



MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

May 14, 2015

To: MEDC Board

From: John Valencia

Director of BRE & ET Programs

Subject: May 19, 2015 MEDC Board Meeting; BREP Report/Update

Business Retention & Expansion Program

On the Retention front, all is good. Our key companies seem to be happy other than always asking me when 75 will be done! I don't go on a visit without that subject being brought up.

A bit of an update on two of our "expansion" projects:

StatLab moved into their new building the weekend of May 9th. As I write this report, they are in and getting organized. As with any major move like this, it isn't without challenges, but all's good so far.

Lawton Mechanical's project is proceeding slower than expected. I met with their team on May 7th and got an update. In the original agreement, the date was to have a CO by December 31, 2015. Based on discussions, it looks like this will slide twelve months to 2016. As a "hard" date comes more clear, we will come to the Board and advise. But, all this being said, the project is moving forward, and the price/cost of the project is moving up by near one million dollars.

TUPPS Brewery officially opened Saturday May 2nd and their project status will be reviewed later.

Emerging Technology

At this time, we have four (4) active companies in the Program. (See attached detailed update on the Emerging Technology companies)

Pest Routes has moved out of The Werx and now in their new 1,000 sf space at Hudson Crossing. We wish them well as they continue to grow their business right here in McKinney!

Although I have attached the Emerging Technology company update, I'd like to continue in highlighting a few points of particular interest and numbers in it.

1. Of the 17 companies that have been through or in the program, only one did not make it and one moved to Plano, an 88% success rate. (National average is 84% - Source: *Business Incubation Works*)

2. Of the 15 actively operating here in McKinney, they employ 282 people with an estimated 2015 payroll of \$24.2 million. The average salary is \$85,857.
3. MEDC is in year five of the program, and cost to date has been \$988,988 representing an investment of \$3,507 or 3.5% per job creation.

The Werx in McKinney

The Werx now has 20 Resident companies with 27 people working there as of today. Now occupying both suites 700 and 710 for the last six weeks, things are settling in nicely and good vibes going on. At the present time, there are seven requests for space in the application process. It's Werxing!

Re-Werx Opening Event

This event went on as scheduled and some of you were there. It was a wonderful evening with about 100 people attending throughout the night. For those of you who attended, Thank You and for those that missed it, you have a standing invitation to stop by anytime. They love to show it off!

75 Construction

At the MEDC, we continue to do our best, along with City Staff, in keeping those affected most with how the project is going and updates. There were no complaints in particular reported to be investigated and five (5) communiques published. (See them attached)

The Team here continues to work hard in promoting our wonderful community. These are exciting times and we are blessed to be a part of McKinney!

Respectfully Submitted,

John Valencia

Director of Business Retention, Expansion & Emerging Technology
MCKINNEY ECONOMIC DEVELOPMENT CORP.