

# Impact McKinney



Miller / Smeenk  
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# McKinney WERX

## McKinney WERX Strategic Statement –

To deliver sustainable and measurable positive economic impact to the McKinney community.

### ▶ What Have we done?

- Evaluated and changed WERX leadership Dec 2016.
- Built Strategic Plan to deliver measurable ROI.
- Aligned Impact Success Model with EDC's Cornerstone – (Attract, Create, Retain).
- Developed the McKinney Innovation Center Model.
- Initiated attraction and retention discussions.

# Impact Potential Yr. 3 \$116,091,748

## Economic Jobs Impact Yr. 3



## Induced Impact Yr. 3



**Total Years 1 thru 3 = \$232,159,200**

+



**Enhanced Perception**  
McKinney as  
"Tech" Friendly



**Support**  
without  
breaking  
the bank



**Potential ROI**  
As acorns  
grow  
into oaks



- ▶ **McKinney Innovation Center** is a collaboration, education, incubation/acceleration and business transition center.
  - ▶ Revitalize a vacant McKinney building (Blockbuster) as a “Cornerstone” to a potential 75 North Industrial Zone
    - ▶ Different industries; from Technology, Aerospace, IoT, Gaming, Cyber Security, Business, Analytics, etc.

# The McKinney Innovation Center

Transition Companies  
Resident Tenants

**Sustaining / Stage 2 Companies**  
Incubator Graduates  
Attracted businesses

Incubator / Accelerator

**Program Companies**  
Job Creation  
Business Retention  
Diversify Local Economy

Collaboration Center  
CO-Working

**Co-Working Space**  
Revenue Opportunity Space  
Collaboration Space

WERX Foundation –  
Entrepreneur Development  
And Support

**The WERX Foundation**  
RIS i6 Grant / Maker Space Location  
Collin College Connection



## Current Month Revenue Invoiced

**\$77,606.00**

Occupancy	Outside	# of Companies
\$77,606.00	\$0.00	23

## Next Month Projected Invoices

**\$76,891.75**

Occupancy	Outside	# of Companies
\$76,891.75		23

## Current Month Desk Occupancy

**94 of 114**

Large	Medium	Small	Labs	Cube	Virtual
14	32	8	sqft	40	3

### Total Units Rentable

15	44	10	sqft	45	n/a
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## Next Month Projected Desk Occupancy

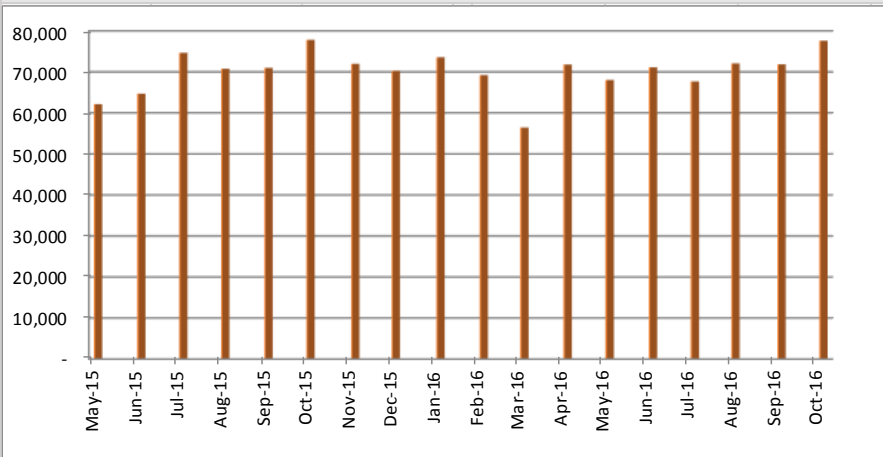
**94 of 114**

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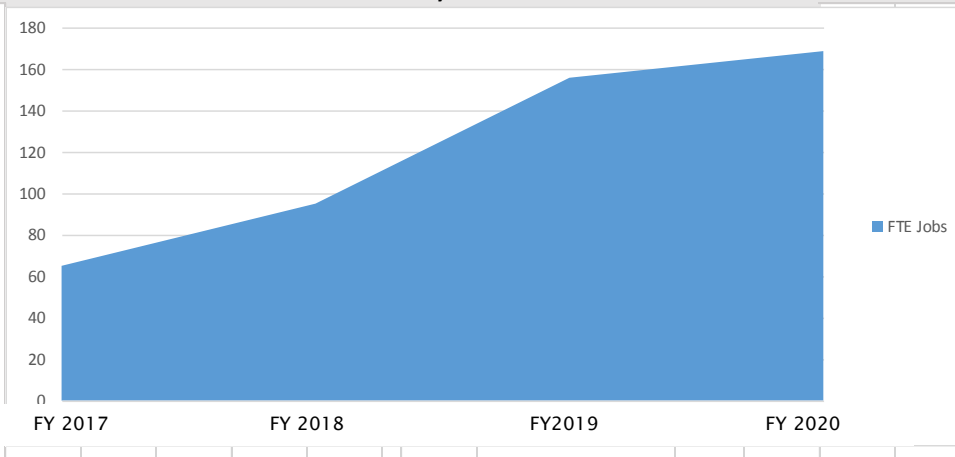
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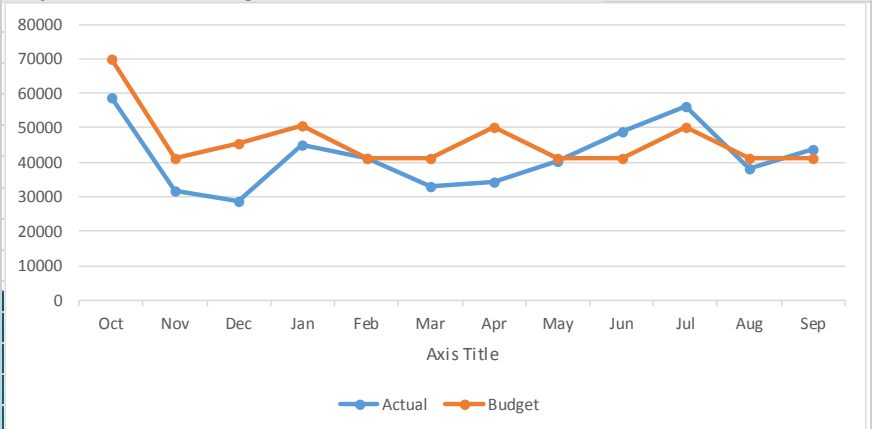
## Monthly Revenue Invoiced Over Last 18 Months



## Job Creation at McKinney Innovation Center



## Expense Actual to Budget



## General Space Revenue

General Space Revenue Per Sq Ft		
Occupied SqFt	Annual Fees	Avg Per Sq Ft
14,143.00	\$279,171.50	\$19.74
General Space includes RENTABLE AREAS		
Available SqFt	Occupied SqFt	Usage Percentage
14,143.00	14,143.00	100%

## Top 10 ...

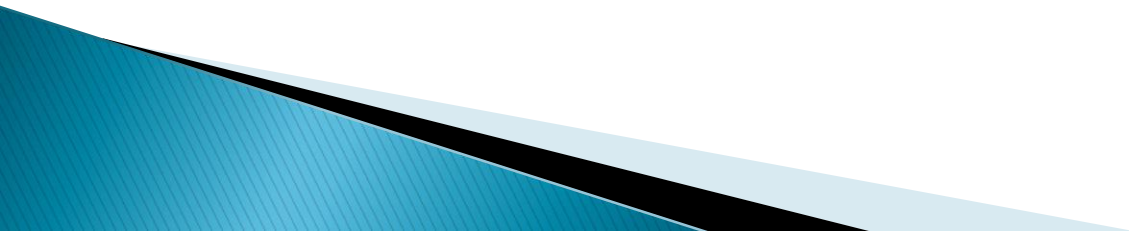
Invoiced \$\$ Value Per Month	
Company	Totals
Company A	24,432
Company B	6,145
Company C	16,082
Company D	5,360
Company E	7,344
Company F	2,968
Company G	1,294
Company H	1,598
Company I	5,175
Company J	1,598
<b>Grand Total</b>	<b>71,996</b>

*Top 10 invoiced companies include License Fees, Management Fees and Manufacturing Area Fees.*

# Financial Model Summary

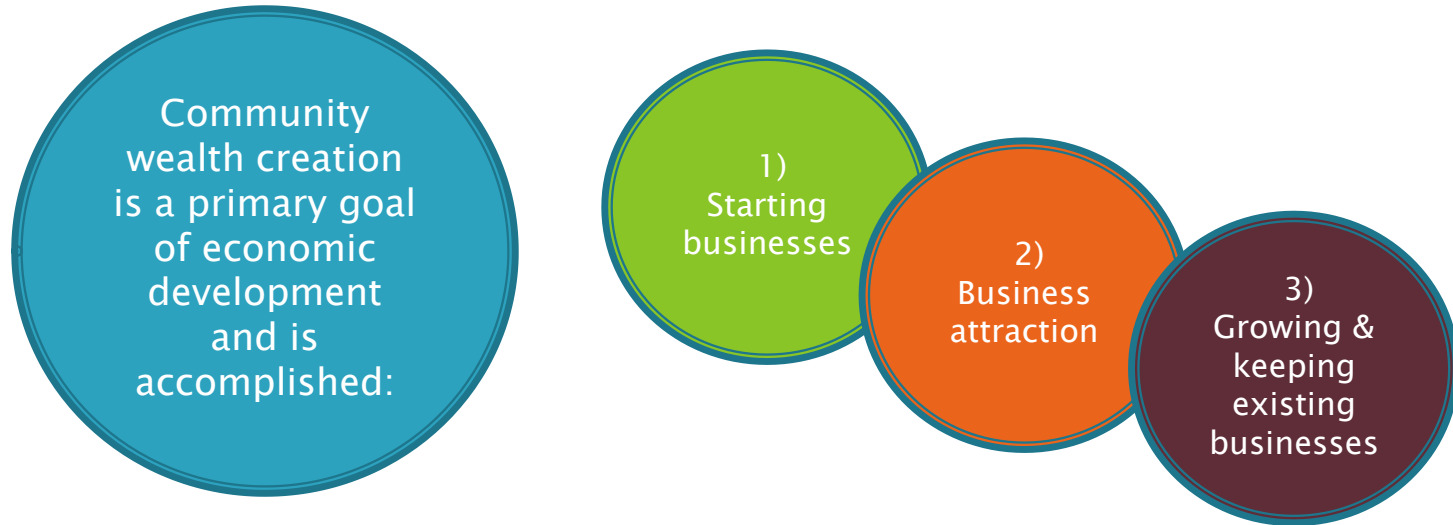
- ▶ Consumptive to Self-Sustaining
- ▶ Infrastructure Investment
  - Long-term revenue stream for MEDC
- ▶ Ask: Bridge Loan
  - \$47,000 Forgivable Loan– long term pay back to MEDC.
  - Continue to flush out Innovation Center Model and work details with Texas Crossing / others.
  - Align with MEDC's Strategic Plan in March 2017
- ▶ 3 year Return On a Diminishing Investment  
= \$ **232,159,200**

# Backup Slides





# Economic Impact Definitions



- **Direct**

Represents Direct jobs. The MIC will provide a number of full time jobs and part time jobs for each firm –respective NAICS codes are used. The full time equivalent is calculated to use in the IMPLAN model.

- **Indirect**

Represents purchases goods and services from other vendors/ businesses in their supply chain. These consist of business to business transactions and inter-industry transactions.

- **Induced**

Expenditures generate income for the firm which flow into consumption. Employees are paid in the directly and indirectly affected industry sectors which get infused in the economy. i.e. purchase gasoline, restaurants, tickets...

- **Multiplier**

This is the ratio between “direct” jobs and “total” jobs. A ratio of 2.5 means one new direct job creates one and a half additional jobs for a total of 2.5.

# Impact Success Model

Attraction



Creation



**CREATION**  
open minds

Retention



# Reasonable Expectations



**Jobs** – within three years producing hundreds of jobs



**Economic Impact** – potential to add \$100 mm +/-year



**Enhanced Perception** – of McKinney as “Tech” friendly



**Potential Investment Returns** – acorns grow into oaks



**Support for Entrepreneurs** – without breaking the bank

# Potential Structure

