



McKinney Economic Development Corporation

John Valencia-Director of BREP

July 2018

Strategic Plan Management & Communicating Results:

A. Business Retention & Expansion

- Project Todd - Previous - I was contacted by a development team retained by the client to help navigate their project to build an approximately 100K sf, two story Class A office complex that has 50K sf floor plates. Site would be in the 8-10 acre range. The development team is gathering intel for presentation before the client's December Board of Director's meeting. Early schedule is to have the CO and move in Q4 of 2019 or early Q1 of 2020. Update now for this report: I was contacted within the last week from the Client and shared the following: *We are still in the middle of the programming work with our architect. As soon as we finish up (I imagine sometime in January), the groups will be in touch and then we can discuss next steps. Have a great rest of your year!* Jan 2018 update: I am waiting for word on their December BOD Meeting... and here it is: ...the board is supportive of our ongoing efforts. We're still finalizing the programming / visioning work with Gensler. Once that is complete, we will be around the market looking at potential options. Feb 2018 - No Update at this time from the client. March 2018 - No update at this time from the Client. April 2018 - Abby and I met with Lincoln team as instructed by MEDC Board on May 2. Abby has taken the lead her and she will update. June 8, 2018 UPDATE: Abby and I received word that there might be one last shot at keeping this company in McKinney. We have a conference call on June 14th with their senior leadership. Two sites will be presented; one in the HUB121 development and a new one in the McKinney Corporate Business Center II. Presentation materials are being prepared now in advance of the June 14th conference call. UPDATE: July 10, 2018 - significant work has been done here to keep the lines of communication open. Abby is running point here, so she will advise and update.
- Project Sweet - Previous - New Retention & Expansion opportunity is in discussion. With recent discussions and development in our community regarding annexation, this has become a relocation, retention and expansion opportunity. The short term effort will be to maintain current location and have some square footage increases, along with job growth. And over the next 6 to 12 months, to design, build and occupy a totally different location and facility. Update for this report: A Pre Development meeting has



been scheduled for January 10th between the City Team and the Project Sweet Team to discuss the annexation subject matter and to look at preliminary layout plans of an onsite small expansion for their administrative operations. Jan 2018 update: The Pre Development meeting was held on the 10th. Discussion points were on annexation process, potential zoning changes and a development agreement. At this time, major concerns are bring sewer and water to the facilities on the property. Distances of up to 2,000 feet are being discussed and at what cost. Engineering is done on the sewer but remains to be done on water and fire safety needs. Client will be working these concerns and will come back for another Development Meeting. Project is strong, but still needs time to address. Feb 2018 - Client is still working the annexation subject matter. At this time... quiet. February 26, 2018 8:30 am Finally caught up with Robert on a phone call. At this time they are concentrating on their business. Critical at this time is warehouse space. At their Georgia operation they are partnering with a warehouse builder to build adjacent to them there, so we'll see how that works out. On the local level, with the "complexities" of annexation, need for two entries (fire), neighbors not willing to sell (or cooperate), need for a loop water supply, etc. it's all just too expensive at this immediate time. That's not to say on down the road they still might go this route, but right now probably not. So, for now they will stay pat. Discussion was too that we didn't want them to leave McKinney and Robert still indicates that their home is and will be McKinney. We will stay in touch and be available for each other. At this time he has no plans to visit the GA operation for a while. As a note here" Robert mentioned that a major customer was putting them in their May Catalog and was going to add \$3 plus million to their bottom line and thus their immediate concentration on the business side! No further update at this time. April 2018 - Met with the COO and the month of April was a record month for them. Very excited to see new products reach the shelves and a new customer (big) come on line next month. All signs point to 30% growth for this in calendar 2018! But as far as their future expansion plans, these are on hold for the time being. Although they continue to look at future growth and building plans, it's just not right for now. June 8, 2018 UPDATE: No new news at this time.

- Playful - I met with the Playful team on Feb 6th. Imagine this... they are only behind schedule two weeks and over budget about 2 mil! It's still a work in progress. The interior floors are being installed and once weather warms up a bit, concrete will be poured. At this time the operations team of Playful is hoping to move in at the end of July. Hummm... we'll see. Gage says that's pretty aggressive but that is the push! April update – have met multiple times over the past three weeks. They continue to have challenges with the schedule, but a big milestone is to have the building dried in by the end of the month. As I write this, the parking lot on the south side of the building is being prepped and should be poured in the next few days. Occupancy now looks like the end of September... April 2018 - Davis at the Square continues to get closer and closer and the Playful building is getting closer to being dried in! A major portion of the parking lot on the south side has been poured and



approaching the last bit next to Chestnut Square. They recently leased some short term space to mock some interior settings as they continue to design their interior layout. I have been invited to view once they start putting it together. Exciting times for them and they're anxious to get in to say the least! June 8, 2018 UPDATE: The building continues to come together and brick going up on the north and west walls. A building tour was scheduled for June 1, but unfortunately has to be rescheduled, so awaiting that. The Studio is packed, so the finish out can't come soon enough! On the product and business front, Paul and the executive team are looking at a 2018 Private Offering and its initial meetings are just starting. They just hit a compliance milestone so Melissa and I are working that. All good thus far. UPDATE: July 10, 2018 - Had the opportunity to tour the building inside and out on June 22nd, hard hat and all! It's really coming along and good progress. Paul and his Studio are actively pursuing new investment for their 5th Project, **Wildcard**.

- Project Saucer - New opportunity for an(other) expansion of a local business. Initial meeting will be held on January 31st. Feb 2018. Met with the executive team on Jan 31st. They are still planning on an expansion, but it might be toward the third quarter. I meet with them again in March. No further update on this March report at this time. April update: cold storage is being a challenge for them and discussions are ongoing about this and the longer term expansion. April 2018 - Met with the CEO on their project and now that it's finished production is settling in. The cold storage issue remains, but activity is in the works to try and get it closer to the plant. Nothing signed, but activity non the less. Their next expansion remains down the road, maybe Q4 or Q1 of next year. June 8, 2018 UPDATE: No new news at this time . UPDATE: July 10, 2018 - Nothing to add at this time.
- Project Napkin - Local company looking to expand. Very early discussions and looking at a property now to see if it will fit/work. April update: Client still wants/need to expand, but business conditions, which are very strong, might prevent expansion at this time. This might push to Q4 2018 or Q1 2019... April 2018 - no update. June 8, 2018 UPDATE: We are in the planning stages of bringing this group, along with two other local companies and see if there are any synergies where they could put a plan together that would be a more economical option. . UPDATE: July 10, 2018 - Madison and I met with this CEO and invited two other local companies in for an informal discussion on putting together a small "mini" industrial park that they all could share. It was good discussion and ongoing.

Project Garden - Local company looking to expand. Predevelopment meeting held on Jan 11th. Project is making progress and is making its way through the City process. April 2018 - no update. June 8, 2018 UPDATE: From Client: Great Progress ! Everything moving well – we didn't need any "special use permits"....currently working on 'Façade Exception' (in fact we have a meeting with city for that on 30th). Civil & Building Plans are expected to be completed by end June the latest. Met with GC today. He will give us the bids as soon as we have building Plans. UPDATE: July 10, 2018 from the client: So as expected everything takes longer as normal LOL. We have P&Z meeting tonight and think that



everything will go smooth as we really don't have anything that would require big changes and it should be just a formality.

Design and layout and plans are ready and we are having contractors working on bids for us right now. We visited with a view of them and already had to take some out due to high cost but waiting on some more. We still hope to be breaking ground soon and the timeline should be for 90 days hopefully

B. Business Attraction - None at this time

C. Entrepreneurship

- Update: The WERX executed the lease for office space and services at McKinney Technology Center for a 5/1/18 move-in. This space will be specific for their Maker Space and Regional Innovation Strategies i6 Grant in collaboration with Collin College. Equipment has been identified and will be sourced for delivery by month end April. Chris Wilkes, CEO Sigmetrix and Ed McDonald, mb INNOVATIONS have agreed to join the Board. Other members are being recruited. Policies, procedures, rules and membership guidelines are being developed along with Website for 6/1/18 soft opening. June 8, 2018 UPDATE: They are setting up the Makerspace at the McKinney Technology Center this week. The 3D printers will be installed on Friday afternoon, with a training session beginning at 2:30. Their new goal is to open to the "public" on July 1st. UPDATE: July 11, 2018 - Not much to report other than the MakerSpace has been set up and is operational for local tenants at MTC. We completed training and plan to attend the McKinney Chamber lunch on technology on July 26th. Otherwise, we're working on the official opening and ribbon cutting for mid-August.
- Paul Grimes', Culture of Innovation group's next meeting will be the end of April and will be our 4th meeting. Corey Clark, Manager Production Planning & Management with Toyota will be facilitating and hosting this meeting and is being held at the new Toyota facility. See the attached agenda for the March meeting. April 2018 - the April meeting slid to May 15th and will be held at the new Toyota facility in Plano. Looking forward to this one! June 8, 2018 UPDATE: Next meeting is June 14th and will be hosted at the MEDC office conference room. UPDATE: July 10, 2018 - Next meeting July 26th at the Chamber offices.
- McKinney Technology Center - Action will be take this month on Mr. Black's presentation at our last Board Meeting. Much work has been going on during this month in answering Board questions. Ready to go. Work continues and the Board is fully informed. UPDATE: July 10, 2018 - Happy to report that the Board approved the MTC Presentation and documents are in the works and being reviewed.



Marketing/Promotion/Connection Activities:

- I had the opportunity this month to be introduced to two local companies that possibly will have expansion plans over the next year or two. One currently has 71 employees and the other 60, of which 30 are here in McKinney. It will be exciting to follow them and hopefully assist them in their growth plans
- On May 18th I toured the company with 71 employees and had a great meeting as well. Discussions continue and we'll stay close.
- On May 31st met with the other company of 30 local here and learned they consolidated two of their out of state sites into just one. Continue to have interest in bringing some of their manufacturing. . UPDATE: July 10, 2018 - This is one of the two companies we brought together with Project Napkin for the Mini Industrial Park idea.

Other: