



MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

June 12, 2013

To: MEDC Board

From: John Valencia

Director of BRE & ET Programs

Subject: June 18, 2012 MEDC Board Meeting; BREP Report/Update

Business Retention & Expansion Program

This past month has been very exciting from this desk! On the retention side, all is good and we haven't heard of anyone leaving. So that is good! And on the expansion side, we have two major projects in the works and hope to share more coming soon.

Also on the expansion side though is the "expansion" of our very own Emerging Technology Program. Last month the Board approved expanding into a true incubator effort between Curious Complex and the MEDC. We have worked very hard this past month in bringing it to fruition as The Collide Center of McKinney at the Cotton Mill. Please take a moment to visit www.collidecenter.com and get a look at what's "Opening Soon"!

At this time we have already had a number of new startups make application to join. To date, we have identified seven new developments, representing 21 persons that will begin moving in during the week of June 17th. Of these, three are in the Incubator Stage and four are in the Accelerator Stage. We estimate that the space will accommodate as many as 45 to 50 people, but we're starting slow. Slow and steady is best for now!

Along with getting set up and going, we have begun discussions with our Corporate relationships in forming sponsorships and/or host companies. These will be invaluable going forward in providing support, leadership and hopefully from the financial side!

We invite you all to come and visit and see the new energies being generated.

Other Expansion news is word that some of the leadership of Raytheon's Space and Airborne Systems from California have already arrived and working. Households and "offices" haven't physically moved yet, but are in the works.

We continue to work the two expansion projects that were introduced last Board Meeting. At this time nothing new to report as they continue to "work through the process".

Here are some quick points on recent and ongoing expansions:

Traxxas - the distribution center is getting closer. The distribution center has received a temporary certificate of occupancy while they finish up a few remaining punch list items and I've gotten

word that they have begun work on the underground portion of the office building. Progress, albeit, a bit slow to our eyes.

Emerson - Their site is really taking shape and all in the community have the opportunity to see it all happen as it sits right on 75! The project is still basically on schedule with a moving in date of still the October November timeline. We have a plant tour of their existing building in advance of them moving out so we have a better understanding of the facility and layout.

Both Manner Plastics and Raytheon are preparing documentation for distribution of their monies from Loan Agreements for completion of their projects. So this is good for them!

Emerging Technology

This area continues to grow and much attention and interest given. Perfectly Green continues to be in and about the community in sharing the story of their technology. At the present time they have one unit operational at Franconia and are working toward putting their first 250KW unit on the ground. As of now they have 23 solid prospects of which; one installation complete, nine signed LOI's (Letters of Intent) and six PPS's (Purchase Power Agreements) in the works. Based on the power requirement of these businesses and organizations, they are nearing their build forecast for 2013 in what they presented to the MEDC.

Two of our other Emerging Technology companies have made significant gains this past month. They are Curious Complex and HIE Electronics:

Curious Complex - they have moved out of their Atrium address to the Cotton Mill in suite 800, as of June first, the former home of Zynga. They will be the Anchor Tenant of the new Collide Center as it gets up and going.

HIE Electronics - On June 6th, HIE had a News Release announcing a partnership with GE to license Cloud Store Manager Software. See attached News Release...

75 Construction Communication - Our office continues to work with the businesses along the 75 construction corridor. Most recently we are working on banners that businesses want to put up. Although there are City Ordinances governing banner size and time up, we are looking at ways to help allow these for bigger sizes and longer stays. This is ongoing and so far, so good.

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

Respectfully Submitted,

John Valencia



Director of

Business Retention, Expansion & Emerging Technology

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION



NEWS RELEASE

FOR IMMEDIATE RELEASE

Hie Electronics Announces Partnership with General Electric to License Cloud Store Manager Software

Cloud Store Manager Software Allows Cloud Providers a Robust Platform for Cloud Management Solutions

McKinney, Texas – June 6, 2013 - Hie Electronics, a pioneer of innovation for long-term, scalable data storage solutions and the manufacturer of the TeraStack® Solution, announced today it has reached an agreement with General Electric (NYSE:GE) as a licensee of GE's new cloud store manager software.

The cloud store manager software was developed by GE to meet GE's data archival needs. It delivers enterprise grade security and scale by interfacing to different data formats and diverse cloud storage services so information is protected, reliably stored and available when needed.

"Hie Electronics is a perfect company for us to partner with on the first licensing agreement of our cloud store manager because of their experience and knowledge in the long-term data archiving industry," said Juan Becerra, Vice President Research Circle Technology, GE Idea Works. "We look forward to joining Hie's Business Advisory Board and supporting their growth strategy with this new cloud-based offering."

Hie Electronics is a leader in the Active Archive™ data storage system technology industry and the manufacturer of the TeraStack® Solution, an Active Archive™ processing, data

backup and archiving system. It allows for application hosting, up to 100 terabytes of data to be nearline accessible on Blu-ray optical media, up to 64 terabytes of data on online hard drives, and is scalable into petabytes with multiple systems in a clustered architecture. A sampling of Hie's current customers includes the Department of Justice, AbbVie (formerly Abbott Laboratories), Memphis Police Department, PrimeLending and the Dallas Museum of Art.

"We are very pleased to reach an agreement with GE regarding the use of their cloud store manager," said Patrick Humm, Founder and President of Hie Electronics. "Having a cloud-based management software application like GE's cloud store manager allows us the opportunity to package our award-winning TeraStack Solution in a cloud-based offering for long-term data archiving."

The TeraStack® Solution can be used for financial services applications as well as medical industry applications, critical data backup, digital asset management, film and video archiving, forensic evidence data storage, geospatial imaging data archiving and storage and digital video surveillance storage.

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About Hie Electronics

Hie Electronics is a leader in the Active Archive™ data storage system technology industry and the manufacturer of the TeraStack® Solution, an Active Archive™ processing, data backup and archiving system. It allows for application hosting, 50-100 terabytes of data to be nearline accessible on Blu-ray optical media, and up to 64 terabytes of data on online hard drives. The company has been recognized by Frost and Sullivan with the "American Video Surveillance Product Innovation of the Year Award" and the "Data Storage Technologies Green Excellence Award in Technology Innovation," for its ability to reduce energy costs with its storage technologies. A leader in Sustainable IT technology, the Hie Electronics TeraStack® Solution product line delivers a 90 percent energy cost savings when compared with that of current technology. Hie Electronics is an Energy Star Small Business Network participant and a stakeholder in the Energy Star Enterprise Storage Initiative. For more information about Hie Electronics and the innovative TeraStack® Solution, visit the company's website at www.hie-electronics.com.

About GE Idea Works

GE Idea Works transforms big ideas into market realities to make the world work better. With a focus on accelerating innovation, we forge strategic partnerships to create opportunities and invite collaboration. Our creative licensing and joint development solutions capture the value of the GE brand and extend the reach of GE technology around the world. For more information on GE Idea Works, visit geideaworks.com.