

What Happened at WERX in July 2016?

July 23rd : Full Day Workshop Presentation: "The Art of Making the Pitch" by Gary De Rodriguez

***July was our slow month, as staff and board vacations take place.

During July WERX continued promoting the Young Entrepreneurs Summer Program heavily, through community partners, social media channels, and Facebook advertisements. We reduced the price of tuition by 55% to just \$200 for the two week camp in an attempt to reduce any financial barriers to entry. We also reached out to the Samaritan Inn and offered the program free to students who might be interested. Despite our best efforts enrollment just didn't occur, so sadly in the first week of Aug., it was decided to officially cancel program for this summer. This was a huge disappointment to us and we are evaluating other possible programs we can launch to engage young people throughout the year.

Cindy spoke with Natelie Greenwell of Collin College about their summer program that was notably different. They had a total of 15 students enroll in their program.

I have been following the Satus Project(HS Accelerator) which was supposed to run out of the Treehouse and DEC, but have seen no recent news or activity, which leads us to believe they were unsuccessful in enrollment as well this summer(though I can't confirm it at this time)

Possible reasons for lack of enrollment: With the job market booming again and young people age 16-19yrs working summer jobs, possibly a lack of interest in entrepreneurship is occurring as opposed to 'sure income'? Perhaps a better age range to target would be 12-15yr olds?

Date for 2nd Annual Hot Tech Chili Cook-Off Fundraising Event was set with TUPPS and the Love Life Foundation for Oct 15th 2016.

Werx began investigating alternative ISP solutions to create a more stable and secure internet environment. Meetings with Telepacific and Logix Communications have been conducted and solutions and pricing are currently being evaluated.

Aug. Events include:

Aug 3rd : **How New Americans Spark Innovation & Growth in North Texas Forum : Panel Discussion**

The McKinney WERX Grant Pipeline Report: 08/10/2016

Grant Agency	Amount Requested	Amount Received	Project(s)	Status
McKinney Community Development Corporation	\$11,000	\$9,000	Promotion for Innovate McKinney, InnovateHER, Innovation Speaker Series and Chili Cook-Off	Received
Wal-Mart Foundation – SAM's Club	\$2,500	\$2,000	Food and coordination costs for Lunch and Learns, Tech Roundtables and other educational offerings.	Received
McKinney Alliance	\$8,300		Innovation Lab	Re scoped as part of Federal RIS Grants
Wal-Mart Foundation - Redbud Wal-Mart	\$2,500	\$0	Innovation Lab	Denied
Wal-Mart Foundation – Neighborhood Wal-Mart	\$2,500	\$0	Young Entrepreneur Camp classroom materials and backpacks.	Denied
Bank of America Sponsorship for Family Feud	\$3,000	\$0	Top Sponsorship for Family Feud	Denied
Bank of America Sponsorship for Innovate McKinney	\$5,000	\$0	Top Sponsorship for Innovate McKinney	Denied
Bank of America Foundation Workforce Development Grant	\$50,000	\$0	Innovation Lab, Educational Activities, Growth of Programming	Denied
Regions Bank	\$10,000	\$0	SEO Optimization and Website Redesign	Denied
IMA Foundation	TBD		TBD – submitted first step in the process – a paragraph about The WERX on 3/26/16	Asked to submit application in October
Cathay Bank	\$8,000		Entrepreneurship Camp Scholarships for 2017. Submitted 4/30	In Review- August
Sorenson Impact Fund	\$20,000?		Growth of Programming	Made first cut. Application in Work – Due by 7/31/2016
Small Business Innovation Accelerator Fund Grant	\$50,000		Seed Fund Accelerator in cooperation with Collin College	Denied

The McKinney WERX Grant Pipeline Report: 08/10/2016

<p>Department of Commerce RIS 16 Grant</p>	<p>\$400,000- \$500,000</p>		<p>In collaboration with Collin College, build four innovation/makerspaces focused on key technology clusters</p>	<p>\$375,895 matching funding lined up from MEDC, Collin College and Cotton Mill. Total project submitted \$751,790. Turned in 6/24/16. Award notification 120 days after that.</p>
<p>Department of Commerce RIS Seed Fund Grant</p>	<p>\$200,000- \$25,000</p>		<p>In collaboration with Collin College, build infrastructure to implement seed fund accelerator at The WERX.</p>	<p>Submitted with letter of support from Collin College, but not matching funding. \$113,228 in matching funding lined up from MEDC, Cotton Mill. Total project \$226,728. Turned in 6/24/16. Award notification 120 days after that.</p>

The McKinney WERX Grant Pipeline Report: 08/10/2016

Grant Prospects

Grant Agency	Interest Area	Date Accepted	Project Ideas
Aegon TransAmerica Foundation	Community Development, Workforce and Business Development	Throughout the Year	Productize (through video?) mentor programs and offer through You Tube, Teacher Tube
Cathay Bank	Entrepreneurship Education for Underserved Youth	Throughout the Year	Requested \$8,000 for Scholarships to 2017 Entrepreneur Camps
Constellation Energy Community Giving Program	Stimulating business growth	Throughout the Year	Expanding The WERX space in 2017
Federal Home Loan Bank of Dallas Partnership Grant Program	Funding for operations for non-profits involved in small business technical assistance. Organization must match funds 1:3.	June, 2016	Cover operational costs of existing WERX facilities, programming and staff.
JP Morgan	Funding non-profits that connect small businesses to crucial resources to help them grow.	2Q 2016	Cover operational costs of existing WERX facilities, programming and staff.
Freeport-McMoRan Copper and Gold Foundation	Economic and Community Development	August 30, 2016	Expanding The WERX programming
BBVA Compass Foundation	Providing financial literacy to children and adults and supporting entrepreneurship in underserved communities	September 30, 2016	2017 Entrepreneur Camps
Sorenson Impact Fund	Innovative education and training programs that maximize human potential and train new generations of business and social impact leaders.	April 30, 2016	Letter Submitted
Junior League of Collin County	All types of non-profits in Collin County	February, 2017	TBD

The McKinney WERX Grant Pipeline Report: 08/10/2016

Grant Agency	Interest Area	Date Accepted	Project Idea
Department of Commerce I6 Funding	<p>\$13 million total for 2016, \$500,000 limit per grant. Designed to increase entrepreneurship that results in new jobs and businesses, driven by innovations, ideas, intellectual property and applied research through the process of technology commercialization. May be used for personnel, program development, facilities personnel and equipment but not construction costs. Funding will be provided to invest in the development, creation, or expansion of proof-of-concept and commercialization programs that accelerate innovation-led economic development in pursuit of a vibrant innovative economy and economic growth. Projects should aim for impact in the following areas: cultures of innovation, growing the number of entrepreneurs, connecting the community of economic development and commercialization, and projects that convert ideas, research or prototypes into viable products or services.</p>	June 28, 2016	World Class Maker Space for Innovation and Training in partnership with Collin College and local corporations.

The McKinney WERX Grant Pipeline Report: 08/10/2016

Grant Agency	Interest Area	Date Accepted	Project Idea
<p>Department of Commerce Seed Fund Grant</p>	<p>\$2 million total, \$250,000 limit per grant. The SFS Grants will provide funding for technical assistance, feasibility studies or marketing related to the operation of new or existing equity based seed funds. The grant requests should focus on Equity-based investments in new businesses (generally less than three years old and less than a million in annual revenue) that are commercializing or using innovative technologies or other intellectual property in the development of delivery of their products or services. Seed funds should include sustainability plans based on taking equity stakes in the businesses in which the program invests. Seed funds must build and maintain ties into the community. EDA Funds cannot capitalize a seed fund (i.e. EDA funds or matching funds cannot be used to invest in startups or any other companies.)</p>	<p>June 28, 2016</p>	<p>Create a methodology for vetting investments in startups (similar to Tech Wildcatters' Gauntlet). Design accelerator program and document rules and responsibilities. Partner with Collin College and corporations.</p>
<p>Texas Workforce Grants</p>	<p>Grants for training for small businesses</p>		

Key: Submitted

The McKinney WERX Grant Pipeline Report: 08/10/2016

Plans

- Research State and Federal Grants - Ongoing
- Participate in May 3-4 \$99 Grantstation Promotion to update list of possible Granting Agencies – Complete. Purchased one year of Granstation.
- Submit grants due April – June and open grants - Ongoing
- Planning session for new development plan 2017-2020 to help define funding area for grants.

Dallas Entrepreneur Center Reports Economic Impact of at Least \$130M on DFW

The data comes from an independent study that surveyed current and former members.

BY DANIELLE ABRIL PUBLISHED IN BUSINESS & ECONOMY AUGUST 3, 2016 9:00 PM



The DEC's Innovation Hub is on the third floor at 311 N. Market St., one floor above the DEC.

The Dallas Entrepreneur Center had an economic impact of at least \$130 million on Dallas-Fort Worth in 2015 as its member companies continue to create jobs, raise capital, and generate revenue.

CEO Trey Bowles released the news Wednesday night at the DEC's Re-Launch party, when the center officially launched its Innovation Hub, a dedicated space for maturing startups and advocates who need their own small offices. The data, based off an independent study conducted by Dallas-based Axianomics LLC. The DEC also released its own data that shows its companies have created 960 jobs, raised more than \$155 million in funding, and generated an average total of more than \$87.7 million in revenue.

The study was based on a survey completed by 66 of 270 companies that have been or are currently members of the DEC since its inception in 2013. Axianomics is led by Daniel Oney, former business ecosystem manager for the city of Dallas. The \$130 million economic impact value was determined using a five-step methodology that takes into account factors including revenue and employees.

“What it shows is that organizations like the DEC concept are working,” Bowles said, adding that early-stage startups are often pushed aside as companies with no real value. “They’re actually providing formidable economic outputs.”

The survey showed that some companies that have been based at the DEC are still growing. Surveyed companies expect to hire 232 full-time employees and 235 part-time employees in the near future.

The DEC’s membership has been comprised mostly of technology companies, followed by healthcare and software-as-a-service firms. The average salary of a full-time employee of those surveyed was \$60,000. Part-time employees, on average, made \$40,000. Most companies surveyed reported annual revenue under \$50,000, with the second largest group generating between \$250,000 and \$500,000. A few have cracked the \$10 million milestone.

Meanwhile, about 47,717 people have visited the DEC for one of its events. The DEC, a co-working space with programming and entrepreneur resources, regularly hosts 1 Million Cups and Startup Grind, as well as special events and programming.

The results were surprising to Bowles, who said he has been keeping a mental tally of what he expected the DEC’s impact to be. The numbers were more than four times higher than Bowles’ predictions. And this is only a slice of the bigger pie that is the DFW startup community, which includes multiple accelerators and incubators, venture capital funds, and co-working spaces.

“This should be indicative of what’s going on across the region,” he said. “It’s going to continue to add proof for the municipal [economic] development groups, that the prioritization of the early-stage entrepreneur is important because the ROI is there.”

Along with providing its economic impact numbers, the center revealed its Innovation Hub, a 10,500-square-foot space comprising individual offices and collaboration spaces one floor above the DEC. The hub, which already is home to the Dallas Innovation Alliance, Zipcar, Glass Media, Mend, Trailblazer Capital, Pivotal Labs, and Digital Intent, is aiming to provide a collaboration space for growing startups and advocates that are generating revenue and doing deals. Companies have been moving into the space since late last year. The hub only has two vacant offices left.

The DEC operates five locations offering co-working space plus resources for early-stage companies. In addition to the Innovation Hub and the DEC, the center also operates the Addison TreeHouse, the San Antonio Entrepreneur Center, and Stoke, [which opened Monday in Denton](#).

Could a new economic impact report spur funding to the DEC?

Aug 10, 2016, 6:53am CDT

INDUSTRIES & TAGS

Shawn Shinneman Staff Writer *Dallas Business Journal*

The Dallas Entrepreneur Center has a first concrete measure of its economic impact, a figure the center hopes will drive public funding.

Companies that have gone through the DEC are contributing \$130 million a year to the economic output of the Dallas-Fort Worth-Arlington Metropolitan area (DFW MSA), the center announced last week.

Less than two years after it opened, the center surveyed existing tenants and graduates to measure revenue and employment growth. The responses – which came from 66 firms – were updated in 2016. A third party analyzed the data to determine The DEC's impact.

Founded three years ago, The DEC provides entrepreneurial support and mentoring under a model it now calls “co-working plus” to represent the extra opportunities and support available to companies who set up shop under its roof.

The City of Dallas agreed to provide a 1-to-1 match on any funds the center raised up to \$100,000 in year one and a 2-to-1 match on year-two funding. In all, the city has provided \$200,000, Bowles said. He's hoping the new report could spur further support.

“We as a city, we have to invest in innovation because it's the future of Dallas,” he said.

In the report, Axianomics, the third-party analysis company, said it was unable to quantify how much of the impact the DEC was responsible for based on the data provided, but it noted that it “is possible” that the center was a significant contributor.

“The bottom-line interpretation is that companies representing a sizeable amount of economic activity chose to spend at least part of their critical startup period in the DEC and to participate in its programming,” the report reads.

The DEC unveiled the new report last week at a relaunch party featuring renovations and a new innovation hub.

The center concurrently released its own findings from the surveys. According to its numbers, the 66 respondents have created 960 jobs and raised \$115 million.

Shawn Shinneman covers technology for the Dallas Business Journal.

Denton's New Entrepreneur Center Serving as a Catalyst for Innovation District, Revitalization

Stoke is a public-private partnership between the city and the Dallas Entrepreneur Center.

BY **DANIELLE ABRIL** PUBLISHED IN **BUSINESS & ECONOMY** JULY 29, 2016 1:15 PM

Stoke will open in Denton at The Railyard on Aug. 1.

The Dallas Entrepreneur Center is helping the city of Denton get one step closer to the development of its innovation district. With the addition of its first fully dedicated co-working space, Denton expects to see growth in the developing tech community and a spike in the revitalization of an area in downtown Denton.

Stoke, a 9,216-square-foot co-working space and entrepreneur center, is slated to open Aug. 1 at 608 E. Hickory St. and already is 96 percent full. The center marks the DEC's fifth location, joining the Addison Treehouse, the San Antonio Entrepreneur Center, and Dallas' DEC and its new Innovation Hub, which will launch Aug. 3 at 311 N. Market St.

While the new location, Denton's first public-private partnership, helps continue building on the DEC's growth strategy, it also is aiding a tech community that has been gaining momentum in the last couple of years.

"Denton has a thriving community," said Trey Bowles, recognizing grassroots efforts as well as those launched by the city. "They've done a lot of amazing stuff from the ground up."

"There's a significant number of entrepreneurs or tech-based workers that live in Denton that have been officing out of coffee shops for the last few years," said Aimee Bissett, Denton's economic development director, who worked on this project for almost four years. "Over time, it became more obvious that there really needed to be a good funding vehicle and the city would participate in that."

The DEC will be charged with providing the programming and management for Stoke, while the city will be responsible for leasing the space. The city has budgeted \$225,000 per year to cover this cost.

The Denton City Council in 2014 approved \$220,000 worth of funding to aid the Denton's Economic Development Partnership in its goal of developing the innovation district, which is expected to help make the city a tech destination. Since then, the partnership has continued to look at ways it can aid the community with some of its funds. Stoke was financed partially by the partnership and partially via a tax increment financing agreement. The DEC expects to use membership fees to pay for Stoke's operating budget, amenities, and programming.

The new center is expected to provide a hungry entrepreneurial community with spaces to host tech events, hackathons, conferences, and other programs. Stoke also has partnerships with

TechMill, a nonprofit supporting entrepreneurs in Denton; and Texas Women's University and the University of North Texas, both of which have entrepreneurial programs in place.

"It's been a long time coming for sure," said Kyle Taylor, president of TechMill. "Some of the things we had been working on we had to put on hiatus. So now that we have a space, we can start pursuing some of these things."

Stoke will not only serve as the catalyst for growth within the tech and entrepreneurial communities, but also as part of a larger revitalization plan for an economically depressed area near Denton's downtown transit center, three blocks from the downtown square.

Stoke will open in a warehouse that has been vacant for years, Bissett said. So the center served as a solution that addressed two issues: the need for a co-working space/tech hub, and a project to kick off plans for a transit-oriented, mixed-use redevelopment program.

The city hired the Martino Group to develop The Railyard, which includes the warehouse and 110 apartment units on the same parcel of land, located near the Denton County Transportation Authority's downtown train station. About 90 units have already been leased. As a result of the development, the Denton Community Market is relocating to be closer to the space.

The city wasn't always planning to play a major role in the development of an entrepreneur/tech hub. It initially wanted to see what the grassroots movement would be able to accomplish on its own. But Bissett said the city quickly realized it needed to step in after community entrepreneurs and innovators were unable to tackle such a large feat.

"You've got startups and new companies trying to fund their stuff, making it impossible for them to fund a space," she said. "The city essentially is subsidizing space so that the membership can focus on launching their businesses."

In the end, everyone wins, Bissett believes. The entrepreneurs and innovators get space to grow their businesses and community, and the city grows its economic base as startups get the resources they need to fully develop within Denton.

Stoke follows the same model as the Addison TreeHouse, a partnership between the DEC and the town of Addison. The Innovation Hub is fully owned and run by the DEC, and the San Antonio Entrepreneur Center follows a licensing model.

The DEC currently has about five more deals in the works, mostly in North Texas.

"These deals take a long time to get done," Bowles said. "It can take anywhere from 6 months to a year to get an agreement, then a year or a year and a half to get something launched."
