MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

DECEMBER 20, 2016

The McKinney Economic Development Corporation met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on December 20, 2016 at 8:00 a.m.

Board members Present: Chairman Jason Burress, Vice Chairman Paul Merritt, Secretary/Treasurer Walter Chen, Robert Clark, Kenneth Sipiora, Sharon Denny and Randy Page.

Staff Present: President Darrell Auterson, Executive Vice President Abby Liu, Director of Business Development Chad Walker, Economic Development Coordinator Madison Clark, Executive Assistant Sheri Van Slycke, City Manager Paul Grimes, Director of Strategic Services Chandler Merritt, Senior Financial Analyst Trevor Minyard, MEDC Attorney Mark Houser and MCVB Executive Director Dee-dee Guerra.

There were no guests present.

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

16-1231 Chairman Burress called for the Board and Liaison Updates.

Board Chair – Chairman Burress reported attending several events, along with other Board members and staff including the Bisnow event in Allen on November 30th, as well as, the Service First Mortgage Grand Opening. Chairman Burress met with several current and former city council members and business leaders in town including David Brooks and Bill Darling.

City of McKinney – City Manager Paul Grimes reported the Nine Acre development is slated to begin work on or about January 15th. There will be some parking impact due to the construction of the Nine Acre site, however there are efforts to keep parking viable. Newsome Homes, the new senior affordable housing is opening soon. Mr. Grimes continued that 100% of residential and 700 commercial inspection requests through the Development Services department were completed within one

business day of the request. This information is indicative of Development Services stepping up their responsiveness, as well as their beefed up efforts to track performance measures. The housing market is still robust with 2,000 single family permits issued.

MCVB – Executive Director Dee-dee Guerra reported the MCVB Board met and selected the Tourism Partner of the Year, as well as, held their Strategic Planning session. MCVB is co-oping with MCDC to launch the Visit Widget on the MCVB website, which is a tool to help visitors route their travels within McKinney. The National Association of Intercollegiate Athletics (NAIA) submitted an RFP for 2019 and 2020.

16-1232 Chairman Burress called for the Consideration/Discussion of the MEDC Staff Monthly Reports. President Auterson reported the staff is working on an Incentive Guideline to bring before the Board for review and approval in the first quarter of 2017.

16-1237 Chairman Burress called for the Consideration/Discussion of the MEDC Marketing Plan and Related Programs. Chairman Burress expressed his appreciation to MEDC Attorney Mark Houser and City Secretary Sandy Hart for amending the agenda on Friday evening and making sure this item was on the agenda. Chairman Burress stated that marketing is just as important a function as sales, operations, finance, legal, compliance and other components of EDC. MEDC has little or no social media activity, especially in comparison to our sister cities. Chairman Burress stated that his comments are not a criticism of the new MEDC President as he is doing a great job and has hit the ground running since the beginning. Mr. Burress' comments were brought forward as a discussion point on how to better promote MEDC through marketing and social media independently and in partnership with the City's marketing department. President Auterson stated that he recognizes the need for an aggressive marketing plan, in partnership with the City's marketing department, and should be a byproduct, as well as a deliverable of the

forthcoming strategic plan that will be complete in the first quarter or early in the second quarter of 2017. Mr. Auterson agreed to look for some short-term solutions, particularly with social media. Board member Denny stated that she would ultimately like to see how the marketing efforts will be linked to the strategic plan and objectives and that these discussions would be more beneficial after the strategic plan is in place. Board member Sipiora expressed his concern that the marketing aspect has been under-resourced and maybe some additional part-time professional help should be considered.

16-1233 Chairman Burress called for the Consideration/Discussion of the MEDC Performance Management's Key Performance Indicators. President Auterson explained that the Performance Management initiative was adopted by the City, as a whole, to complement the transparency goals of the City's strategic plan. This software program has been added to the City's website to provide real and measurable information and performance metrics to the citizens of McKinney. The City asked that the MEDC Key Performance Indicators be complete and ready for publishing by the soft launch date of October 1, 2016. The current, temporary KPI's were researched through the International Economic Development Council and vetted through the experience of President Auterson and Executive Vice President Liu. Board member Denny expressed her concern that one, the current KPI's may not be measuring the return on investment and two, that the quality of the data for the analytics should guide the priorities of the team. Board member Sipiora applauded the KPI's for their outcome based metrics. Mr. Sipiora suggested that ten or eleven indicators may be more than what is needed and that staff may consider the total number of KPI's be reduced to five or six meaningful indicators. Chairman Burress shared that effort related metrics are important in producing measurable output results. Board member Clark asked that the City Manager and MEDC President remain

cognizant of keeping the Board informed of their role within the EDC. MEDC staff and Board will be adjusting the KPI's once the strategic plan is completed.

16-123 Chairman Burress called for the Consideration/Discussion/Action on October Financials. Senior Financial Analyst Trevor Minyard discussed the October financials in the November meeting, however, they are presented today for action from the Board. Board members unanimously approved the motion by Board member Page, seconded by Board member Sipiora, to approve the October financials.

16-1235 Chairman Burress called for the Consideration/Discussion/Action on November Financials. Senior Financial Analyst Trevor Minyard reported the revenue is above budget YTD by 22.86%. Sales tax figures came in 11.76% above last year's collection through November. Expenditures are significantly under budget due to savings in rebate expenditures paid out for incentives. However, during the month of November MEDC paid $9,000 to The WERX. Finally, due to new staffing, personnel costs are 48.80% higher than at this point last year. Mr. Minyard referred the Board to some unique analysis links for sales tax of the MEDC and the City of McKinney at large. Board members unanimously approved the motion by Vice Chairman Merritt, seconded by Board member Page, to approve the November financials.

16-1236 Chairman Burress called for the Consideration/Discussion/Action on Selection of Recipient for Annual MEDC Awards (Corporate Performance Award and Business Retention/Expansion Award). Chairman Burress shared the criteria for the Corporate Performance Award. MEDC staff suggested Tupps Brewery as a possible candidate. Board members suggested Independent Bank, Encore Wire and Raytheon as candidates and shared their deserving qualities for such an award. Chairman Burress opened the nominations process, and nominated Tupps Brewery and Independent Bank. Board members

unanimously approved the motion moved by Board member Sipiora, seconded by Board member Denny, to close the nominations. Board members selected Independent Bank as the Corporate Performance Award recipient by a vote of 6-1. Chairman Burress shared the criteria for the Business Retention/Expansion Award. MEDC staff suggested Simpson StrongTie as a possible candidate, and Executive Vice President Liu shared their qualities for deserving such an award. Chairman Burress opened the nominations process and nominated Simpson StrongTie. Board members unanimously approved the motion moved by Vice Chairman Merritt, seconded by Board member Page, to close the nominations. Board members selected Simpson StrongTie as the BREP Award recipient by unanimous vote.

Chairman Burress called for citizen comments and there were none. Chairman Burress called for Board or Commissioner comments. Board member Sipiora asked for an update on the progress of the Sinacola contract to lease a portion of MEDC land for staging purposes during road construction. MEDC Attorney Mark Houser informed the Board that staff is waiting for a response from Sinacola and will keep the Board informed of any further progress.

Chairman Burress recessed the meeting into Executive Session at 9:20 a.m. per Texas Government Code: Section 551.071 Consultation with City Attorney on any Work Session, Special or Regular Session agenda item requiring confidential, attorney/client advice necessitated by the deliberation or discussion of said items (as needed) and legal consultation on the following item(s), if any. Section 551.087. Deliberation Regarding Economic Development Matters as listed on the posted agenda. Secretary/Treasurer Chen left the meeting at 10:50 a.m. Chairman Burress reconvened the meeting to open session at 11:32 a.m.

Board members approved by a vote of 6-0, the motion by Vice Chairman Merritt, seconded by Board member Page, to approve the extension for Project Little Bites as presented in Executive Session.

Board members approved by a vote of 6-0, the motion by Board member Sipiora, seconded by Board member Page, to amend the agreement per the staff's recommendation as discussed in Executive Session for Project Yardstick.

Board members approved by a vote of 6-0, the motion by Vice Chairman Merritt, seconded by Board member Denny, to revise the Loan Agreement with Simpson StrongTie to a Grant Agreement with the same terms.

Board members approved, by a vote of 6-0, the motion by Board member Clark, seconded by Board member Sipiora, to adjourn. Chairman Burress adjourned the meeting at 11:40 a.m.

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JASON BURRESS
Chairman