



MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

November 8, 2016

To: MEDC Board

From: John Valencia

Director of BRE & ET Programs

Subject: November 15, 2016 MEDC Board Meeting; BREP Report/Update

Business Retention & Expansion Program

This past month has been on the quiet side in the BRE Program. Blount Fine Food's expansion is still on schedule and they have started on their exterior addition. Our most recent activity is the Simpson Strong-Tie expansion. The foundation is being prepared with plumbing and electrical in the ground. It won't be too long and concrete will be poured.

Performance Food Group is adding 36K sf for dry storage. This is not a MEDC project, just another good company growing in McKinney!

Also in this section, please go to the following link: <http://mckinneytexas.org/1046/Development-Reports> to find the McKinney at a Glance Development report for September. This is produced by the Planning Department and is quite comprehensive of what is happening in McKinney. Rather than try and explain it all, it is pretty self-explanatory, but certainly questions may come up.

Emerging Technology

Pest Routes is the only remaining company in the rent reimbursement program.

Last Monday, the Dallas Cowboys owner Jerry Jones and the Jones family and Dallas entrepreneur Rob Wechsler partnered to launch a new accelerator and investment hub for early stage businesses in the technology, sports and entertainment industries.

The hub, called the Blue Star Accelerator, will be the first of its kind in the industry and will be located at The Star in Frisco.

And on Tuesday, New York-based **WeWork** – one of the largest coworking operators in the world – announced plans to open its largest shop yet in downtown Dallas at 80,000 square feet. (Please see attached articles from the DBJ)

This is all to say, this is a very active space in the DFW Metroplex!

The WERX in McKinney

The WERX continues their Mission: to Build, Grow and Support an Entrepreneurial Community here in McKinney. There are currently 35 companies operating with 69 people. If you haven't been by their website lately, please do so at www.mckinneywerx.com

See attached:

What Happened at WERX on October
Financial Statement ending October 31, 2016 on The WERX.

The Team here continues to work hard in promoting our wonderful community!

Respectfully Submitted,

John Valencia

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

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From the Dallas Business Journal:

<http://www.bizjournals.com/dallas/news/2016/11/07/dallas-cowboys-jerry-jones-rob-wechsler-to-pair.html>

Dallas Cowboys' Jerry Jones to launch investment hub at The Star in Frisco

Nov 7, 2016, 3:27pm CST

Dallas Cowboys owner Jerry Jones and the Jones family have partnered with Dallas entrepreneur Rob Wechsler to launch a new accelerator and investment hub for early stage businesses in the technology, sports and entertainment industries.

The hub, called the Blue Star Accelerator, will be the first of its kind in the industry and will be located at The Star in Frisco, the world headquarters for the Dallas Cowboys.

"The vision of The Star was to bring incredible opportunities not only for the Jones family businesses, but for the sports industry as a whole," said Jones, in a written statement.

"Rob Wechsler is the ideal entrepreneur to partner with us to bring the vision of Blue Star Accelerator to life," he added. "We see this residence incubator program as a perfect match for what we are doing with our headquarters and our business as a whole."

He said this is a good example of what the Jones family has been seeking to do, which is to constantly innovate, evolve and utilize its resources.

The hand-selected sports, tech and entertainment firms will have the opportunity to capitalize on the resources of the Cowboys and Wechsler, who is the CEO and founder of **Blue Star Sports**.

Wechsler said the program will help young, growth-stage companies reach their full potential by utilizing the Blue Star network.

The selection process has started. The chosen applicants will be invited to present their company to the Jones family, Wechsler, company executives and other investors.



Jerry Jones will help oversee the application process for the new Blue Star Accelerator.

Those interested in applying for the Blue Star Accelerator program can go to bluestaraccelerator.com before Jan. 15.

Candace Carlisle
Staff Writer
Dallas Business Journal



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From the Dallas Business Journal:

<http://www.bizjournals.com/dallas/news/2016/11/08/sources-coworking-space-to-make-biggest-deal-yet.html>

Sources: WeWork to make biggest deal yet in downtown Dallas

Nov 8, 2016, 2:44pm CST

New York City-based **WeWork** — one of the largest coworking operators in the world — plans to open its largest shop yet in downtown Dallas, sources say.

The coworking operator plans to open a three-floor hub totaling more than 80,000 square feet in the city's central business district at Thanksgiving Tower at 1601 Elm St., according to real estate sources.

Upon completion of the deal, this would be WeWork's second Dallas location following its soon-to-open office along McKinney Avenue in Uptown. A WeWork spokeswoman was not immediately available for comment Tuesday.

The deal could be the latest in a long line of coworking concepts coming to the greater downtown Dallas core, said Kourtny Garrett, president of Downtown Dallas Inc.

"We have absorbed almost 300,000 square feet of coworking space in the last two years, which is indicative of the new trend in commercial office space," Garrett told the *Dallas Business Journal*.

"The day of the big 100,000-square-foot tenant is few and far between as workplaces seek to be more efficient, which has created a demand for more and more creative office space," she told me. "Landlords are responding to that demand for a different type of work environment."

Within the inner freeway loop, the city's central business district has absorbed more than 100,000 square feet of commercial real estate that has been converted into coworking space.



JAKE DEAN

The demand comes at a time when the city has a number of 1980s-era office towers competing with newly constructed buildings in neighboring submarkets, Garrett said, which has presented an opportunity for coworking concepts and incubators to move into the market.

"These buildings are very attractive for coworking spaces because they can repurpose it and there's a value proposition for the actual users," she told me. "I think we'll continue to see this as a trend."

With the Dallas Entrepreneur Center, Health Wildcatters, Tech Wildcatters and the expansion of DevMountain — a rapidly growing coding school in downtown Dallas— at the Butler Brothers Building, Garrett said there's a big market for these concepts in the city's urban core.

CBRE's Jeff Eiting recently spoke to the *Dallas Business Journal* about the attractiveness of Uptown and the city's urban core for big coworking concepts, such as Spaces and WeWork.

WeWork has been shopping throughout North Texas for future locations to add to its Uptown concept, which is slated to open before the end of the year.

Want to take a look at one of the latest coworking concepts to open in Dallas-Fort Worth? Check out the attached slideshow to check out Spaces' new space in Uptown.

Candace Carlisle
Staff Writer
Dallas Business Journal



What Happened at WERX in Oct. 2016?

During October Werx Board continued work on the WERX Strategy planning for 2017-2019, and focused on the Fall Fundraising event.

Hosted Events:

Oct 1st & 29th: Hosted a Mastermind Workshop Series for Leadership (2 of a 6 part series)

Oct 2nd: Met with “Imagine The Space” founders who created a 3D Virtual Tour of The WERX center to use marketing and promoting the WERX. www.imaginethespace.com

Oct 4th: Werx Board members visit ‘Stoke’ in Denton, and spoke to Denton EDC about their setup and structure.

Oct 5th: Started “The Artist’s Way, For the Creative Entrepreneur” workshop series begins(6 week series on Wed. mornings.)

Oct 15th - Fundraiser: 2nd Annual Hot Tech Chili Cook-Off Event with TUPPS brewery and Love Life Foundation. Approximately 300 attendees and netting approximately \$2000.

Oct 27th: Participated in Texas Workforce Solutions strategic planning session.

WERX & the MEDC provided additional requested letters from the Federal F6 Grant division application. Awardees of grants should be notified by end of Nov.(agency pushed announcement out one month)

Continued to reach out to various leaders to Identify/Enlist a Keynote Speaker for the Innovate McKinney Speaker Event, but have been unsuccessful in securing a high caliber speaker.

Werx Board hires on a new CPA, Michael Mosely.

Nov. Events include:

The InnovateHER local competition was scheduled for Nov. however the SBA is experiencing delays on announcing the start of the competition, therefore possibly pushing it out to Jan.

Innovate Mckinney Speaker Event was scheduled for Nov timeframe, but despite our best efforts to secure a speaker that would draw a large audience, we came up empty. Individuals contacted included: Bobby Lyle, Manoj Bhargava, Rajendra Sisodia, Brandon Oldenburg, Mark Skaggs, Clay Clark, Chip and Joanna Gaines, Scotty Landry. (Event is Postponed till after Holidays)

The WERX Foundation, Inc.

BALANCE SHEET

As of October 31, 2016

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
3224139 First United Bank Operating acct	17,176.61
In Kind Clearing	2,367.00
PayPal Bank	-75.00
Petty Cash Acct	118.28
Total Bank Accounts	\$19,586.89
Other current assets	
Credit Card Receivables	225.00
Undeposited Funds	150.00
Total Other current assets	\$375.00
Total Current Assets	\$19,961.89
TOTAL ASSETS	\$19,961.89
LIABILITIES AND EQUITY	
Liabilities	
Total Liabilities	
Equity	
30000 Opening Balance Equity	25.92
32000 Unrestricted Net Assets	10,022.52
Net Income	9,913.45
Total Equity	\$19,961.89
TOTAL LIABILITIES AND EQUITY	\$19,961.89

The WERX Foundation, Inc.

PROFIT AND LOSS

January - October, 2016

	TOTAL
INCOME	
43300 Direct Public Grants	
43330 Foundation and Trust Grants	2,000.00
Total 43300 Direct Public Grants	2,000.00
43400 Direct Public Support	
43410 Corporate Contributions	7.16
43440 Gifts in Kind - Goods	7,174.98
43450 Individ, Business Contributions	5,550.00
Total 43400 Direct Public Support	12,732.14
44500 Government Grants	
44510 Agency (Government) Grants	103,000.00
44530 Local Government Grants	5,422.00
Total 44500 Government Grants	108,422.00
44800 Indirect Public Support	
44810 Affiliated Org. Contributions	5.00
Total 44800 Indirect Public Support	5.00
46400 Other Types of Income	
46430 Miscellaneous Revenue	1,500.00
Total 46400 Other Types of Income	1,500.00
47500 Rentals	
47530 Rent Revenue - Nondebt Prop	55,769.52
Total 47500 Rentals	55,769.52
49000 Special Events Income	
49010 Special Events Contributions	9,250.00
49020 Special Events Sales (Nongift)	4,293.22
Total 49000 Special Events Income	13,543.22
Services	2.20
Total Income	\$193,974.08
GROSS PROFIT	\$193,974.08
EXPENSES	
60900 Business Expenses	
60920 Business Registration Fees	100.00
60930 Fines, Penalties, Judgments	100.00
Total 60900 Business Expenses	200.00
62200 Program and Event Expenses	120.00
62201 Fundraiser Expenses	10,538.07
62202 Program Expenses	665.87
Total 62200 Program and Event Expenses	11,323.94
62800 Facilities and Equipment	
62811 Equipment/Furnishing/Improvements	1,529.45
62840 Equip Rental and Maintenance	242.07
62850 Janitorial Services	2,700.00

	TOTAL
62890 Rent, Parking, Utilities	
62891 Rent or Lease of Buildings	82,800.00
62892 Utilities	6,745.83
Total 62890 Rent, Parking, Utilities	89,545.83
Total 62800 Facilities and Equipment	94,017.35
65000 Operations	
65010 Books, Subscriptions, Reference	179.88
65020 Postage, Mailing Service	9.40
65030 Printing and Copying	711.01
65040 Supplies	3,956.22
65050 Telephone, Telecommunications	4,416.36
65051 Web Hosting and Online Software	915.32
Total 65000 Operations	10,188.19
65100 Other Types of Expenses	
65101 Bank/Credit Card Fees	83.37
65110 Advertising Expenses	5,067.23
65120 Insurance - Liability, D and O	610.80
65130 Interest Expense - General	59.90
65150 Memberships and Dues	275.00
65170 Staff Development	57.00
Total 65100 Other Types of Expenses	6,153.30
66000 Payroll Expenses	
66001 Benefits/Withholding	9,998.52
66002 Payroll	46,641.83
Total 66000 Payroll Expenses	56,640.35
68300 Travel and Meetings	29.31
PayPal Fees	2.48
QuickBooks Payments Fees	2,415.71
Total Expenses	\$180,970.63
NET OPERATING INCOME	\$13,003.45
NET INCOME	\$13,003.45

Total 62890 Rent, Parking, Utilities	\$ 9,540.37	\$ 9,675.00	\$ 9,538.58	\$ 9,675.00	\$ 8,759.54	\$ 8,775.00	\$ 8,653.56	\$ 8,775.00	\$ 8,630.54	\$ 8,775.00	\$ 8,612.33	\$ 8,775.00	\$ 16,954.94	\$ 8,775.00	\$ 1,063.82	\$ 8,775.00	\$ 8,945.11	\$ 8,775.00	\$ 8,847.04	\$ 8,775.00	\$ 89,545.83	\$ 89,550.00	100.00%	
Total 62800 Facilities and Equipment	\$ 10,044.34	\$ 10,050.00	\$ 10,193.58	\$ 9,975.00	\$ 9,141.54	\$ 9,075.00	\$ 9,481.73	\$ 9,150.00	\$ 8,930.54	\$ 12,275.00	\$ 9,287.33	\$ 10,075.00	\$ 16,654.94	\$ 9,400.00	\$ 1,680.89	\$ 9,075.00	\$ 9,380.42	\$ 9,575.00	\$ 9,222.04	\$ 9,150.00	\$ 94,017.35	\$ 97,800.00	96.13%	
65000 Operations																					0.00	0.00		
65010 Books, Subscriptions, Reference			89.94													89.94					179.88	0.00		
65020 Postage, Mailing Service													9.40								9.40	0.00		
65030 Printing and Copying	113.87	100.00		100.00	90.32	100.00		400.00	29.22	100.00			250.00	277.12	200.00		100.00	200.48	400.00	100.00	711.01	1,850.00	38.43%	
65040 Supplies	604.07	350.00	181.15	350.00	286.49	350.00	426.52	350.00	329.05	350.00	518.27		350.00	333.74	350.00	463.19	350.00	394.64	350.00	419.10	350.00	3,956.22	3,500.00	113.03%
65050 Telephone, Telecommunications	418.96	420.00	419.11	420.00	419.11	420.00	576.04	420.00	419.44	420.00	419.44		420.00	419.54	420.00	419.53	420.00	419.53	420.00	485.66	420.00	4,416.36	4,200.00	105.15%
65051 Web Hosting and Online Software	68.89	140.00	64.99	140.00	156.57	140.00	33.00	140.00	237.53	140.00	225.00		140.00	33.00	140.00	30.34	140.00	33.00	140.00	33.00	140.00	915.32	1,400.00	65.38%
Total 65000 Operations	\$ 1,205.79	\$ 1,010.00	\$ 755.19	\$ 1,010.00	\$ 952.49	\$ 1,010.00	\$ 1,035.56	\$ 1,310.00	\$ 1,015.24	\$ 1,010.00	\$ 1,162.71	\$ 1,160.00	\$ 1,072.80	\$ 1,110.00	\$ 1,003.00	\$ 1,010.00	\$ 1,047.65	\$ 1,310.00	\$ 937.76	\$ 1,010.00	\$ 10,188.19	\$ 10,950.00	93.04%	
65100 Other Types of Expenses																					0.00	0.00		
65101 Bank/Credit Card Fees	1.80	250.00	0.26	250.00	31.81	250.00	6.90	250.00	5.40	250.00	8.10		250.00	3.00	250.00	5.70	250.00	8.10	250.00	12.30	250.00	83.37	2,500.00	3.33%
65110 Advertising Expenses		0.00		0.00	441.00	100.00	1,494.00	100.00	887.00	100.00	25.02		100.00	75.00	100.00	23.21	100.00	2,122.00	100.00	100.00	5,067.23	800.00	633.40%	
65120 Insurance - Liability, D and O	61.08	62.00	61.08	62.00	61.08	62.00	61.08	62.00	61.08	62.00	61.08		62.00	61.08	62.00	61.08	62.00	61.08	62.00	61.08	62.00	610.80	620.00	98.52%
65130 Interest Expense - General	29.95		29.95																		59.90	0.00		
65150 Memberships and Dues																	275.00				275.00	0.00		
65170 Staff Development					57.00																57.00	0.00		
Total 65100 Other Types of Expenses	\$ 92.83	\$ 312.00	\$ 91.29	\$ 312.00	\$ 590.89	\$ 412.00	\$ 1,561.98	\$ 412.00	\$ 953.48	\$ 412.00	\$ 94.20	\$ 412.00	\$ 139.08	\$ 412.00	\$ 89.99	\$ 412.00	\$ 2,466.18	\$ 412.00	\$ 73.38	\$ 412.00	\$ 6,153.30	\$ 3,920.00	156.97%	
66000 Payroll Expenses																					0.00	0.00		
66001 Benefits/Withholding	790.86	306.00	790.86	306.00	991.36	306.00	1,191.86	306.00	825.43	306.00	1,191.86		306.00	943.86	306.00	1,052.16	306.00	1,191.86	306.00	1,028.41	306.00	9,998.52	3,060.00	326.75%
66002 Payroll	3,515.14	4,000.00	3,515.14	4,000.00	4,391.14	4,000.00	5,267.14	4,000.00	5,633.57	4,000.00	5,267.14		4,000.00	4,438.64	4,000.00	4,678.01	4,000.00	5,267.14	4,000.00	4,668.77	4,000.00	46,641.83	40,000.00	116.60%
Total 66000 Payroll Expenses	\$ 4,306.00	\$ 4,306.00	\$ 4,306.00	\$ 4,306.00	\$ 5,382.50	\$ 4,306.00	\$ 6,459.00	\$ 4,306.00	\$ 6,459.00	\$ 4,306.00	\$ 6,459.00	\$ 4,306.00	\$ 5,382.50	\$ 4,306.00	\$ 5,730.17	\$ 4,306.00	\$ 6,459.00	\$ 4,306.00	\$ 5,697.18	\$ 4,306.00	\$ 56,640.35	\$ 43,060.00	131.54%	
68300 Travel and Meetings		0.00	29.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	29.31	0.00		
68310 Conference, Convention, Meeting		0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Total 68300 Travel and Meetings	\$ 0.00	\$ 0.00	\$ 29.31	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 29.31	\$ 0.00		
PayPal Fees					2.48																2.48	0.00		
QuickBooks Payments Fees			37.32		340.78		475.83		228.71		268.38		235.42		282.59		231.09		315.59		2,415.71	0.00		
Total Expenses	\$ 15,473.96	\$ 16,258.00	\$ 15,312.69	\$ 16,543.00	\$ 18,195.69	\$ 19,103.00	\$ 19,846.48	\$ 16,358.00	\$ 22,393.60	\$ 23,703.00	\$ 17,735.45	\$ 24,013.00	\$ 23,649.67	\$ 18,528.00	\$ 9,860.14	\$ 18,103.00	\$ 20,113.66	\$ 22,943.00	\$ 18,389.29	\$ 17,218.00	\$ 180,970.63	\$ 192,770.00	93.88%	
Net Operating Income	\$ -489.48	\$ -208.00	\$ 1,371.99	\$ 2,557.00	\$ 4,449.51	\$ 4,747.00	\$ 2,636.61	\$ 3,392.00	\$ -2,155.43	\$ -1,778.00	\$ 5,169.03	\$ -3,613.00	\$ -4,323.76	\$ 2,722.00	\$ 5,144.86	\$ 1,222.00	\$ -5,208.66	\$ -1,493.00	\$ 3,318.78	\$ 3,332.00	\$ 9,913.45	\$ 10,880.00	91.12%	
Net Income	\$ -489.48	\$ -208.00	\$ 1,371.99	\$ 2,557.00	\$ 4,449.51	\$ 4,747.00	\$ 2,636.61	\$ 3,392.00	\$ -2,155.43	\$ -1,778.00	\$ 5,169.03	\$ -3,613.00	\$ -4,323.76	\$ 2,722.00	\$ 5,144.86	\$ 1,222.00	\$ -5,208.66	\$ -1,493.00	\$ 3,318.78	\$ 3,332.00	\$ 9,913.45	\$ 10,880.00	91.12%	

Monday, Nov 07, 2016 02:30:29 PM GMT-8 - Cash Basis