

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

OCTOBER 17, 2017

The McKinney Economic Development Corporation met in regular session at John and Judy Gay Library, 6861 Eldorado Parkway, McKinney, Texas, on October 17, 2017 at 8:00 a.m.

Board members Present: Kenneth Sipiora, Robert Clark, Paul Merritt, Jason Burress, Joe Minissale and Michael Jones. Absent: Sharon Denny

Council members Present: Mayor George Fuller and Councilman Scott Elliott

Staff Present: President Darrell Auterson, Executive Vice President Abby Liu, Director of BRE/Emerging Tech John Valencia, Director of Marketing and Research Geneva Aragon, Director of Business Development Bruce Coleman, Operations/Compliance Administrator Sheri Van Slycke, MEDC Temporary Administrative Assistant Sterrett Coleman, City Manager Paul Grimes, Assistant to the City Manager Trevor Minyard, MCVB Director Dee-dee Guerra, City Secretary Sandy Hart, Senior Financial Analyst Eric Corder, Chief Financial Officer Mark Holloway, Chamber President Lisa Hermes, Video Technician Joey Barr and MEDC Attorney Mark Houser.

There were four guests present.

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

17-1033 Mr. Burress called for the Board and Liaison Updates.

Board Chairman - Mr. Burress welcomed incoming Board members Joe Minissale and Michael Jones. Mr. Burress congratulated Madison Clark and family on their new baby arrival. Mr. Burress continued that the PACCAR Groundbreaking event was stellar and he was happy to attend along with Mayor Fuller, several City Council and MEDC Board members, but disappointed Lance Lindsay was unable to attend since he was a significant team player in bringing the PACCAR team to McKinney. MEDC staff, especially Executive Vice President Liu and

former Director of Business Development Chad Walker did outstanding work on the PACCAR project.

City of McKinney - City Manager Paul Grimes welcomed the incoming Board members Michael Jones and Joe Minissale. Mr. Grimes continued that City Council continues deliberations on the proposed annexation of six square miles and just recently held the second of three required public hearings. The final public hearing is October 25th and the vote will be held on November 15th. Congratulations to Donnie Williams, one of McKinney's motorcycle police officers of whom won the Gulf Coast Police Motorcycle Skills Championship. Additional congratulations to McKinney's SWAT Competition Team for finishing in First Place overall during the Texas Tactical Police Officers Association's (TTPOA) yearly competition in Waco.

Chamber of Commerce - Chamber President Lisa Hermes welcomed the incoming Board members Joe Minissale and Michael Jones. Ms. Hermes reported that the week of October 15th is the annual Texas Chamber of Commerce Week that includes special events throughout the week. McKinney Chamber is partnering with other Collin County chambers and hosting a joint chamber event at Valliance Bank on October 19th. Another successful partnership with other Collin County chambers was the luncheon for the Texas Speaker of the House, Joe Straus of whom was a true champion for local control and business interest during the last legislative session. Again, working with other chambers, McKinney Chamber recently signed on to a resolution to support a comprehensive public transportation and transit study from the county level. McKinney Chambers Membership Director Kathy Blank took 3rd Place in first quarter sales in a national sales contest. Ms. Hermes encouraged everyone to save the date of December 5th for the Chamber Christmas Party.

MCVB - MCVB Director Dee-dee Guerra reported the MCVB assisted in securing over 900 room nights, which resulted in a little over \$100,000. MCVB hosted nine weddings, two corporate events, three social events, and one association event. The association MCVB assisted was the Farm and Ranchers Freedom Alliance from whom the MCVB received rave reviews from the organizers and the attendees. MCVB received coverage in Travel Host Magazine at no charge. MCVB Board approved \$20,000 to the budget to allocate for grants. The criteria to be considered for a grant includes advertising/promotion of events or projects that will encourage tourism dollars in McKinney. Available funds are \$10,000 per grant cycle. Deadlines to apply for each grant cycle are November 10th, with funds awarded on January 22nd, and February 2nd, with funds awarded on March 27th.

17-1034 Mr. Burress called for Consideration/Discussion of MEDC Staff Monthly Reports. President Auterson introduced and welcomed the new MEDC Director of Business Development Bruce Coleman. Mr. Auterson shared that MEDC was awarded the 2017 IEDC Bronze Award for Innovation in Economic Development during Economic Development Week earlier this year. In addition, Mr. Auterson was honored with the Fellow Member designation by the IEDC at the 2017 Annual Conference held in Toronto, Canada in September. Executive Vice President Liu echoed Chairman Burress' comments concerning the PACCAR Groundbreaking and expressed great appreciation to City of McKinney and MEDC staff for all their teamwork related to the PACCAR project. Ms. Liu expressed special appreciation to former MEDC Board members, Lance Lindsay, Randy Page and Walter Chen for their efforts with PACCAR, as well.

17-1035 Mr. Burress called for Consideration/Discussion/Action on September Financials. Chief Financial Officer Mark Holloway reported revenue is below budget YTD by -1.46%. An end of year budget adjustment was completed in September to bring FY17 revenues in line with current year

actuals. Sales tax figures came in 9.3% above last year's collection through September. Expenditures continue to be under budget due to savings in rebate expenditures paid out for incentives. During the month of September there were no significant expenses to report outside of normal operating expenses. Board members approved, by a vote of 6-0, the motion by Board member Clark, seconded by Board member Sipiora, to approve the September financials.

- 17-1036** Mr. Burress called for the Presentation by The WERX, Powered by Dallas Entrepreneur Center. McKinney WERX Co-chairman of the Board Mark Cottam and Trey Bowles with The Dallas Entrepreneur Center (DEC) provided the presentation to the Board. Mr. Cottam shared the current state of affairs with The McKinney WERX in terms of location, revenue, and expenses and concluded for The McKinney WERX to succeed the following items are critical to address: The location and space configuration, programs, education and mentorship, access to capital and the right management team. In partnership with The DEC, The WERX would be able to properly build out the Entrepreneur Center in the Cotton Mill, execute the Department of Commerce RIS Grant to create and operate the Makerspace and be a fully funded program through 12/31/19 with renewal options. Mr. Bowles shared the history, the accomplishments and successful programs of the DEC in other cities in Texas and what the DEC would require from the MEDC to implement those same programs within The McKinney WERX. Board members expressed their concern of granting funds up front whereas the usual model for MEDC grants would be to assist with start-ups that have, at least, some proven return on investment and Mr. Bowles conveyed that the DEC being a non-profit organization, that business model is a reverse of for profit. In addition, Board members shared their concern whether graduating businesses from The WERX/DEC would stay in McKinney.

Mr. Bowles shared that while there are no guarantees, statistically, graduating businesses do stay in the local area.

Mr. Burress called for citizen and Board comments and there were none.

Mr. Burress recessed the meeting into Executive Session at 9:34 a.m. per Texas Government Code: A. Section 551.071 (2). 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 551.072. Deliberations about Real Property - Real Estate Discussions. Section 551.087. Deliberation Regarding Economic Development Matters as listed on the posted agenda.

Mr. Burress recessed Executive Session at 9:59 a.m. to usher the Board into a Special Meeting for election of officers. Chairman Burress reconvened to Executive Session at 10:10 a.m., after the election of officers meeting.

Board member Sipiora left Executive Session at 11:00 a.m. and did not return. Chairman Burress reconvened to open session at 11:52 a.m.

Board members, by a vote of 5-0, approved the motion by Vice Chairman Merritt, seconded by Board member Minissale, to approve the Southgate McKinney Master Development Agreement as discussed in Executive Session.

Board members, by a vote of 5-0, approved the motion by Vice Chairman Merritt, seconded by Chairman Burress, to approve Project Hammer with the changes as discussed in Executive Session.

Board members, by a vote of 5-0, approved the motion by Board member Minissale, seconded by Board member Jones, to adjourn. Chairman Burress adjourned the meeting at 11:53 a.m.

JASON BURRESS
Chairman