

McKINNEY COMMUNITY DEVELOPMENT CORPORATION
Project Grant Application
Fiscal Year 2022

Applications must be completed in full, using this form, and received by MCDC, via email or on a thumb drive. Contact us to discuss your plans and schedule a meeting with the Projects Subcommittee prior to completing the application.

Please submit application, including all supporting documentation, via email or on a thumb drive for consideration by the MCDC to:

McKinney Community Development Corporation
5900 S. Lake Forest Blvd., Suite 110
McKinney, TX 75070

Attn: Cindy Schneible (cschneible@mckinneycdc.org)

2022 Project Grant Application Schedule

Application Deadline	Presentation to MCDC Board	Board Vote and Award Notification
Cycle I: December 31, 2021	January 27, 2022	February 24, 2022
Cycle II: March 31, 2022	April 28, 2022	May 26, 2022
Cycle III: June 30, 2022	July 28, 2022	August 25, 2022

APPLICATION

Project Grants support for projects eligible for consideration under Sections 501 and 505 of the Texas Local Government Code. These include:

- Projects Related to the Creation or Retention of Primary Jobs
- Infrastructure Improvement Projects Necessary to Develop New or Expanded Business Enterprises
- Public Parks and Open Space Improvements
- Projects Related to Recreational or Community (city/public access) Facilities
- Professional and Amateur Sports and Athletic Facilities, including Children’s Sports
- Entertainment, Tourist and Convention Facilities
- Projects Related to Low Income Housing
- Mass Transit-Related Facilities (facilities and/or equipment)
- Airport Facilities

McKinney Community Development Corporation – Overview

In 1996 McKinney voters approved the creation of a 4B (now Type B) sales tax corporation to support community and economic development projects and initiatives to enhance quality of life improvements and economic growth for McKinney residents. MCDC receives revenue from a half-cent sales tax and awards grant funds for projects, promotional activities and community events that showcase the City of McKinney and support business development and tourism.

Guided by a City Council-appointed board of seven McKinney residents, the impact of investments made by MCDC can be seen throughout the community.

Projects eligible for funding are authorized under The Development Corporation Act and Chapters 501 to 505 of the Texas Local Government Code.

McKinney Community Development Corporation – Mission

To proactively work, in partnership with others, to promote and fund community, cultural and economic development projects that maintain and enhance the quality of life in McKinney and contribute to business development.

Guiding Principles:

- Serve ethically and with integrity
- Provide responsible stewardship
- Embrace our role and responsibility
- Honor the past – provide innovative leadership for the future
- Make strategic and transparent decisions that best serve the community

McKinney Community Development Corporation – Goals

- Ensure application/project eligibility for MCDC consideration under Sections 501 to 505 of the Texas Local Government Code (see information below)
- Meet citizen needs for quality of life improvements, business development and sustainable economic growth for residents in the City of McKinney
- Provide support for cultural, sports, fitness, entertainment, community projects and events that attract resident and visitor participation and contribute to quality of life, business development and increased McKinney sales tax revenue
- Highlight and promote McKinney as a unique destination for residents and visitors alike
- Demonstrate informed financial planning – addressing long-term costs, budget consequences and sustainability of projects for which funding is requested
- Educate the community about the impact that local dining and shopping has on investment in quality of life improvements in McKinney

General Guidelines

- Applications must be completed in full, **and provide all information requested**, to be considered by the MCDC board.
- Applicant must have been in business (preferably within the City of McKinney) for a minimum of two (2) years. The MCDC board may waive this requirement for economic development projects.

General Guidelines - continued

- The land, building or facility where the proposed project will be located should be owned by the Applicant. However, if the Applicant does not own the land, written acknowledgement/approval from the property owner must be included with the application. The letter must document the property owner is aware of the proposed use of the property or facility; and the property owner has reviewed the project plan and application, approves and supports the efforts of the Applicant.
- **Preference may be given** to Applicants who have **not** received funding from MCDC within the previous 12-month period.
- Performance agreements are required for all approved grants.
- Funded Projects must be completed within one year of the date the grant is approved by the MCDC board, unless an exception is granted.
- Completed Project must be inspected for Code compliance.
- A signed Contractor's Sworn Statement and Waiver of Lien to Date form must be completed, notarized and provided to MCDC prior to receiving grant funds.
- Property owner will be responsible for maintaining the infrastructure improvements made with funding for ten (10) years.
- Grant recipients must maintain financial books and records of the funded project and of their operations as a whole for at least two years, should MCDC or the City of McKinney require an audit. The books and records must be available upon request, and create a clear audit trail documenting revenues and expenses of the funded project.
- Within 30 days of completion of the funded project, the grant recipient is required to submit a final report that includes detailed information on the activity; visual documentation of pre and post-project completion; and any outstanding receipts for expenditures included under the scope of the grant.
- Grant recipient must recognize McKinney Community Development Corporation as a sponsor/funder of the project improvements. MCDC will provide a logo for grant recipient use.

Process

The McKinney Community Development Corporation Board of Directors are responsible for reviewing and voting on applications for grant funding, in accordance with requirements of the Texas Local Government Code.

- A completed application form must be submitted to MCDC in accordance with the schedule outlined above.
- The application will be evaluated to determine eligibility for MCDC funding under State law.
- Once eligibility for consideration is confirmed, a public hearing will be conducted, during a regularly scheduled MCDC board meeting, on the grant application submitted.
- Prior to the public hearing, notice will be published and posted in accordance with the requirements of the Open Meetings Act and the Texas Local Government Code. **The application, along with all documents/attachments will become public information once submitted to MCDC.**
- Following the public hearing, grant requests will be referred to a subcommittee of the MCDC board for evaluation and recommendation of approval or denial to the full board.
- Board action on the grant application will be scheduled for the board meeting the month following the public hearing.

- If a grant is approved, a performance agreement will be drafted for execution between MCDC and applicant.
- Funds awarded for approved applications are provided on a reimbursement basis, following submission of receipts and documentation of payment for qualified expenditures.
- The final 20% of the award may be withheld until a final project report is submitted to MCDC and compliance with all requirements of the executed performance agreement are confirmed.

APPLICANT INFORMATION

Name: Devender Aerrabolu

Company: Badminton AA Real Estate LLC

Federal Tax I.D.: 85-3382683

Incorporation Date: 10/09/2020

Mailing Address: 8813 Tutbury Place

City: McKinney

ST: TX

Zip: 75070

Phone: 847.757.2642

Fax:

Email: devender.aerrabolu@gmail.com

Cell: 847.757.2642

Website: Forthcoming

Check One:

- Corporation
 Partnership
 Sole Proprietorship
 Governmental entity
 Nonprofit – 501(c) Attach a copy of IRS Determination Letter
 Other Limited Liability Company

PROJECT INFORMATION:

Project/Business Name: Project Shuttle

Location of Project: Northeast Corner of Custer and Silverado Trail

Physical Address: 8800 Silverado Trail

City: McKinney

ST: TX

Zip: 75070

Property Size: 4.68 (2.96 for Badminton Facility) acres

Collin CAD Property ID: 2822967

Please provide the information requested below:

- An expansion/improvement
- A replacement/repair
- A multi-phase project
- A new project

Yes
 Yes
 Yes
 Yes

No
 No
 No
 No

PROPERTY OWNER INFORMATION *(if different from Applicant info above):*

Name: Devender Aerrabolu

Company: Custer Silverado Holdings LLC

Mailing Address: 6209 Corsica Way

City: Plano

ST: TX

Zip: 75024

Phone 847.757.2642 Fax:

Email: devender.aerrabolu@gmail.com

Cell: 847.757.2642

DETAILED PROJECT INFORMATION:

Project Details and Proposed Use: Construct a 38,000 square foot badminton facility, that will include 22 badminton courts, coaches' offices, and locker rooms. The facility will host badminton tournaments, summer camps, and lessons. Additionally, it will be open daily to the community with memberships and walk in day passes. In conjunction with the badminton facility, the project also includes a 30k sqft office building. Badminton is a popular international sport that is widely played across a number of Asian and European countries. The badminton academy will be the first of its kind in the City of McKinney and a unique community asset that will serve the growing international community in North Texas and McKinney. The academy will bring attention to the City of McKinney among this international community and enhance the appeal of living within the community.

Significant public infrastructure improvement costs will be required to accommodate the development as well as the ingress and egress of traffic to the facility. These costs will include adding two lanes to Silverado Trail in front of the facility, converting the street from two lanes to four, and improvements to the bridge on Custer Road that crosses over the creek. Additionally, due to the topography of the site, there will be significant site grading challenges to level the site for development.

Estimated Date of Project Completion: Q1 2023

Days/Hours of Business Operation: Monday through Friday from 4:00pm to 11:00pm and Saturday and Sunday from 6:00 AM to 11:00 PM

Estimated Annual Taxable Sales: \$500k in 2023 and \$1.5mm by 2027

Current Appraised Value of Property: \$1,935,436 Estimated Appraised Value (*Post-Improvement*): \$6,181,936

Estimated Construction Cost for Total Project: \$5,912,000 (Badminton Only)

Total Estimated Cost for Project Improvements included in grant request: \$5,912,000

Total Grant Amount Requested: \$1,500,000

Will funding be requested from any other City of McKinney entity (e.g. TIRZ Grant, City of McKinney 380, CDBG Grant)?

Yes

No

If yes, please provide details and funding requested:

Has a request for grant funding been submitted to MCDC in the past?

Yes

No

Date(s):

Will the project be competitively bid?

Yes

No

If yes, please attach bids for the project – Estimated timing for GC bids is in late January or early February 2022.

Has a feasibility study or market analysis been completed for this proposed project? *If so, please attach a copy of the Executive Summary.*

Additional Information – please attach the following

- Business plan
- Current financial report
- Audited financials for previous two years (if not available, please indicate why)
- Plat/map of property extending 200' beyond property in all directions (if applicable to your project)
- Detailed budget for the project
- Describe planned support activities; use; admission fees if applicable
- Timeline and schedule – from design to completion
- Plans for future expansion/growth

Acknowledgements

If funding is approved by the MCDC board of directors, Applicant acknowledges the following:

- The Project for which financial assistance is sought will be administered by or under the supervision of the applying individual/company.
- All funds awarded will be used exclusively for the purpose described in this application.
- Applicant owns the land, building or facility where the proposed infrastructure improvements will be made. If the Applicant does not own the land, written acknowledgement/approval from the property owner must be included with the application. The letter must document the property owner is aware of the proposed improvements and use of the property or building; and the property owner has reviewed the project plan and application, approves and supports the efforts of the Applicant.

- MCDC will be recognized as a funder of the Project. Specifics to be agreed upon by applicant and MCDC and included in an executed performance agreement.
- Individual/company representative who has signed the application is authorized to submit the application.
- Applicant will comply with the Grant Guidelines in executing the Project for which funds were awarded.
- Funded Projects must be completed within one year of the date the grant is approved by the MCDC board, unless an exception is granted.
- Completed Project must be inspected for Code compliance.
- A signed Contractor's Sworn Statement and Waiver of Lien to Date form must be completed, notarized and provided to MCDC prior to receiving grant funds.
- Property owner will be responsible for maintaining the infrastructure improvements made with funding from Grant for ten (10) years.

Acknowledgements - *continued*

- A final report detailing the successful completion of the Project will be provided to MCDC no later than 30 days following completion of the Project.
- Grant funding is provided on a reimbursement basis subsequent to submission of a reimbursement request, with copies of invoices and paid receipts for qualified expenses.
- Up to 20% of the grant funds awarded may be withheld until a final report on completion of the Project is provided to MCDC.
- A performance agreement will be required that may outline requirements for acknowledging MCDC funding support for the project. Additionally, it will contain a provision certifying that the applicant does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. Further, should the applicant be convicted of a violation under 8 U.S.C. § 1324a(f), the applicant will be required to repay the amount of the public subsidy provided under the agreement plus interest, at an agreed to interest rate, not later than the 120th day after the date the MCDC notifies the applicant of the violation.

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BY SIGNING THIS APPLICATION, I CERTIFY THAT I AM THE LEGAL OWNER OF THE ABOVE REFERENCED PROPERTY OR THAT I AM AUTHORIZED TO REPRESENT AND ACT ON THE BEHALF OF THE OWNER OF THE ABOVE REFERENCED PROPERTY. I ALSO CERTIFY THAT ALL OF THE INFORMATION PROVIDED HEREON IS ACCURATE AND TRUE SO FAR AS I AM AWARE AND UNDERSTAND THAT I AM LEGALLY RESPONSIBLE FOR THE ACCURACY OF THIS APPLICATION. I FURTHER UNDERSTAND THAT I AM NOT GUARANTEED A GRANT.

Applicant's Signature

Devender Aerrabolu

Signature

Devender Aerrabolu
Printed Name

12/31/2021
Date

Property Owner's Signature

Devender Aerrabolu

Signature

Devender Aerrabolu
Printed Name

12/31/2021
Date

INCOMPLETE APPLICATIONS, OR THOSE RECEIVED AFTER THE DEADLINE, WILL NOT BE CONSIDERED.

A FINAL REPORT IS TO BE PROVIDED TO MCDC WITHIN 30 DAYS OF THE COMPLETION OF THE PROJECT. FINAL PAYMENT OF FUNDING AWARDED WILL BE MADE UPON RECEIPT OF FINAL REPORT.

**Project Shuttle
Badminton Facility
Financial Model**

	Y 2023	Y 2024	Y 2025	Y 2026	Y 2027
Revenue Summary					
Memberships	\$172,449	\$467,959	\$640,511	\$746,700	\$861,517
Training	\$62,250	\$195,000	\$270,750	\$276,000	\$276,000
Badminton Gear	\$17,160	\$34,320	\$34,320	\$34,320	\$34,320
Camps	\$45,000	\$94,500	\$94,500	\$116,000	\$118,500
Drinks and Snacks	\$3,600	\$7,200	\$7,200	\$7,200	\$7,200
Total Income	\$300,459	\$798,979	\$1,047,281	\$1,180,220	\$1,297,537
Expense Summary					
Mortgage	\$181,806	\$363,612	\$363,612	\$363,612	\$363,612
Insurance	\$10,000	\$20,000	\$20,000	\$20,000	\$20,000
Taxes	\$81,086	\$162,172	\$162,172	\$162,172	\$162,172
Sub-Total	\$272,892	\$545,784	\$545,784	\$545,784	\$545,784
Utilities					
Sub-Total	\$11,500	\$23,000	\$23,000	\$23,000	\$23,000
Staff					
Sub-Total	\$41,800	\$129,600	\$165,600	\$171,600	\$171,600
Marketing	\$3,000	\$6,000	\$6,000	\$6,000	\$6,000
POS Expenses & Creditcard fee	\$9,000	\$18,000	\$18,000	\$18,000	\$18,000
Sub-Total	\$12,000	\$24,000	\$24,000	\$24,000	\$24,000
Total Expenses	\$338,192	\$722,384	\$758,384	\$764,384	\$764,384
Net Cash Flow	-\$37,733	\$76,595	\$288,897	\$415,836	\$533,153



Market Analysis

Project Shuttle

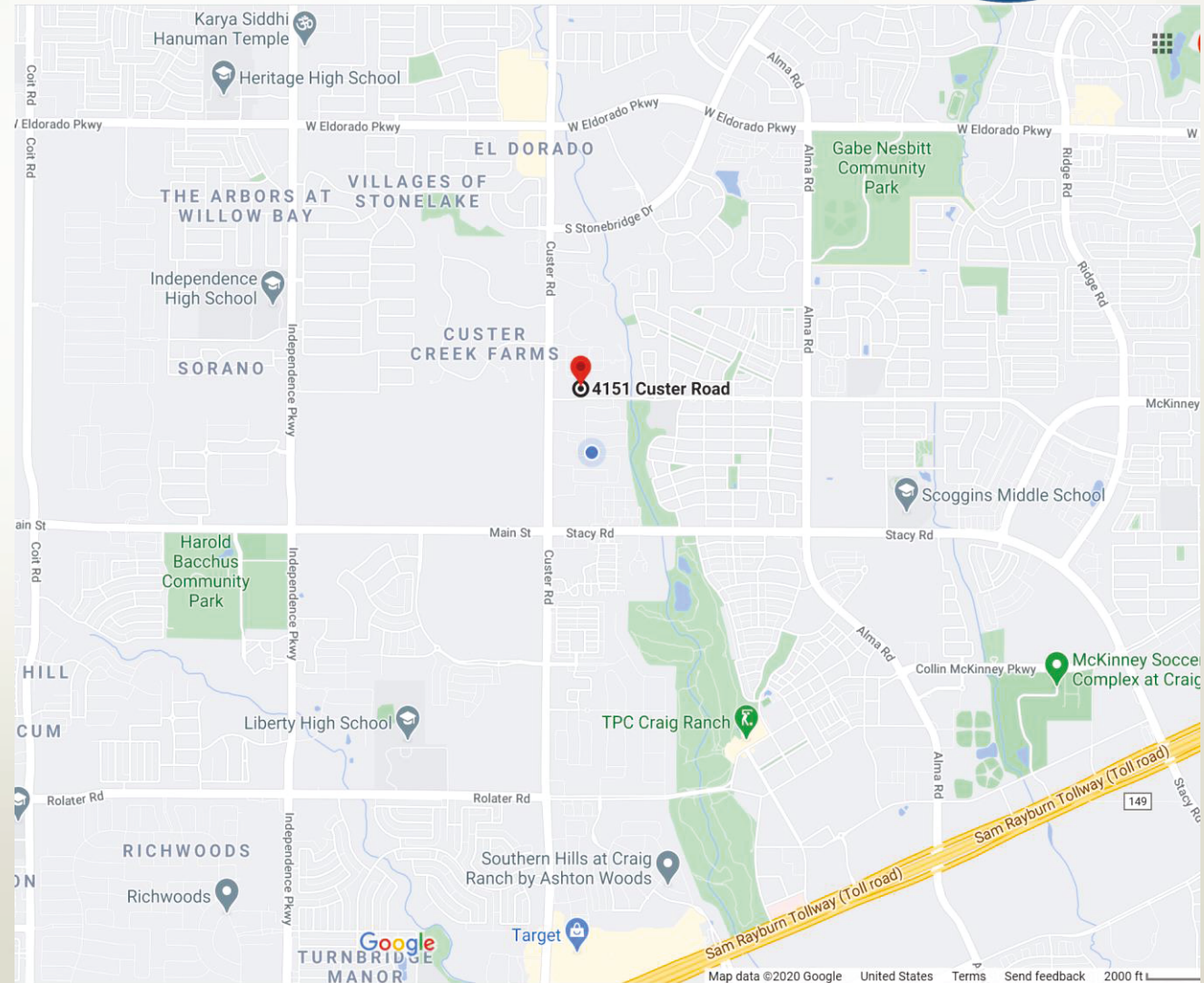
McKinney Community Development Corporation

Project Grant Application

Why Custer Rd and McKinney City?



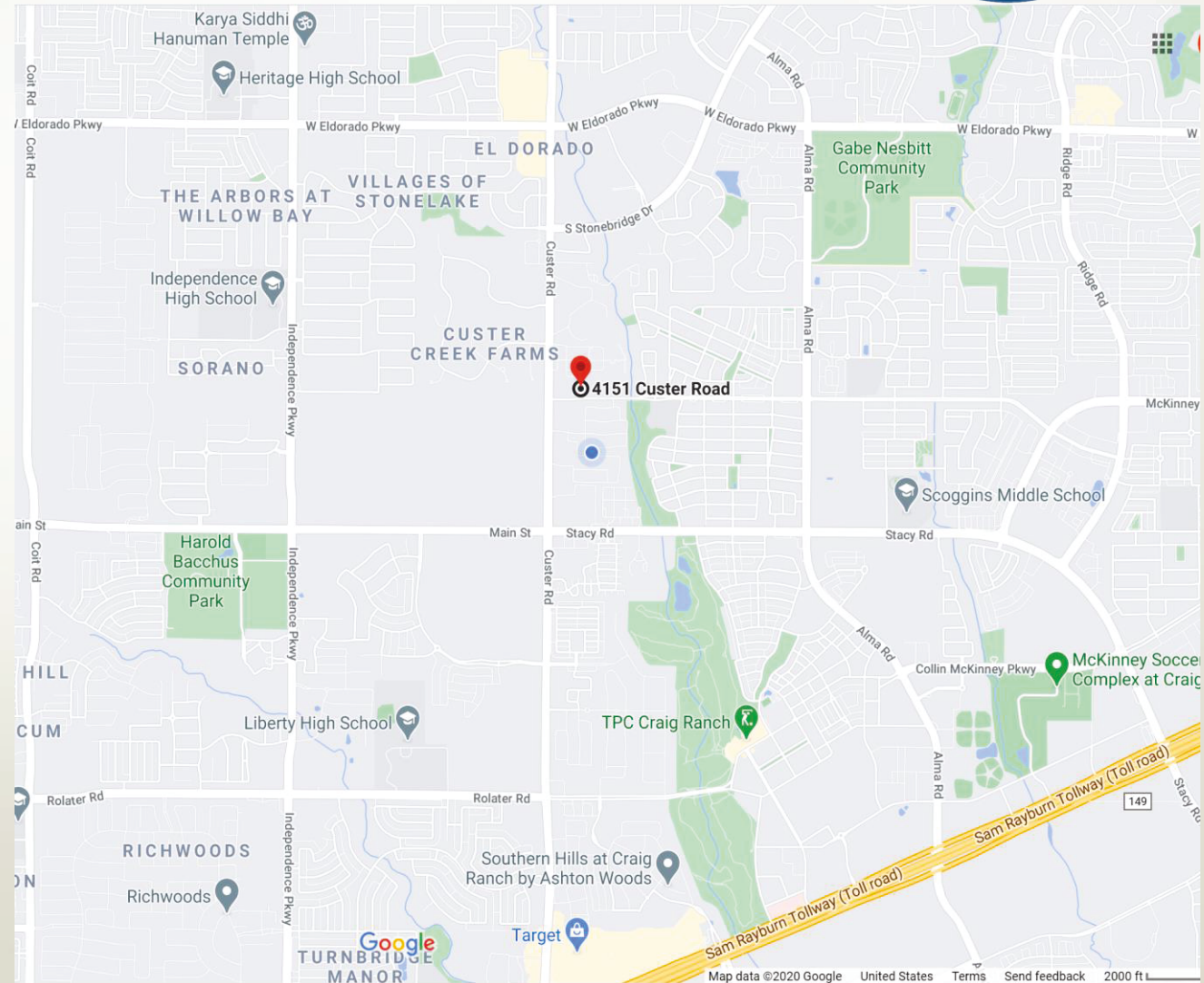
- McKinney is one of the best Sports Destinations in Texas and in US.
- BAA location on Custer Road is surrounded by Sports centers like Gabe Nesbitt park, PSA, Baseball Fields, Tennis Courts on one side of BAA and Soccer fields, Ice Skating, Beach Volleyball courts on the other side, and all are within 3-mile radius from BAA location.
- Also McKinney is surrounded by neighboring Cities like Frisco, Allen, Plano, Prosper with large Asian population, all located with in 5 Mile Radius.



Why Custer Rd and McKinney City...Continued....



- BAA location on Custer Road is surrounded by huge Asian Communities.
- To emphasize the spread of huge Asian communities, I would like to take an example the number of Asian Grocery stores located around BAA.
- Dallas famous Hindu Temple, is located 2 miles away.
- These Grocery stores, and the temple are the best places for our Advertising to reach the desired crowd faster. We followed the same strategy for FBA as well.



Project Shuttle Badminton Facility Market Analysis

The Market

Target Market for Badminton:

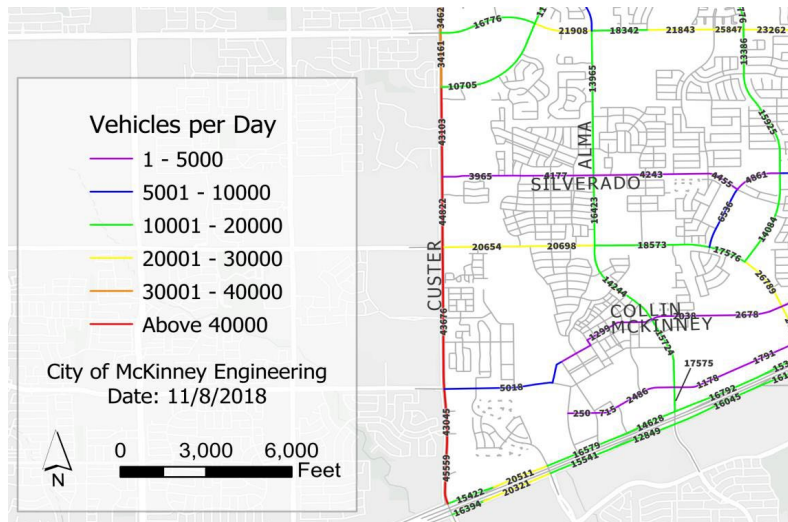
- The market area is McKinney, Frisco, Prosper, Allen and Plano. The estimated population of these cities as of 2018 are as in the Table below.
- Also listed is the Asian Population because the sport is more popular in the Asian communities.
- Our target is to get 1% (1,000 members) of the Asian population as our members, within two years period, which will generate 50K min revenue every month.
- And 0.2% (200) as the training students which will generate a minimum revenue of 20K per month.
- Within two years, we are also confident that the sport will grow more popular among American, Hispanic and other Non-Asian Communities.

Collin County City Name	Estimated Population in 2018	Avg Household Income	Asian Population
McKinney	191,645	\$106,391	10,177
Frisco	188,170	\$143,193	26,173
Prosper	25,630	\$162,345	2,563
Allen	103,383	\$126,527	15,710
Plano	288,061	\$116,992	54,597
Total	796,889		109,220

Demographic data taken from <http://worldpopulationreview.com> as of 2018

Custer Traffic Counts:

As per city of McKinney website, as of Nov 2018 the traffic counts on Custer Road are 44622 vehicles per day. And it's increasing day by day with lots of new communities being constructed in this area. We are sure the traffic counts would have increased to another 25% as of today and will be close to 60,000 vehicles per day. With Such traffic counts, it's a big advantage for our Business.



The Competition

There is limited market competition for a badminton facility. The other cities in the DFW area having badminton facilities are:

1. Frisco Badminton – Located on the southern side of Frisco near DNT, has a target audience from the West side of DNT in West Frisco and Little ELM and West Plano.

BAA is 8 miles away from their location and our target audience is from East Frisco (Coit, Independence, Custer, & Ridge Rd) as shown in the Location Map. Not even a Single housing Community is located around Frisco Badminton, whereas BAA is surrounded by at least 30 Huge Communities and we are within 5 minutes travel distance for all of them. Most of the Frisco Badminton customers are from these areas, so we are expecting an immediate business in the first month.
2. Plano Badminton – Located at Spring Creek and 75. Their target audience is South Plano. It is very small facility and they moved to Irving to start DFW Badminton. Not sure if they are planning to renew the lease at Plano. Our Target Audience lives on the North side of Plano between 121 and 75 and its 10 to 15 min driving distance for them.
3. DFW Badminton - In Irving and Coppell area. This facility is located 35 miles away and doesn't intersect with any of our Target locations.

In terms of location, Badminton Academy of America LLC is perfectly located, and will be targeting a larger and untapped market from McKinney, Frisco, Allen, Prosper and Plano.



Business Plan

Project Shuttle

McKinney Community Development Corporation

Project Grant Application

BUSINESS PLAN

Prepared by:

Badminton AA Real Estate, LLC

Project

Badminton Academy of America LLC



Badminton AA Real Estate, LLC

8813 Tutbury Pl

McKinney, Texas 75070



INTRODUCTION

This business plan relates to the Project Badminton Academy of America LLC, initiated by the company Badminton AA Real Estate, LLC. It's a unique project with a combination of start-up sport center and retail space with event halls. This is a perfect multi revenue stream model. They benefit each other in terms of publicity and marketing.

Badminton Academy of America LLC provides daily badminton sport activities and training to individuals, groups of people and sports teams in the Collin County area of Texas.

- This large-sized badminton facility serves the entire community ranging from small kids to elderly, small business to large organizations.
- The event halls help the community to celebrate their important occasions at an affordable price and provides services like yoga & fitness.
- The retail shops serve the surrounding communities. The size and location of the shops makes them perfect for neighborhood businesses.

The purpose of this plan is to lay out a clear and decisive path of action to achieve sustainable and successful business collaboration with possible financiers, partners and/or investors while simultaneously creating and maintaining a positive return on investment. This plan is laid out as per the TABLE OF CONTENTS and is self-explanatory. This document is confidential and has been made available to the individual to whom it has been addressed; strictly on the understanding that its contents will not be disclosed or discussed with third parties except for the individual's own professional advisors.



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Appendix

- 1 – Pro Forma for Badminton Academy of America LLC
- 2 - “Badminton Academy of America LLC” Project Budget
- 3 - Due Diligence Report for Subject Property by – Cross Engineers
- 4 - <http://worldpopulationreview.com> website for the Demographic Data
- 5 - Badminton AA Real Estate LLC – Formation Documents



Business Overview

Our Mission:

At Badminton Academy of America LLC Academy, our mission is to provide the community a state-of-the-art badminton facility in the prime area of McKinney and produce some of the finest champions of badminton, by providing quality and efficient training programs.

Our Vision:

Availability of sport facilities is an important factor for the development of any sport and our Vision is not only to just build a good badminton facility but also to promote the badminton sport in the US. Our aim is also to grow in different locations of the DFW Area and establish a chain of sports centers. We are passionate about badminton and take pride in building this project.

Our Values:

We hold our clients at high esteem because they are our greatest asset and without them our company will be nowhere. Therefore, our service is centered around them, to satisfy them to the highest level.

- **Integrity:**
To act always in an honest and ethical manner, with the understanding that our actions, as individuals and as corporate citizens, enhance the level of efficiency of the communities and organizations we serve.
- **Fairness:** To treat each other, our participants, competitors and members of the society with respect, and to do the right thing no matter what.
- **Respect:** To value the contributions of every individual and to recognize the importance of diversity and change.



- **Initiative:** To identify obstacles for success and create solutions. We hold ourselves accountable for meeting our commitments. We take calculated risks to achieve our goals. We pursue excellence, as individuals and as a corporation, in everything we do.
- **Social Responsibility:** To participate in the communities within which we work and to continually strive to make a positive impact on the individuals and environment that support us.

Our Philosophy

Badminton Academy of America LLC Team is committed to values such as allegiance to service excellence, safety, and a supportive working environment that promotes EXCEPTIONAL services, which allow us to navigate challenges and provide for future opportunities. These core beliefs start with our commitment to the service we offer and the positive changes it causes in the general life of our participants. We value our participants and we treat them with dignity. We believe that working together with our participants makes our goals easier and quicker to achieve.

Business Objectives:

1. Build a State-of-the-Art Badminton facility with
 - a) 20 Badminton Courts, with Pro Shop.
 - b) Event Hall on the 2nd floor with 2,000 sq. ft above office.This will generate multi-pronged revenue stream that capitalizes on the location of the subject property.
2. Maintain a positive cash flow and healthy cash reserves which supports corporate and personal obligations as a top priority.
3. Implement a revenue management system to re-invest net profits back into the facility and into debt reduction. The principles are not



intending to distribute profits out of the company for at least the first two (2) years.

4. Market and brand the facility as a community wide (multi-city) asset which can help provide badminton sport development as well as community identity.

Interesting Facts About Badminton:

- Badminton is one of the most popular racket sports in the world
- Badminton is an Olympic Sport; it's first Olympic entry was in the year 1992. (refer to Pic:1)
- It is the fastest racket sport in the world. The birdie travels at speeds in excess of 200 MPH. The fastest recorded smash was 264.70 MPH (426 Kmph).
- Badminton is very popular in the Asian and European countries. The sport is growing more popular in US.
- Like tennis "Grand Slams", badminton has international tournaments held every year. The most popular are Super Series 1,000, Super Series 750, Super Series 500, Super Series 300, and Super Series 100. The Olympic Medal is the most prestigious & every badminton athlete's dream!
- Recently the "Badminton Premier League" (BPL) started in India and is very popular as players from different countries form as 1 team. A great exposure for the badminton athletes!



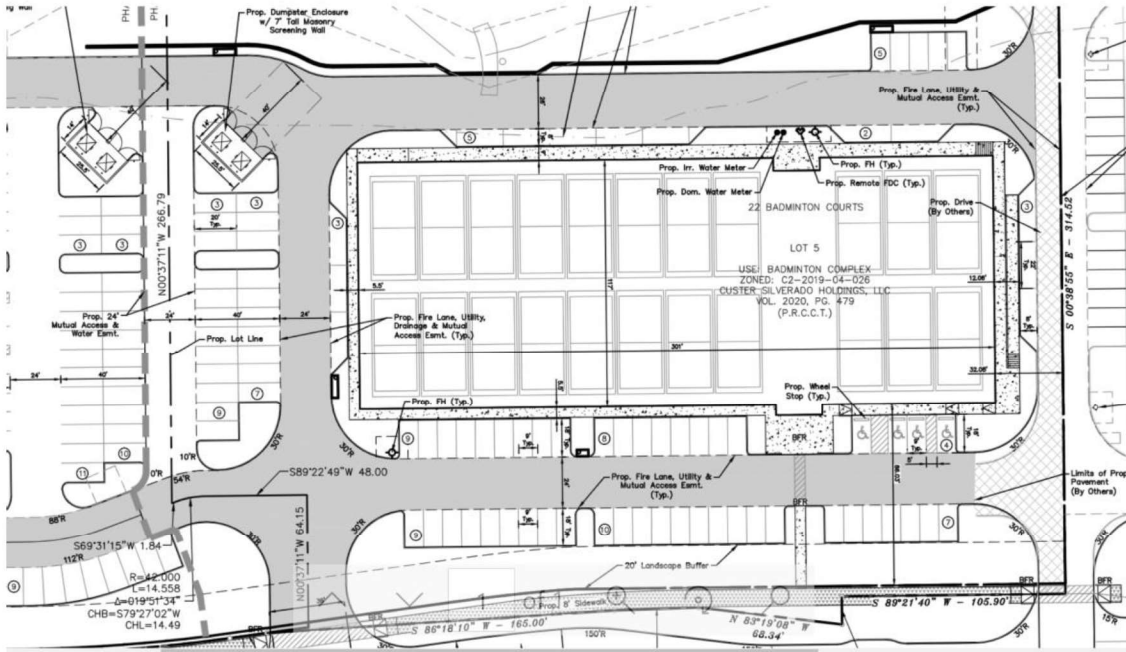
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About the Facility:

The Facility will be the largest Badminton Facility in Texas and it will have multiple revenue-streams. This approach has been developed specifically to mitigate risk and to further evaluate the depth and strength of the market for each revenue stream.

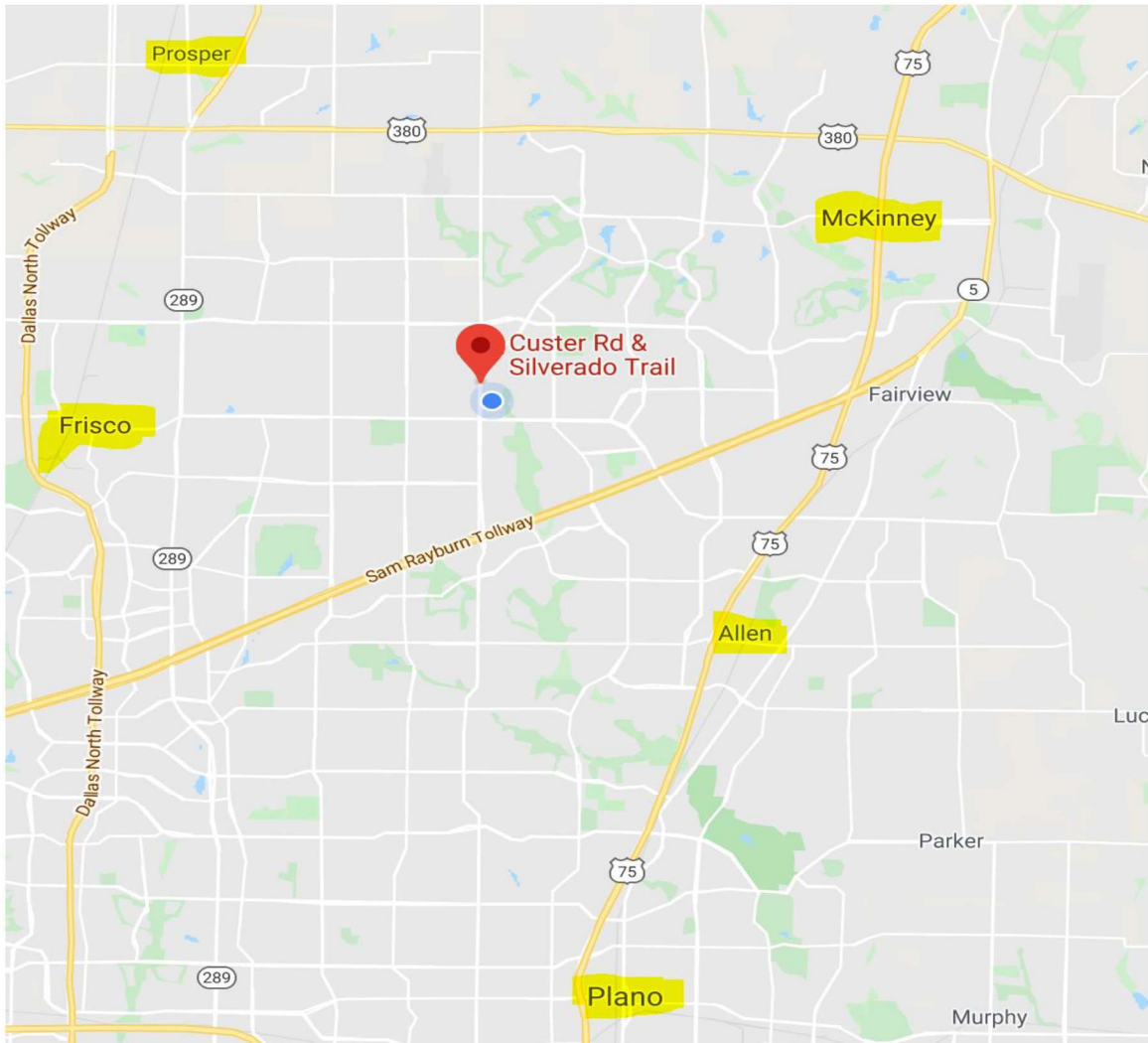
- 1. 22 State of the art, International standard badminton courts
- 2. 1st Floor Office Space: Pro Shop, Reception, Storage Area and Dining Area, Rest Rooms, Showers and Locker Rooms
- 3. 2nd floor can also be used for fitness & yoga classes.



Picture 2: BAA Site Plan

Location of the Business

The facility is located at a prime area in McKinney at Northeast corner of Custer and Silverado. It is centrally located between the 5 cities of Collin County, as shown in the Picture 3 below. It is less than 2 miles from 121-Sam Rayburn Tollway.



Pic 3: Cities around BAA

CUSTER Road the “Business Destination” of McKinney:

The property is in the prime area of McKinney. Custer Road is considered the “Business Destination” of McKinney.

- Custer road connects two cities – Frisco & McKinney.
- All the Businesses are located on Custer.
 - 24-hour Walmart & Target

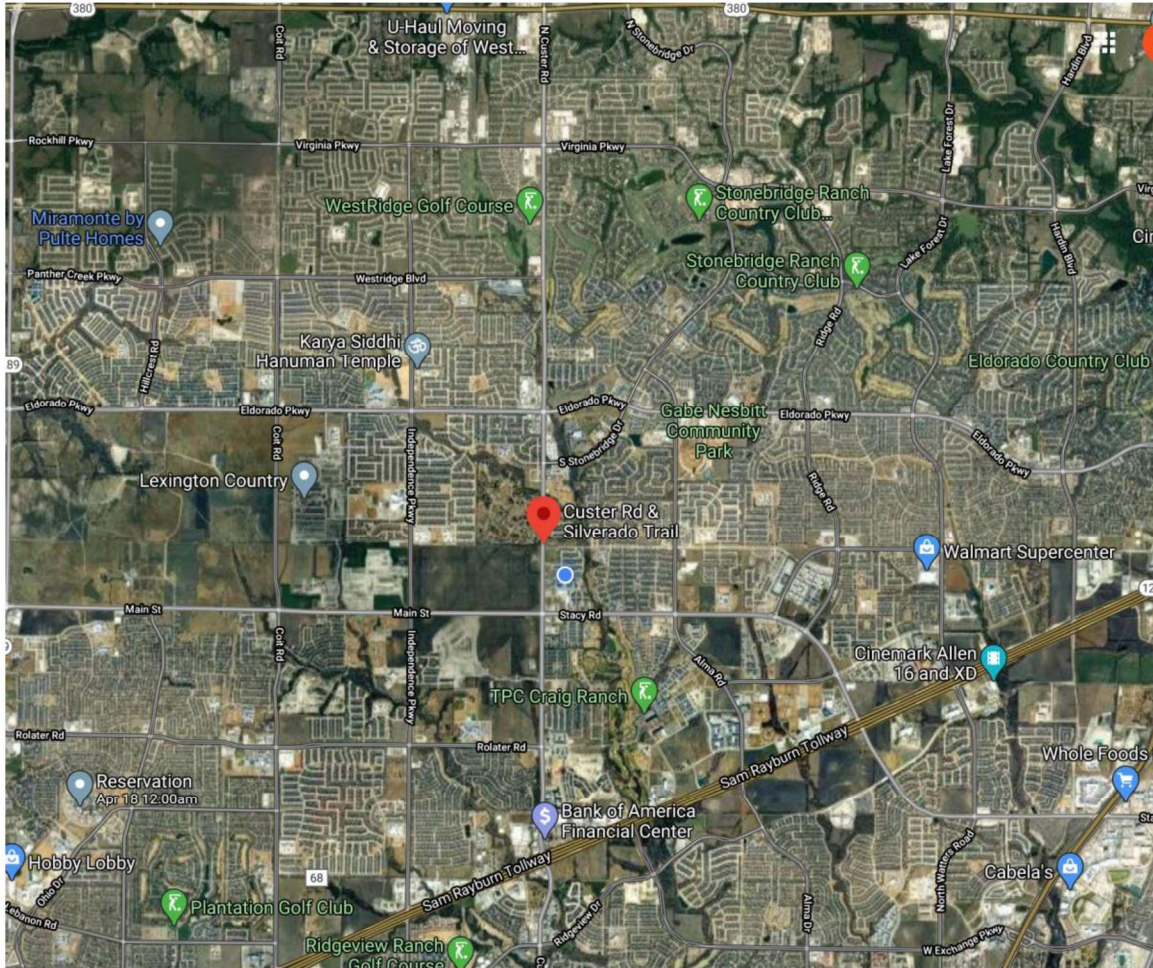


- Lowes & Home Depot
- All Major Restaurants
- All Fast food Restaurants
- Many Apartment Complexes
- Master planned housing communities
- Golf Courses
- Gas Stations

You name it & we have it on Custer Road.

- Also, please observe the densely populated housing communities in the picture 4 below. Our main targeted audience is from these areas below.
- Also note that within 4 Mile Radius, we have
 - a) 3 High Schools, 4th new high school (Frisco ISD) is being built on Stacy
 - b) 3 Middle Schools, and
 - c) Many elementary schools.

Please note that Frisco and Plano ISDs accept badminton sport as outside PE activity. We will apply the same for McKinney, Prosper and Allen ISDs



Pic 4: Targeted Housing Communities & Sports Facilities around BAA

Surrounding Sports Facilities:

Custer road is the Business corridor of McKinney, with the below listed facilities & we believe we are at the right place in the Center of these facilities:

North along Custer: At Gabe Nesbitt Park:

1. Apex Centre with Olympic size swimming pools,
2. Tennis Courts of McKinney with 23 tennis courts and 6 indoor courts,
3. PSA with basketball courts, volleyball courts and indoor soccer fields,
4. Baseball fields,
5. Skating park.



6. Stonebridge Ranch Master Planned Community

South along Custer: We have

1. Michael Jordan Performance Training Center,
 2. 12 beach Volleyball courts,
 3. 13 Soccer fields at McKinney Soccer Complex,
 4. 10 baseball fields,
 5. Star center McKinney for Ice Hockey, Ice Skating competitions (with Olympic Trainers)
 6. PGA TPC Golf Course at Craig Ranch,
 7. 6 City Hike/Bike Trails
 8. World Crape Myrtle Educational Park
 9. Craig Ranch Master Planned Community
- Being at the center of these sports destinations, we strongly believe, it's the perfect location for the badminton sport to grow along with other sports.

Scope of Services

The legal entity that will own the subject property will be Badminton AA Real Estate, LLC and will do business as (d.b.a.) "Badminton Academy of America LLC". Badminton Academy of America LLC will have 20 Badminton Courts, and an Event Hall

Badminton Academy of America LLC – Badminton Academy of America LLC will have 20 Olympic Standard courts and will have the following Services:

- Memberships



- Walk-ins
 - Group Lessons for Students & Adults
 - Private Lessons for Students & Adults
 - Camps
 - Tournaments
 - Pro Shop selling Rackets, Shoes, Accessories
 - Stringing the Rackets
-
- **Event Hall** – Event halls can be rented for the below occasions at an affordable Price.
 - Graduation Ceremonies,
 - Birthday events,
 - Wedding Receptions,
 - Baby Shower Parties,
 - Cradle Ceremonies,
 - Community Gatherings and
 - Other Events.
 - Yoga Classes and Fitness Programs
 - Classical Dance and Music Classes
 - Chess Tournaments

Management and Staff

Badminton AA Real Estate, LLC is owned by a group of Investors who are entrepreneurs and have a great passion for sports:

- Gopichand Nallamothe – Member
- Devender Aerrabolu – Member



The principal's mainstream business will be Badminton Academy of America LLC, and their schedules are flexible enough to allow all three of them to also participate in IT Jobs due to the flexible timings of their business, which starts at 4 PM every day.

The principals have unique strengths and together make up a great team. GRP has also teamed up with the right staff, in order to execute the business plan.

1. **Gopichand Nallamothe**: Pioneer & entrepreneur, founder of Frisco Badminton and an IT Engineer. With his rich experience of successfully executing a Business Idea by establishing a Badminton Academy, and running the operations from 2017, he is perfectly suited for this business and can more efficiently execute the 2nd time. He knows the ins & outs of badminton business, right from installing the court mats to running the badminton tournaments, setting up a POS system to running the marketing campaigns on social media, member relationships to students training, managing daily operations to getting the city permits.

Please see his detailed Experience as below:

- Gopichand Nallamothe - Founder of Frisco Badminton
- Taken care of the Operations of Frisco Badminton from 2017 Jan to Aug 2019
- Aim is to establish a state of the art, affordable, self-sustained Badminton facility combined with additional revenue streams and contribute his part to the society by providing a safe, healthy, social environment, which can produce some of the finest Badminton Champions.



- [REDACTED]

2. **Devender Aerrabolu**: Entrepreneur and Trail blazer, successfully executed Various real estate and IT Projects. With his in-depth market knowledge and experience, he is a perfect fit for this project. He has great team management skills which plays a key role during the execution of this Project. He made the path clear by carefully aligning the right team. He is the financial back bone of the project and believes in encouraging talent and good and healthy business principles.

3. **Our Architect: Cross Architects**

We are Proud and blessed to team up with the most creative Architect Mr. Brett Flory from Cross Architect, whose focus is not just designing a quality Site Plan and Building Plan, but also incorporates Creative elements and eye pleasing contemporary designs, which adds value to our buildings which helps our Business flourish. His aim is to create landmarks not just any other building, where customers would love to spend their time.

4. **Our Engineering Team: Cross Engineers**

We are immensely proud to choose the right Engineering Team. Cross Engineers are best in the business, who has great relationships with City planners and city staff and makes the Planning phase as smooth as possible.

[REDACTED]



Operations:

Service Standards:

Our services are trustworthy and excellent, providing the customers with excellent training activities that transform them into the professionals they aspire to become.

1. Quality Training:

We believe that quality training will bring more students and members. We make sure all students are getting properly trained. It is important that each & every student is taken care of and is getting the fair share of coaching time. Continuous feedback from parents about the student's progress and improvement of his/her skill level is critical.

2. Clean & Tidy Facility:

A Clean & hygienic facility is very important, and we strive to keep the facility clean and tidy all the time.

3. Keep the Staff Happy:

We strongly believe a quote "If you want your customers to be happy, keep your staff happy" and it's our priority.

4. Customer Feedback:

We take customer feedback & reviews seriously, we interact with our customers personally, find his/her concern and once we feel it's a genuine one, we make sure it is resolved to his/her satisfaction. Once we gain the trust of an unhappy customer, he will bring 10 more.



[Redacted]

[Redacted]

[Redacted]

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[Redacted]

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[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

SWOT Analysis

Strengths:

- **Financial Strength:**

BAA is owned and backed by investors with excellent financial stability, top-bracket credit scores and solid liquidity.



- **Previous Experience:**

With previous experience of establishing the Frisco Badminton facility from inception, we have a huge advantage of building a better facility by avoiding the flaws from the previous facility. We can organize and plan the rollout in a better and more effective way. We have the vendors ready which will help speed up the construction process. Since we are the one who designed all the marketing materials, sign boards, training programs, pricing etc., we are ready to do it in a better way, the second time. Version 2.0 is always better.

- **Excellent Location:**

The new location is excellent and perfectly located in the middle of the McKinney Business Corridor on Custer, surrounded by Housing communities and Elementary and Middle Schools.

- **Knowledgeable and friendly staff:**

We will hire professionally trained personnel that have a true passion for helping the community and caring for the needs of the participants. We have proven that we are willing to go above and beyond to suit the needs of our members.

- **Clear vision of the market need:**

We know what the needs of our members are and what they have been missing in the community. We are focused on what it will take to keep people motivated and create loyal, passionate members.

- **Top of the line equipment:**



Our customers will enjoy a high-quality and trending badminton facility that will enable them to compete favorably in any tournament.

Weakness

- As a new Business, we don't have the brand equity yet, but with our experience and solid planning we will be able to achieve it quickly.
- Possible challenges we might face, with quality control during construction phase

Opportunities

- **The growing industry:**
There is a huge growing opportunity in the industry, which we aim to tap into.
- **Growing market:**
Badminton Academy of America LLC will be a completely exceptional brand in the marketplace. A significant percentage of the target market has still not been introduced to these services.
- **New Branches:**
And as the players grow, there will be potential opportunities to establish new facilities in different locations

Threats

- **Delays in Construction.** Our target is to complete by Spring/Summer 2020. We want to capture the summer holidays market.

Risk Analysis

Badminton AA Real Estate, LLC has made every attempt to identify and minimize the potential business risks. Please see below:



Risk	Mitigation/Contingency Plan
<p>Cost of Construction Budget Overrun</p>	<p>We have thoroughly revised the detailed budget plans and bids of the previous construction project and we are replicating the same, so we have solid references when we estimated the budgets. We also scoped in 10% Contingency as well. Lastly, we are identifying the right GC who will finish the task in time and under budget.</p>
<p>Aggressive sales revenue assumptions</p>	<p>The pro forma has taken a conservative approach for the various revenue streams. In order to “hedge” risk, it was important to build a revenue model that was conservative.</p>
<p>Operational cost containment</p>	<p>Badminton Academy of America LLC is hiring only one full-time Coaching staff initially. Front Desk staff will be part-time, and the incentives are paid based on the number of students & members. Therefore, the labor costs will only increase as the revenue increases.</p>

Rationales



As one can see, the principals for Badminton AA Real Estate, LLC have diligently prepared for this endeavor and have conducted a tremendous amount of research. In specific, below are details to consider:

Projected Sales Revenue

The projected revenues are conservative in nature & yet rooted in actual sales from previous experience. Additionally, the revenue is expected to be sourced from multiple streams to spread risk.

Gross Profits

Given that the principals for Badminton AA Real Estate, LLC are not intending to take a salary or profits interest for the first two (2) years, all excess net revenue will be reinvested into the operations for business operation refinement and overall debt reduction.

Fixed Expenses

Fixed expenses will be the operational expenses in the facility and have been well documented. The total fixed expenses are well captured from the past two years' experience.

Variable expenses

The variable expenses that are anticipated are directly tied to "sales". For example, as more students join, more incentives shall be paid out to the coaching staff, which is a win-win for both. Therefore, the variable expenses are proportional to the overall success of the training sales.

Industry Trends

The Collin County area that is being targeted has experienced steady but continuous growth. The competition for a quality badminton sport facility is



limited. The amazing location of the subject property will immediately set the stage for implementing the marketing strategy. Badminton is growing at a rapid pace in the US, and we are proud to bring a great facility to the community.

Marketing

A detailed marketing plan is being developed to roll out during the construction phase of the project.



Current Financial Report

Project Shuttle

McKinney Community Development Corporation

Project Grant Application

Project Shuttle

Current Financials

Confidential financial information will be sent separately.



Audited Financials (N/A)

Project Shuttle

McKinney Community Development Corporation

Project Grant Application

Project Shuttle

Audited Financials

Badminton AA Real Estate LLC is a new entity specific to the potential McKinney project, therefore no current or audited financial statements are available.



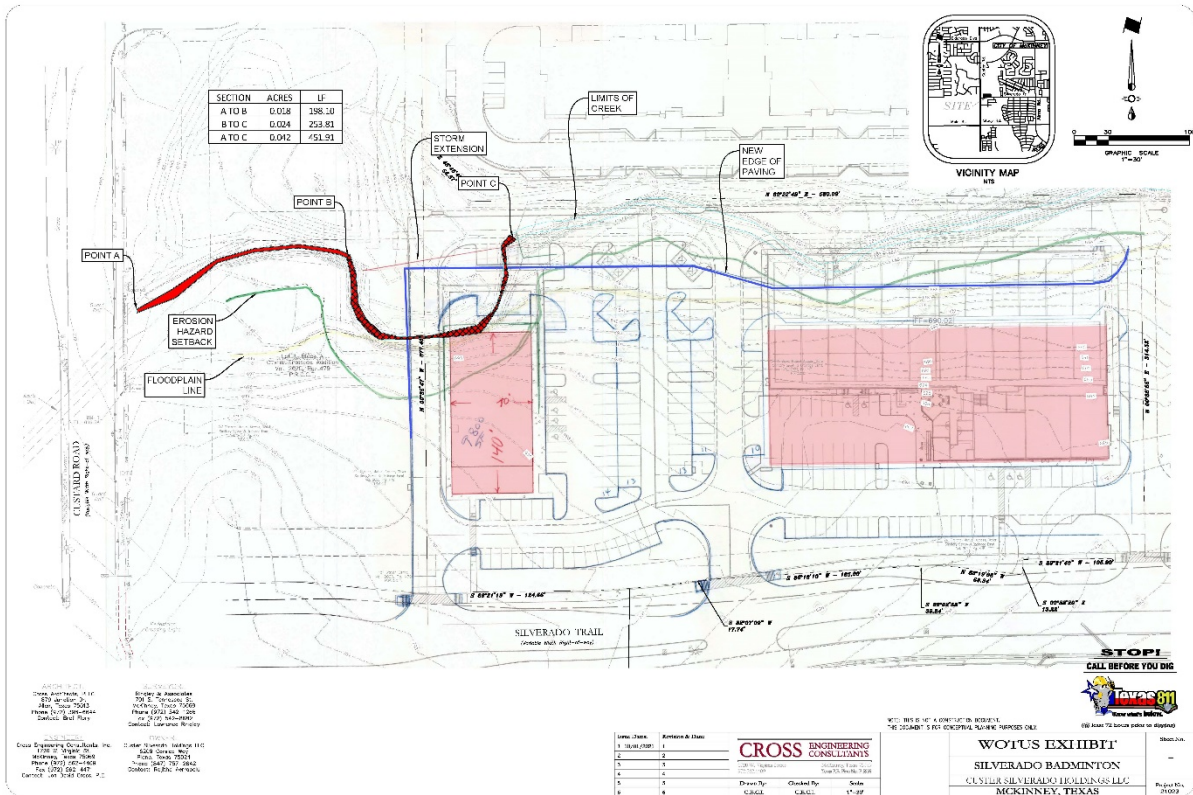
Map of Property

Project Shuttle

McKinney Community Development Corporation

Project Grant Application

Project Shuttle Plat/Map





Project Budget

Project Shuttle

McKinney Community Development Corporation

Project Grant Application

**Project Shuttle
Badminton Facility Budget**

Capital Investment	Amount
Current Land Value of 2.96 acres	\$ 1,300,000.00
Construction	\$ 5,662,000.00
Public Infrastructure Improvements	\$ 250,000.00
Equipment	\$ 200,000.00
FF&E	\$ 30,000.00
Computer Equipment	\$ 10,000.00
Total	\$ 7,452,000.00



Planned Activities and Use

Project Shuttle

McKinney Community Development Corporation

Project Grant Application

Project Shuttle (Badminton Facility)

Planned Activities and Use

Project Shuttle is interested in building a 38,000 square foot facility that will feature twenty-two badminton courts, locker rooms, and coaches' offices, as well as a three-story, 30,000 square foot office building that will serve as the headquarters for a global innovative IT services firm. The IT services firm is expected to utilize roughly 10,000 square feet, and the remaining 20,000 square feet will be leased to a tenant(s). The location for the proposed development is at the northeast intersection of Custer Road and Silverado Trail.

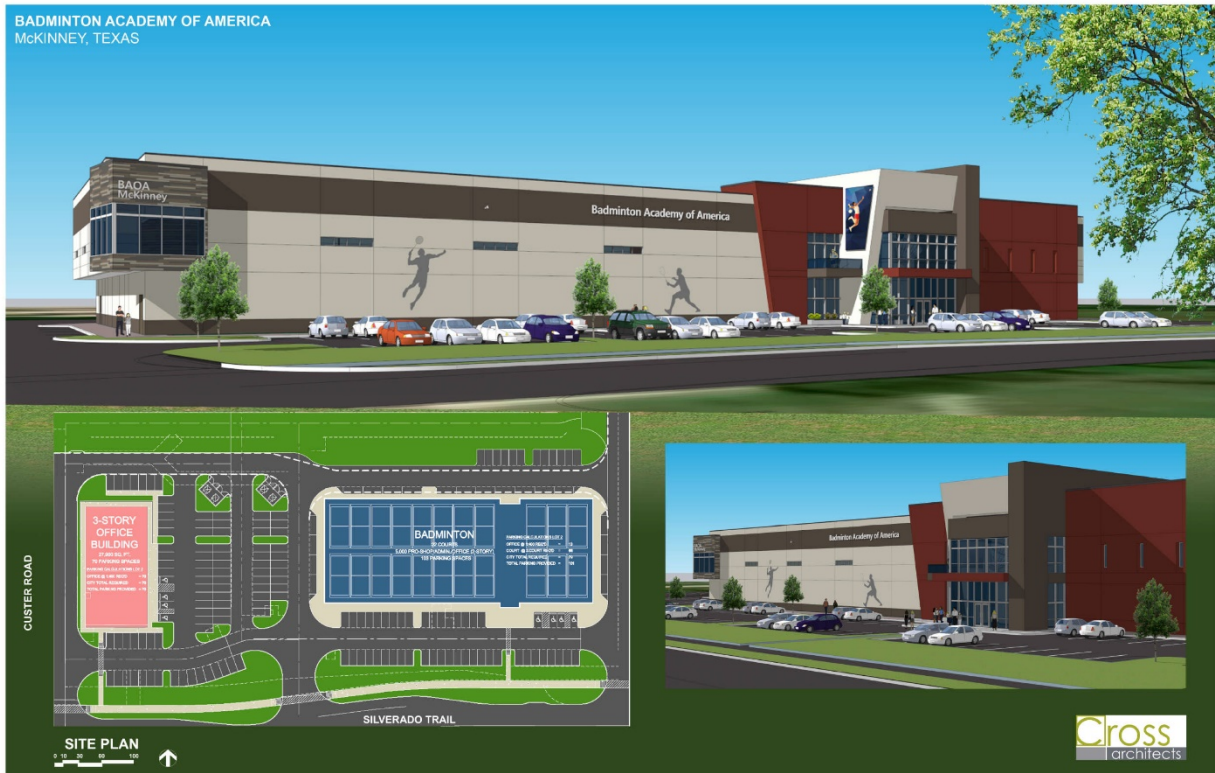
Badminton is a popular international sport that is widely played across a number of Asian and European countries. The badminton academy will be the first of its kind in the City of McKinney and a unique community asset that will serve the growing international community in North Texas and McKinney. The academy will bring attention to the City of McKinney among this international community and enhance the appeal of living within the community.

The facility will offer memberships, training classes, and summer camps for community residents to enjoy. The academy will have a number of positive community impacts including supporting the health and well-being of the local community, creating a destination that will be a national draw to the City, and creating a family friendly destination for the region and residents of McKinney. Day passes to use the facility will be \$10 and membership levels range from \$50 to \$100. The hours of the facility will be Weekdays from 4:00 PM to 11:00 PM and weekend from 6:00 AM to 11:00 PM. The badminton academy plans to create 27 coaching and part-time administrative positions with an estimated annual payroll of \$790,000 by 2025.

KPI Metrics

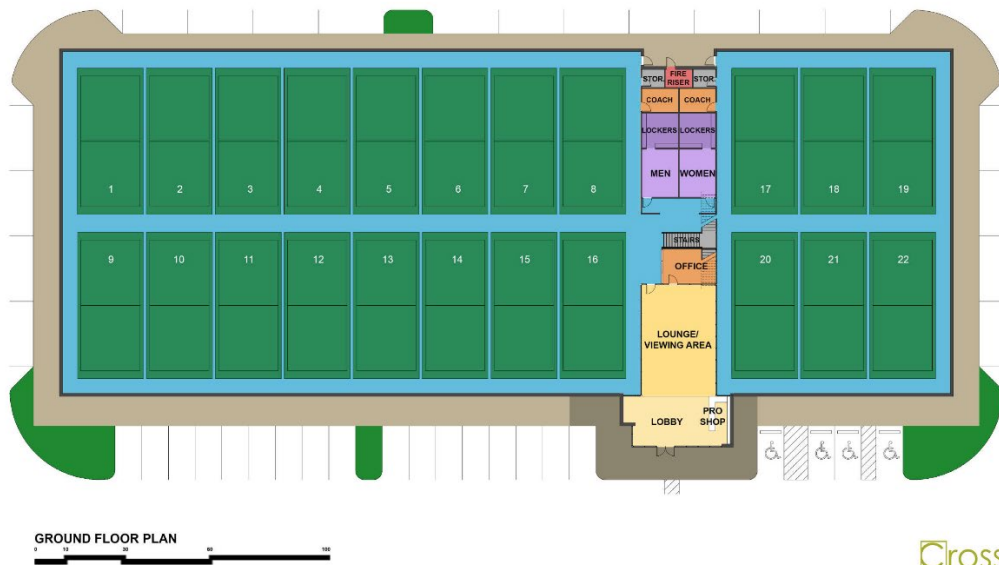
- 22 Courts estimated to draw 200 students and 900 members by 2024
- Approximately 200 visitors each day from members and students
- 50 to 100 walk in guests expected per week
- Host multiple camps each year including Summer, Winter, Thanksgiving, and Spring Break camps. Potentially serving 100 campers at a time
- 2 big tournaments planned to be hosted twice a year drawing visitors from all over the United States
- Weekend leagues with an anticipated 200 participants (expected roughly four times a year) – first of its kind in North Texas

Badminton Facility Renderings

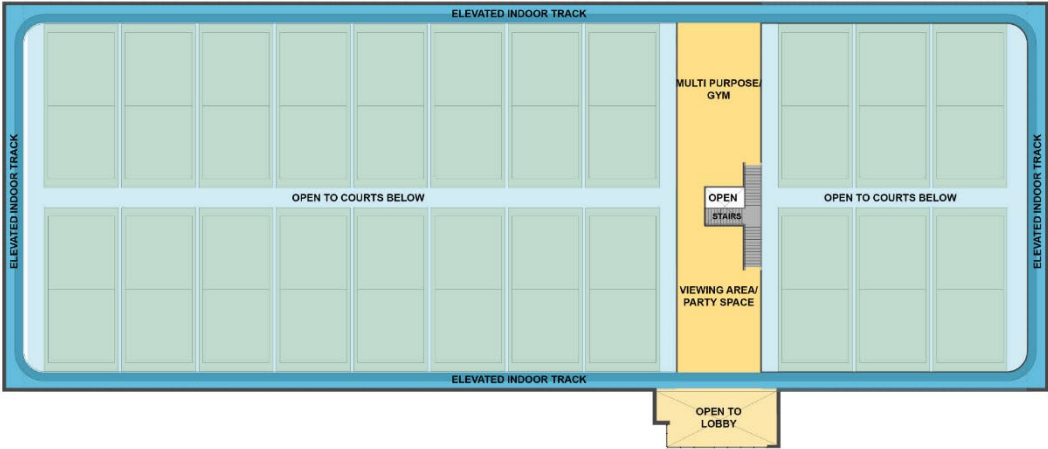


Badminton Facility Floor Plans

BADMINTON ACADEMY OF AMERICA
McKINNEY, TEXAS



BADMINTON ACADEMY OF AMERICA
McKINNEY, TEXAS



SECOND FLOOR PLAN
0 50 100 150





Project Timeline

Project Shuttle

McKinney Community Development Corporation

Project Grant Application

Project Shuttle

Anticipated Timeline

1. Begin Construction in Q1 2022
2. Equipment Installation in Q3 or Q4 2022
3. Commencement of Operations in Q4 2022 or Q1 2023



Future Expansion/Growth (N/A)

Project Shuttle

McKinney Community Development Corporation

Project Grant Application