for McKinney. Mr. Werner announced at the Visit McKinney Strategic Planning Session last month, a new mission statement was adopted, and the first vision statement was adopted. The new mission statement is: "to improve the economic vitality of McKinney by inviting others to visit, explore and enjoy the many experiences our city has to offer". The new vision statement is: "to be the most welcoming gem in all of Texas". Mr. Werner announced April and May will be busy in McKinney, hotels will be full, restaurants will be full. Visit McKinney is kicking off April by welcoming the City of Georgetown, Texas who have booked 25 rooms at the Grand Hotel. Georgetown will be coming to tour our downtown and speak with City of McKinney staff. April 17-20 will be the Irish Wolfhound Dog Show, April 22nd Visit McKinney and McKinney Main Street have partnered on an Influencer Familiarization Tour, where over 40 influencers were invited to experience McKinney with an itinerary that includes a visit to the McKinney Farmers Market and a preview of what is to come at Tupps Brewery. Mr. Werner announced in May, the Community Leaders of America Conference will be hosted at the Grand Hotel. The conference booked the entire Grand Hotel and has overflow at the Sheraton McKinney. The Byron Nelson and National Travel and Tourism Week will follow, and then the day after the Byron Nelson will be the Junior College D1 Tennis Championship.

MEDC Committee Updates:

Finance Committee- Board member Denissen announced the MEDC Finance Committee met with Assistant City Manager Barry Shelton and Director of Airport Kenneth Carley regarding the airport, reviewed policies relating to business reimbursement and procurement, and talked about

the overall budget going forward.

Marketing Committee- Board member Williams announced the MEDC Marketing Committee met and discussed some updates that are in the MEDC Marketing packet.

Real Estate Committee- Secretary/Treasurer Helsley announced the MEDC Real Estate Committee met the week before last and reviewed the MEDC holdings. Secretary/Treasurer Helsley noted there are some items in Executive Session that relate to those properties that the Real Estate Committee would like to discuss.

Governance Committee- Chairman Loughmiller announced the MEDC Governance Committee is working on the MEDC Board Handbook, with some information needed from the MEDC Committees regarding the wording of the responsibilities of each committee. The MEDC Governance Committee also discussed some of the policy issues relating to Procurement and will be discussing this in Executive Session. Chairman Loughmiller announced he has had conversations with City Manager Grimes, Mayor George Fuller, and David Kelley of the MCDC Board about formulating an agenda for the Joint meeting on April 25th. Chairman Loughmiller noted it is about more than updating projects, it is about meeting to discuss priorities so we can present a unified vision as it relates to the three entities and how we work together, and understand how it fits in with Council's priorities.

Board Chairman- Chairman Loughmiller noted he had nothing else to add other than his comments for the MEDC Governance Committee.

23-0216 Chairman Loughmiller called for the MEDC Monthly Organizational Report. President Tokar announced he would like to welcome our new alternate Board member, Scott Woodruff to the Board, and our new Project Manager Caroline Causey to the MEDC staff. President Tokar noted we are happy Caroline is on our team and excited to almost be fully staffed, with one more Project Manager position to fill. President

Tokar announced we also welcome our new Special Projects & Events Manager, Emily Beck, who has been organizing our events and is taking charge of MEDC's Byron Nelson planning.

23-0217

Chairman Loughmiller called for the MEDC Marketing Update. Social Media & Marketing Manager Luke Gajary announced he has been with MEDC about a year and has two main gaps that he has been working to address: number one, engagement with the City and City leadership, and two, more effective outbound campaigns to attract new business to McKinney. Mr. Gajary noted Special Projects & Events Manager Emily Beck has helped us level up our events and event sponsorships and will continue traditional marketing such as email campaigns and tools that we have historically used successfully. Mr. Gajary announced there are five new campaigns that we are launching digitally. Two are live, and the other three are currently being built. Why McKinney focuses on safety and schools, Meet McKinney is a video-driven business spotlight, Know McKinney is economic development 101 education for the community (What is economic development? What does it do? How are we funded?), Work in McKinney is a workforce and recruiting campaign, as McKinney Chamber of Commerce President Lisa Hermes mentioned, MEDC has also experienced the number one pain point that business talk to us about: talent and recruiting efforts. This campaign is MEDC's expression of fixing that issue. Finally, Choose McKinney is an industry-focused campaign. The Work in McKinney landing page will host companies that are actively, aggressively hiring. Right now, we have Raytheon and Moss on the page. This campaign will be an effort to help our companies recruit staff. Mr. Gajary announced the second initiative is to engage the community, promote the EDC, and engage City leadership with our multi-channel video and audio podcast. Mr. Gajary noted this has been established thanks to the creativity of Peter and our staff. As we moved into the Kaizen building we built a podcast studio.

Podcasting is not the medium of the future, it is the medium of “right now”. Mr. Gajary noted if we want to be in front of people, this is something we need to engage with. There will be a 20-30 minute long podcast episode as a roundtable, interview-style with a member of the EDC staff or Board. A business owner, member of City leadership, City staff member, or member of a nonprofit will join. There are four episodes so far and guests have included the Mayor, McKinney Chamber of Commerce, Visit McKinney, and several business owners. Videos will be on YouTube and full audio will be syndicated across Spotify and Apple Podcasts, Stitcher, and all audio platforms. The video content can be spread across social media.

23-0218 Chairman Loughmiller called for the MEDC Monthly KPI Metrics Report. President Tokar announced from an investment perspective, we are ahead of the curve from where we were last year on signed investments. We have \$49 million in contracts pending execution, and a \$6 million currently signed contract. We had our first official win of the year with that \$6 million project we approved last month, and the contract has been executed. Once we get those other contracts executed, we will jump past \$50 million, a great start to the year. MEDC Senior Vice President Michael Talley has been working hard to clean up projects in our Salesforce pipeline by following up with brokers, the company, etc. to see if projects are still viable and clear out projects that have gone silent. President Tokar noted there is always a possibility for a project to return to the pipeline, but we think a realistic look at the current project pipeline is around 18 projects, with maybe over 20 current projects in the pipeline. President Tokar announced email marketing rate is right around where we want to be, and website visitor traffic is always exceeding where we want to be. President Tokar noted everything else is where we need to be for the first quarter.

23-0219 Chairman Loughmiller called for the January 2023 Financials. Accounting

Manager Chance Miller announced January had close to \$1.85 million in revenue, with the majority of that sales tax revenue. There was \$198,000 in operational expenses, \$753,000 in project expenses, and \$313,000 in non-departmental expenses. Total expenses for the month of January was \$1.265 million. The sales tax we collected in January applies to the month of November. We saw a 6.4% increase, bringing our year-to-date increase up to 9.9%. Allen had a 1.1% increase, Frisco had a 9.7% increase and Plano had a 7.8% increase. These numbers include audit collections and prior period collections. When you factor all that in, our true increase for the month of November was a 5% increase. Frisco and Plano were pretty accurate with their numbers, but Allen saw a 1% decrease when you factor in audit and prior period collections. For retail trade we have a 3% increase for the month of January, this is the third straight month of below 5% increases, before that we were seeing double-digit increases in retail trade. There were negatives for wholesale trade and utilities but last month wholesale trade saw a 24% increase and utilities saw a 22% increase, so those are not too concerning. Mr. Miller noted next week he has a meeting with MEDC staff to review the budget and then bring it to the MEDC Finance Committee in a few months.

Board members unanimously approved the motion by Secretary/Treasurer Helsley, seconded Vice Chairman Kuehn, to approve the January 2023 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 he and Board member Williams met with MEDC Senior Vice President Michael Talley this week and discussed how staff creates leads and projects and how those flow through the process. Leads come in organically whether by phone call or email, etcetera. Once a lead becomes viable, it goes into the project status. Sometimes projects take longer one way or the other, and the duration of those does fluctuate. Vice

Chairman Kuehn and Board member Williams challenged SVP Talley to find a good way he can present projects in a concise, easy-to-understand manner as far as how many projects, average size, and average duration. This way, the Board can have a better understanding of new projects coming in and the size, so that they can report accurately to the community when asked.

Chairman Loughmiller recessed the meeting into Executive Session at 8:40 a.m.

Chairman Loughmiller reconvened the meeting into open session at 10:20 a.m.

23-0220 Chairman Loughmiller called for a Resolution Appointing MEDC Standing Committee. Chairman Loughmiller announced we will table this item due to the changes in the Board with the resignation of Mr. Minissale. Chairman Loughmiller noted if we have Committee Meetings between now and the next Board meeting, we will fill spots as-needed.

23-0221 Chairman Loughmiller called for a Resolution Amending MEDC Resolution No. 2014-01-01 to Provide for Alternative Processes for Payment of Business Expenses Under MEDC's General Policy Guidelines.

Board members unanimously approved the motion by Vice Chairman Kuehn, seconded by Secretary/Treasurer Helsley, to approve a Resolution Amending MEDC Resolution No. 2014-01-01 to Provide for Alternative Processes for Payment of Business Expenses Under MEDC's General Policy Guidelines.

Board members unanimously approved the motion by Secretary/Treasurer Helsley, seconded by Board member Kacem, to approve Craig Ranch Hotel as discussed in Executive Session.

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

Board members unanimously approved the motion by Board member Williams, seconded by alternate Woodruff, to approve Project Lodge as discussed in Executive Session.

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Board members unanimously approved the motion by Vice Chairman Kuehn, seconded by Board member Williams, to approve the change of language for Service First Mortgage as discussed in Executive Session.

Board members unanimously approved the motion by Secretary/Treasurer Helsley, seconded by Board member Denissen, to approve the President's Annual Performance Review and Employment Agreement Renewal as discussed in Executive Session.

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

Chairman Loughmiller adjourned the meeting at 10:24 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: May 16, 2023

BRIAN S. LOUGHMILLER
Chairman

THAD HELSLEY
Secretary/Treasurer