



# McKinney Economic Development Corporation Agenda

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Tuesday, April 18, 2017

8:00 AM

Council Chambers  
222 N. Tennessee Street  
McKinney, Texas 75069

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PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.002, A QUORUM OF THE CITY COUNCIL MAY BE PRESENT. NO CITY COUNCIL ACTION WILL BE TAKEN.

## CALL TO ORDER

## CONSENT ITEMS

This portion of the agenda consists of non-controversial or housekeeping items required by law. Items may be considered individually by the Board or Commission member making such request prior to a motion and vote on the Consent Items.

**17-395**      [Minutes of the McKinney Economic Development Corporation Meeting of March 21, 2017](#)

**Attachments:**    [Minutes](#)

## DISCUSSION ITEMS

**17-396**      [Consider/Discuss MEDC Strategic Plan Draft Report](#)

**Attachments:**    [Presentation](#)

## REPORTS

**17-397**      [Board and Liaison Updates](#)

[Board Chairman](#)  
[City of McKinney](#)  
[Chamber of Commerce](#)  
[Main Street/MPAC](#)  
[McKinney Airport](#)  
[MCDC](#)  
[MCVB](#)

**Attachments:**    [MCVB Report](#)

- 17-398**      [Consider/Discuss MEDC Staff Monthly Reports](#)  
**Attachments:**    [President Report](#)  
                         [Executive Vice President Report](#)  
                         [Director of BREP Report](#)

#### **REGULAR AGENDA**

- 17-399**      [Consider/Discuss/Act on March Financials](#)  
**Attachments:**    [March Financials](#)  
                         [March Transmittal](#)  
                         [March Checks](#)
- 17-400**      [Consider/Discuss/Act on the Team McKinney Gateway  
Memorandum of Understanding](#)  
**Attachments:**    [Memorandum of Understanding](#)
- 17-401**      [Consider/Discuss/Act on McKinney Innovation Center Grant  
Request](#)  
**Attachments:**    [Presentation](#)

#### **CITIZEN COMMENTS**

#### **BOARD OR COMMISSIONER COMMENTS**

Board or Commission Comments relating to items of public interest:  
Announcements regarding local or regional civic and charitable events, staff  
recognition, commendation of citizens, upcoming meetings, informational update on  
projects, awards, acknowledgement of meeting attendees, birthdays, requests for  
items to be placed on upcoming agendas, and condolences.

#### **EXECUTIVE SESSION**

In Accordance with the Texas Government Code:

A. Section 551.071 (2). Consultation with City Attorney on any Work Session,  
Special or Regular Session agenda item requiring confidential, attorney/client advice  
necessitated by the deliberation or discussion of said items (as needed) and legal  
consultation on the following item(s), if any:

- B. Section 551.072. Deliberations about Real Property
  - MEDC Land
  
- C. Section 551.087. Deliberation Regarding Economic Development Matters
  - Gateway
  - Project A144-Red River
  - Project A150-Charlie 2016
  - Project A164-Fishing
  - Project A161-3-Tab
  - McKinney Innovation Center (WERX)

**ACTION ON EXECUTIVE SESSION**

**ADJOURN**

Posted in accordance with the Texas Government Code, Chapter 551, on the 14th day of April, 2017 at or before 5:00 p.m.

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Darrell W. Auterson  
President-CEO

Accommodations and modifications for people with disabilities are available upon request. Requests should be made as far in advance as possible, but no less than 48 hours prior to the meeting. Call 972-547-2694 or email [contact-adacompliance@mckinneytexas.org](mailto:contact-adacompliance@mckinneytexas.org) with questions or for accommodations.

17-395



**TITLE:** Minutes of the McKinney Economic Development Corporation Meeting of  
March 21, 2017

**SUPPORTING MATERIALS:**

[Minutes](#)

## **MCKINNEY ECONOMIC DEVELOPMENT CORPORATION**

**MARCH 21, 2017**

The McKinney Economic Development Corporation met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on March 21, 2017 at 8:00 a.m.

Board members Present: Chairman Jason Burress, Kenneth Sipiora, Robert Clark and Sharon Denny. Absent: Vice Chairman Paul Merritt and Randy Page.

City Council member Present: Travis Ussery

Staff present: President Darrell Auterson, Executive Vice President Abby Liu, Director of BRE/Emerging Tech John Valencia, Director of Business Development Chad Walker, Economic Development Coordinator Madison Clark, Operations/Compliance Administrator Sheri Van Slycke, City Manager Paul Grimes, Deputy City Manager Jose Madrigal, Senior Financial Analyst Trevor Minyard, Director of Strategic Services Chandler Merritt, MEDC Attorney Mark Houser.

There were four guests present.

Chairman Burress called the meeting to order at 8:00 a.m. after determining a quorum was present. Chairman Burress called for action on the consent items.

**17-295** Minutes of the McKinney Economic Development Corporation Meeting of January 17, 2017. Board members approved, by a vote of 4-0, the motion by Board member Denny, seconded by Board member Sipiora, the January 17, 2017 minutes.

**17-296** Minutes of the McKinney Economic Development Corporation Meeting of February 21, 2017. Board members approved, by a vote of 4-0, the motion by Board member Clark, seconded by Board member Sipiora, the February 21, 2017 minutes.

**17-297** Chairman Burress called for the Board and Liaison Updates.

City of McKinney – City Manager Grimes reported Collin County Days are March 28<sup>th</sup> and 29<sup>th</sup> in Austin and the City of McKinney will be well represented with three of McKinney's elected officials, Chandler Merritt, Paul Grimes, along with McKinney's Government Relations staff Angela

Hale, will be in attendance to express to the Texas legislature the pertinent issues related to McKinney, specifically in opposition to SB2. The North Texas Municipal Water District is scheduled to offer tours of the Wylie plant on June 9<sup>th</sup>, August 11<sup>th</sup>, and October 12<sup>th</sup> of 2017. The entire Board is invited for any of these very interesting tours. Staff held a candidate orientation for approximately 15 candidates running for City Council and Mayor on March 17<sup>th</sup> to provide the candidates with as much factual information about the City as possible before the election. The Downtown parking Q&A on the website has been updated to reflect changes following the approval of the new parking garage. The public-private partnership lease agreement for the parking garage is anticipated to be brought to City Council on April 4<sup>th</sup> for approval. Finally, Development Services reported there were more single-family lots approved in the month of February, exactly 407, than in the first four months of 2016 combined. Chairman Burress encouraged Mr. Grimes to review Senate Bill 10 and expressed how that bill could negatively affect McKinney.

Secretary/Treasurer Walter Chen arrived at 8:08 a.m. to the meeting.

**17-298** Chairman Burress called for the Consideration/Discussion of the MEDC Staff Monthly Reports.

**17-299** Chairman Burress called for the Update from McKinney Innovation Center/WERX Foundation. Harry Smeenck and John Miller provided an update on progress since January 2017 on the McKinney Innovation Center/WERX Foundation. Mr. Smeenck reported on The WERX operational budget and funds and shared the validation of the market demand for the McKinney Innovation Center, as well as their continued vision. Mr. Smeenck shared the building layout at the Texas Crossing building and the potential individual incubator spaces that would soon be available.

- 17-300** Chairman Burress called for the Consideration/Discussion/Action on December Financials.
- 17-301** Chairman Burress called for the Consideration/Discussion/Action on January Financials.
- 17-302** Chairman Burress called for the Consideration/Discussion/Action on February Financials. Senior Financial Analyst Trevor Minyard reported revenue is above budget YTD by 22.5%. Sales tax figures came in 10.5% above last year's collection through February. Expenditures continue to be under budget due to savings in rebate expenditures paid out for incentives. However, during the month of February, The Werx was paid \$11,750. Also, noted by Mr. Minyard, there was an audit adjustment in January and February last year, which skewed the chart for January and February this year. Board members unanimously approved the motion by Board member Sipiora, seconded by Secretary/Treasurer Chen, to approve December, January and February Financials as presented.

Chairman Burress called for citizen comments and there were none. Chairman Burress called for Board comments. Mr. Burress thanked Director of Business Development Chad Walker for his service and complimented his work for the City of McKinney and the MEDC.

Chairman Burress recessed the meeting into Executive Session at 8:34 a.m. per Texas Government Code: Section 551.071 (2). Consultation with City Attorney on any Work Session, Special or Regular Session agenda item requiring confidential, attorney/client advice necessitated by the deliberation or discussion of said items (as needed) and legal consultation on the following item(s), if any: B. Section 551.072. Deliberations about Real Property -MEDC Land. Section 551.087. Deliberation Regarding Economic Development Matters as listed on the posted agenda. Chairman Burress reconvened the meeting to open session at 10:18 a.m.

Board members approved, by a vote of 5-0, the motion by Board member Clark, seconded by Secretary/Treasurer Chen, to approve the revised incentives for Project Red River as presented in Executive Session.

Board member Clark recused himself from the dais during the vote of Fox III. Board members approved, by a vote of 4-0-1, the motion by Chairman Burress, seconded by Board member Sipiora, to authorize the City Manager and staff to negotiate the incentive agreement for Fox III as discussed in Executive Session. Board member Clark returned to the dais following the vote on Fox III.

Board members approved, by a vote of 5-0, the motion by Board member Sipiora, seconded by Board member Denny, to adjourn. Chairman Burress adjourned the meeting at 10:21 a.m.

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JASON BURRESS  
Chairman



17-396



**TITLE:** Consider/Discuss MEDC Strategic Plan Draft Report

**SUPPORTING MATERIALS:**

[Presentation](#)



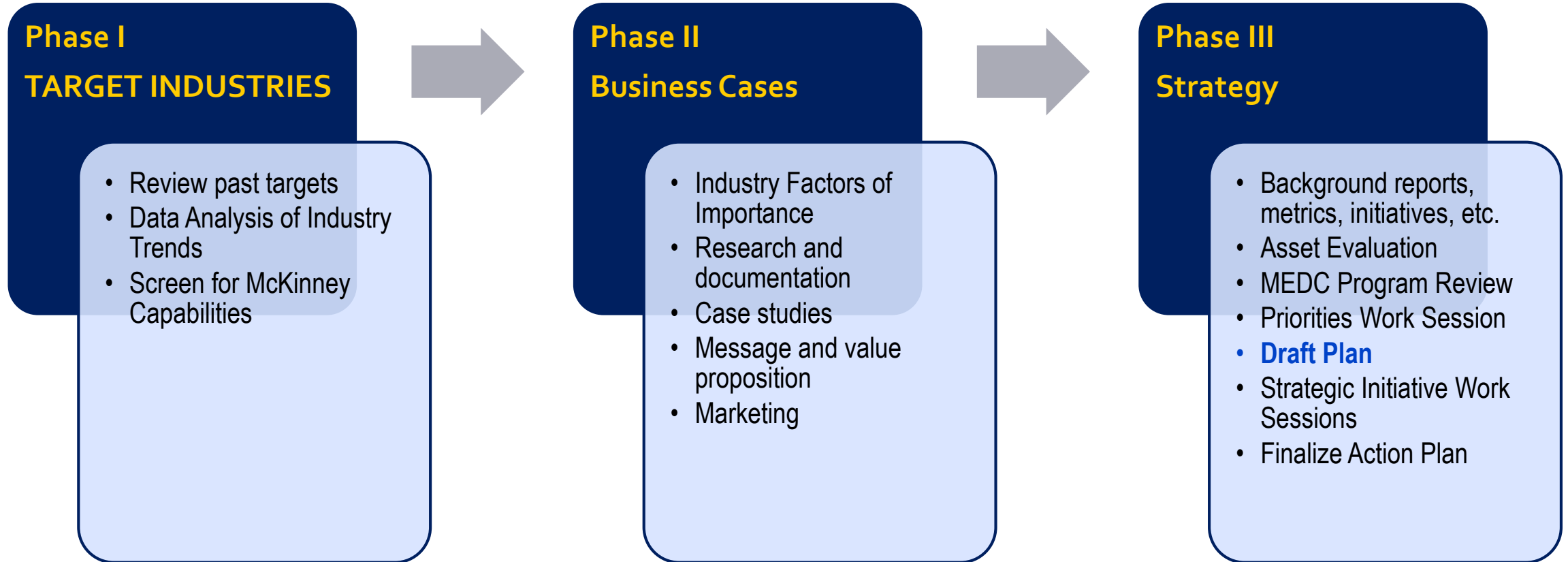
# 5-YEAR STRATEGIC PLAN DRAFT

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April 18, 2017

MEDC Board Meeting

# MEDC Project Overview



# PRIORITIES WORK SESSION OUTCOMES

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Why is this work important to McKinney?



# BUSINESS RETENTION & EXPANSION

## STRATEGY ~ 5-YEAR PLAN

### Message/mkt

Targeted Messaging (medium)  
Market then succeed!  
Ads in Dallas Bus journal  
Advertising on Highway 280 and 280 Express

- Industry channels
- Local/region

### PRIORITIZE RELATIONSHIPS

Prioritize relationships  
• select factors  
Develop list of existing companies  
• 1st visit date

### Ambassadors Sell

Create BKE Ambassador program (volunteer group) to provide resources  
→ 1 person lead  
→ 1 person support  
→ 1 person follow up  
→ 1 person follow up

### Incentive Policy

Consider offering 10% off on 1st visit  
1st visit on 1st visit  
1st visit on 1st visit  
1st visit on 1st visit

### Involve/Link

Match up with College de San Antonio  
College de San Antonio

### Outreach/Visits

Target "X" BKE visits in "X" timeframe  
1st visit on 1st visit  
1st visit on 1st visit  
1st visit on 1st visit

- decision makers
- know client

### Recognition

- Top Drawer

### Linkage Events

Quarterly Roundtables  
Monthly Local Business Roundtable  
Create Club group that meets weekly to discuss issues & build relationship  
Powerhouse speaker  
Quarterly 1st visit on 1st visit

- Issues/obstacles  
Law no alcohol purchases

## What are we trying to ACHIEVE?

INVESTOR/COMPANY HELP/AMBASSADORS

JOBS

TAXABLE ASSETS

EFFECTIVE & INTIMATE RELATIONSHIPS

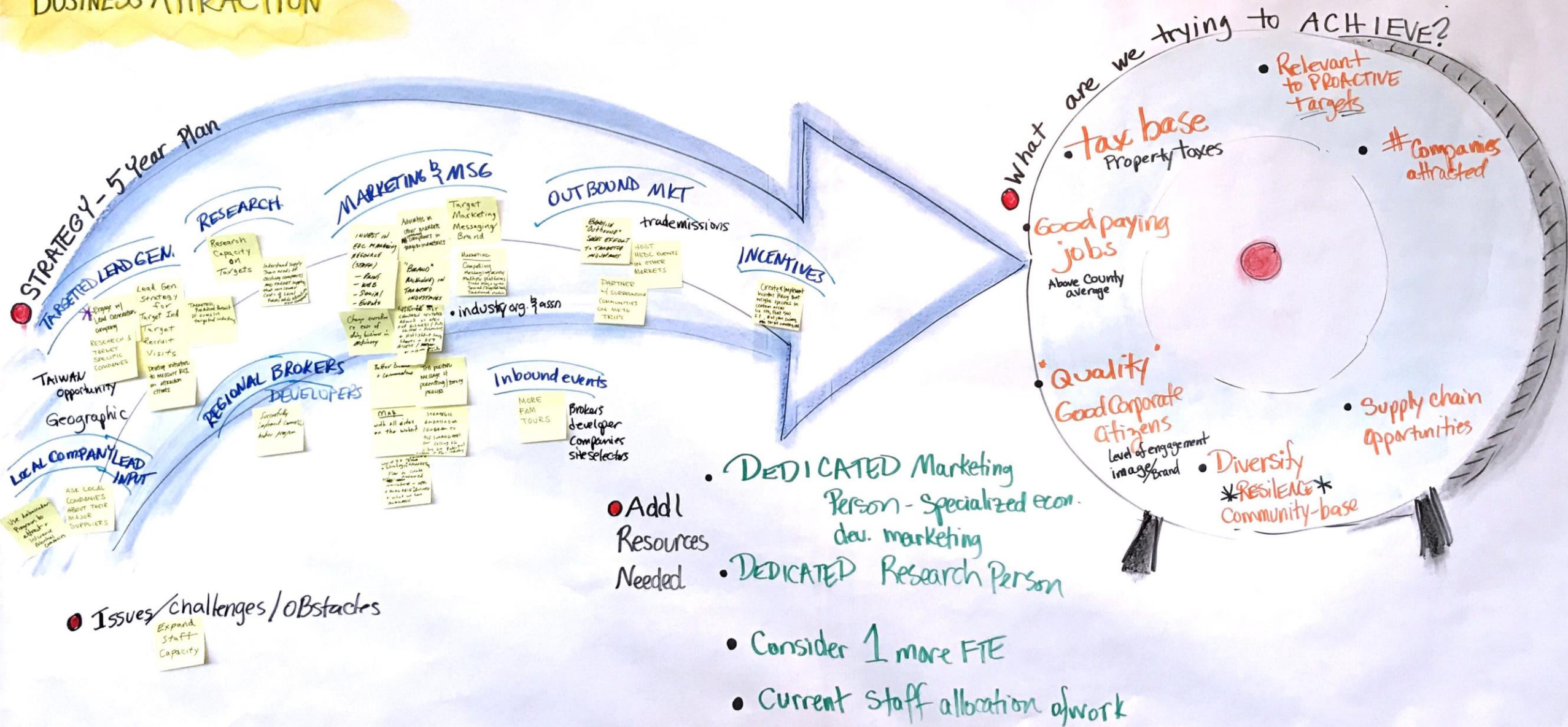
RETENTION of COMPANIES  
length in community

Ability/Trust to Gather CREDIBLE INTER & FEEDBACK

Plan for retention of relationships



## BUSINESS ATTRACTION









# COMPETITIVENESS

## STRATEGY - 5 YEAR PLAN

### New RE Product

Community Preparedness "Product"  
• Available development of product developer to market place (Toll/Bus Park Dev. Dev/Partner)  
• More Available  
• Existing for toll/Bus & Ind. Inventory  
• SPEC INDUSTRIAL RFP/RFP  
• Strategic link between toll/Bus & Ind. Inventory  
• Strategic link between toll/Bus & Ind. Inventory

### INFRASTRUCTURE

Infrastructure to support  
• BUILD / INVEST IN  
• Infrastructure  
• Infrastructure to support  
• Infrastructure to support  
• Infrastructure to support

Improve Infrastructure  
• Develop plan for working in RE/Infrastructure

McKinney line owned by DART  
• Railroad served sites

### ADVOCATE & COMMUNICATE COMMUNITY ASSET NEEDS

Support structure for local  
• Increase Amenities (Entry & Drinking)  
• Scheduled Commercial Service  
• Hangars  
• Airport expansion

### INCENTIVE POLICY & STRATEGY

MORE FLEXIBLE INCENTIVE OFFERINGS  
• Incentivize Developers  
• Also consider support  
• Community development  
• retail/restaurant  
• Incentivize  
• Infrastructure  
• Incentivize  
• Incentivize  
• Incentivize

## WHAT ARE WE TRYING TO ACHIEVE?

- inventory of available sites
- Ready sites
- INNOVATIVE INCENTIVE OFFERINGS
- SPEC Bldgs

## OBSTACLES/ISSUES

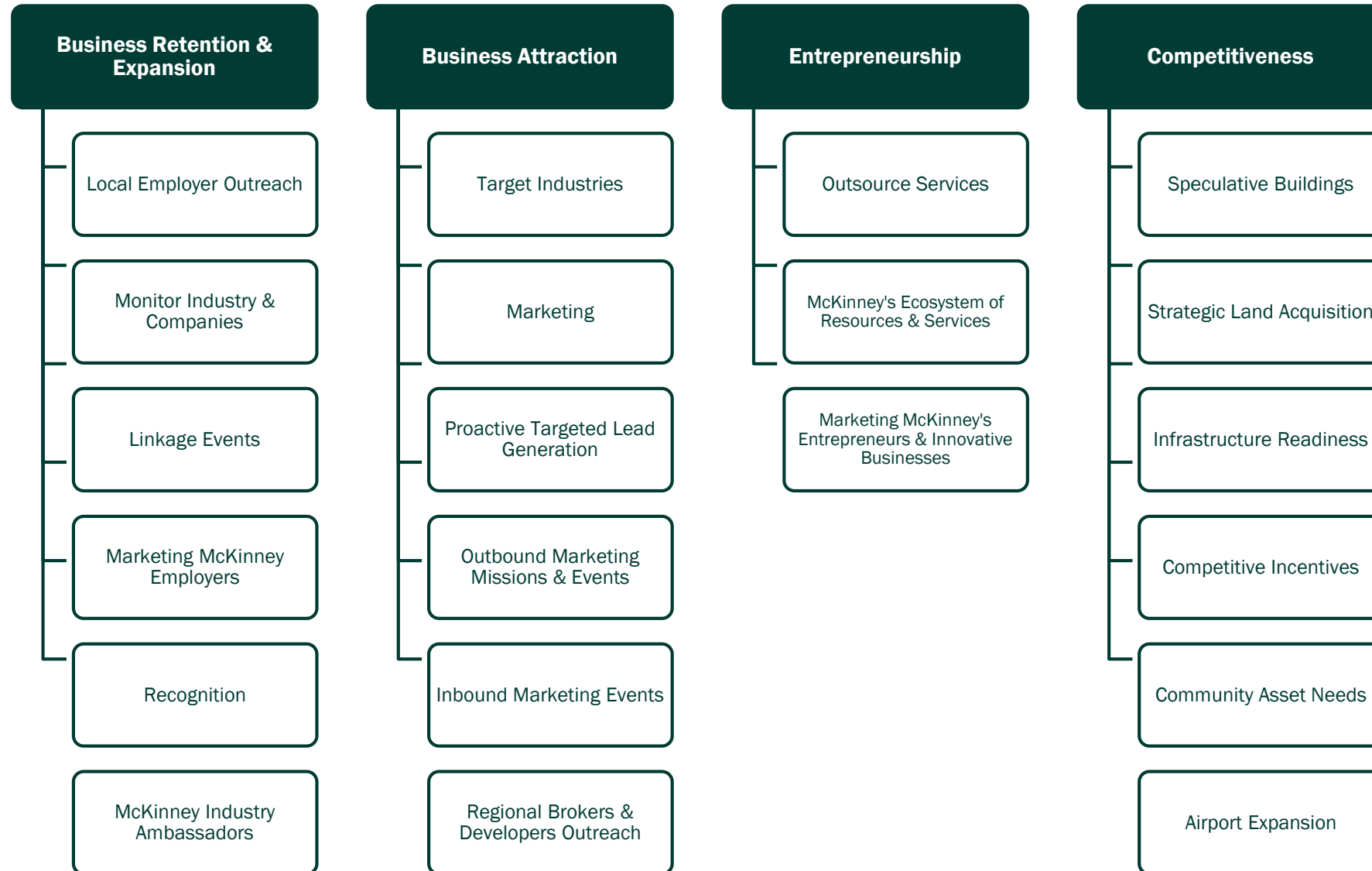
CLARIFY ADVOCACY

CLARIFY focus of advocacy for AIRPORT expansion

# STRATEGIC PLAN OVERVIEW

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# MEDC Strategic Initiatives



# Questions for MEDC Board

1. Are we headed in the right direction?
2. Airport Expansion role of MEDC?
3. Anything to add?
4. Anything to cut?

# Next Steps

1. Board feedback at high level
2. Staff and TadZo will refine in Strategic Initiatives Work Sessions
  - Tactics
  - Draft metrics – specific factors and propose level/#s
  - Implementation Timeline
  - Budget
  - Resources needed, if any
  - Who will implement
  - Principles for successful implementation
3. TadZo will update draft plan and prepare supplemental materials for implementation (budget, timeline, metrics, etc.)
4. Board adopt final plan

17-397



**TITLE:** Board and Liaison Updates  
Board Chairman  
City of McKinney  
Chamber of Commerce  
Main Street/MPAC  
McKinney Airport  
MCDC  
MCVB

**SUPPORTING MATERIALS:**

[MCVB Report](#)

## Talking Points April 2017 for March 2017

### MCVB Updates:

- Hotel Association Spring Mixer 3/2/17
- Sneak Peek-WWI Centennial Commemoration Exhibit- Collin County Historical Society & Museum (Post Office)
- The 7 Habits of Highly Effective People-Part 2 (3/1/17)- Dee-dee attended.
- Webinar - How to Develop a Seasonality-Based Marketing Strategy- Beth attended.

### MCVB Room Nights Generated: 273 TTL Room Nights; TTL Revenue: 31,528

#### Weddings Completed in March 2017 - TTL Room Nights: 181; TTL Rev: \$21,400

- McCauley/Little Wedding - Towne Place Suites: TTL Room Nights: 16, TTL Rev. \$1744
- Lowry/Ebrt Wedding - Holiday Inn: TTL Room Nights:23, TTL Rev: \$ 2801
- Scott/Lineberry Wedding - Holiday Inn: TTL Room Nights: 26, TTL Rev: \$3224
- Sherry Zaunick Wedding - Hampton Inn: 8, TTL Rev: \$912; Holiday Inn: TTL Room Nights: 35, TTL Rev: \$4091
- Casey Wilt Wedding - Hampton Inn: TTL Room Nights: 5, TTL Rev: \$570
- Rohr Wedding - Hampton Inn: TTL Room Nights: 4, TTL Rev: \$456
- Perez/Bowman Wedding - Hampton Inn: TTL Room Nights: 31, TTL Rev: \$3534
- Megan Richards Wedding -heraton: TTL Room Nights: 33, TTL Rev: \$ 4068
- Kenya Alexander Vow Renewal - March 2017, looking for venue/hotels
- Hensley/Wilson Wedding – no pick up
- Kim Karnes Wedding- no pick up

#### Association/Corporate/SMERF: TTL Room nights: 92 TTL Revenue: \$10,128

- Nike: Grand Hotel- 10 Room Nights, \$1190 TTL Rev
- Liberty Mutual/Torchmark: Grand Hotel - 32 Room Nights, TTL Rev \$3488
- Jet Support Systems: Grand Hotel – 50 Room Nights TTL Rev: \$5450

#### Sports: TTL Rooms: TTL Rev: \$ 0

- National Collegiate wrestling Association – no pick up reported

### Visitors: (October 2016-September 2017)

FYTD Total: 2,728

March Total: 466

Out of State: 25

Out of Country: 23

Texas Residents: 30

McKinney Residents: 5

**RFP's: 17 (2-Association, 1-Corporate, 8-Weddings, 2-Social, 3 -Sports, 1 -Day Trips)**

- Texas Association of College & University Police Administrators. December 4-8, 2017; 120 Attendees, Total Room Nights Expected: 151. Sent RFP to Sheraton for consideration.
- Keep Texas Beautiful- 500 attendees, 200 room nights, June 2019.
- USTA Junior National Championship being held in McKinney May 6-8, 2017.
- NAIA Mens Soccer National Championships. Planner: Bryton Curtis. Estimated participants: 400. Sent RFP to MISD for consideration
  - Dates:
    - Nov. 26-Dec 1, 2018
    - Dec. 2-7, 2019
- Texas Instruments, June 2017, 5 Days, 17 Attendees – The Grand
- Meals and Wheels Waco – April 2017, Day Trip
- Joseph Hackenbracht Wedding – June 2017, The Springs
- Christine Westman Wedding – August 2017, The Springs
- Brittany Villarosa Wedding – August 2017, The Springs.
- Morgan Underwood Wedding – September 2017, The Springs
- Kaelam Cowan Wedding – December 2017, The Springs
- Jasmin Torres Wedding – December 2017
- Delaney Lohmann Wedding – August 2017, The Springs
- April Bear (MOB) Wedding, January 2018, The Springs
- Sylvia Sanches Family Reunion, September 2017
- Texas Beer & Fly Fishing festival- May 5-6, 2018- Myers Park

**Day Trip: 1**

- Gotta Go Tours by Patti

**Site Visits: 6**

- Pogue Construction: Melinda Garcia (Sheraton)
- The Courts McKinney- Looking for Hotels for the USTA Junior National Championship being held in McKinney May 6-8, 2017.
- TDA (Texas Downtown Association) on 3/29/17
- Hannah Brewer-Wedding
- Keep Texas Beautiful- City Wide.
- Texas Downtown Association 11/7-10/17 ( already won this bid lat year).

**Advertising: Ads/materials created and submitted:**

- Submitted content for Texas Meetings + Events editorial
- Submitted materials to Daytripper for April newsletter
- Photos at Apex
- Photos at Collin County Historical Museum exhibit
- Photos for Facebook at Hutchins (showing construction)



**Free Publicity:**

<b>MCVB FY 16-17</b>	<b>Budgeted Amount</b>
Adv.	\$64,526
Promo.	\$88,757
<b>Total</b>	<b>\$153,283</b>

<b>MARCH 2017 - MCVB Publicity/Free Media Coverage</b>					
<i>Publication</i>	<i>Article/Topic/Writer</i>	<i>Print Value</i>	<i>Web Value</i>	<i>PR Value</i>	<i>Impressions</i>
Restless Chipotle Sponsored Blog	1 entries – what to do in McKinney; McKinney B&B	\$0	\$9,000	\$27,000	315,000
BubbleLife Collin County	Shared our blog and web postings 3 times	\$0	\$ 9,000	\$27,000	825,000
TOTALS for Month		0	\$ 18,000	\$54,000	1,140,000
<b>FY 16-17 YTD Totals:</b>		<b>\$864</b>	<b>\$47,000</b>	<b>\$112,545</b>	<b>\$19,252,406</b>

**LOST BUSSINESS-3**

- Texas Veterans Commission - Planner: Sue Jevning, September 17-29,2017, 670 Attendees. Sent to the Sheraton, they were unable to accommodate the needs of this RFP. (this is a resubmit from November 2016, it was lost business then and is lost business now).
- National Antique Oldsmobile Club National Meet – Planner: Loulu Lima, June 5-9, 2019, 300 Attendees. Sent to the Sheraton, do not have the parking requirements for this event.
- 2018 American Vet Chiro Association (AVCA) Annual Conference – Planner: Debora Renken, November 6-13, 2018. Sheraton unable to accommodate needs for animals, Myers Park is also booked and unable to accommodate this group.



17-398

**TITLE:** Consider/Discuss MEDC Staff Monthly Reports

**SUPPORTING MATERIALS:**

[President Report](#)

[Executive Vice President Report](#)

[Director of BREP Report](#)



## **Economic Development Highlights**

### **President Auterson**

### **April 2017**

#### **Prospect Activities:**

- **Project Red River's offer letter was executed by the company & our legal counsel has prepared & forwarded the required legal documents to the company's legal counsel for review & execution. Once the legal documents have been executed, we will organize an appropriate announcement of the project.**
- **The Gateway MOU has been signed by the KDC team members & will be presented to the MEDC Board & City Council for approval on April 18<sup>th</sup>. A pre-design meeting is scheduled for 4/13 to review site issues to insure that we can move swiftly if development opportunities materialize during the master development agreement negotiations.**
- **Have presented an incentive framework to the legal counsel for Project Fox III which is an existing company with significant expansion potential. Feedback has been very encouraging & we are expecting verbal acceptance very soon. We will work with our legal counsel to finalize the incentive terms as soon as the green light is given.**
- **MEDC/City staff & volunteers recently hosted a luncheon for a new Taiwanese company (Brilong) that has established a small operation in McKinney. Representatives from TYG & Wistron Greentech were also present & have played an integral role in bringing the company to McKinney.**
- **The spec light industrial development RFP is scheduled to be disseminated on April 14<sup>th</sup> to 16 targeted companies & will also be posted on MEDC/City websites & an announcement circulated widely. The deadline for proposals is June 1<sup>st</sup>.**

#### **Business Retention/Expansion Program (BREP) Activities:**

- **Working with a group of developers seeking to open up some commercial land for development in the north 75 corridor. A sewer line extension could facilitate a proposed expansion project as well as some spec office/light industrial development. If the project moves forward, we expect to bring a proposal to the MEDC Board in May.**

- MEDC staff recently organized tours for City Manager, Paul Grimes at Popular Ink & Encore Wire.

#### **Entrepreneurial Activities:**

- Have reviewed the business plan submitted to MEDC by the McKinney Innovation Center (MIC). MIC representatives will present a funding request to the MEDC Board on April 18<sup>th</sup>.

#### **Marketing/Promotion/Connections Activities:**

- Attended a Collin College CEO Roundtable presentation/discussion on 3/21 to learn about the college's master plan process & to provide feedback on relevant training/education challenges & opportunities.
- Have been recruited to serve on the Collin College Business Management Advisory Committee & attended my first meeting on 3/31. Much of our discussion focused on collaborative curriculum development & programming to help address the many workforce challenges that HR personnel are facing every day.
- Attended the BisNow Dallas State of the Market event at The Crescent in Dallas on 3/23. We've created a lot of buzz regarding our selection of the KDC team for our Gateway project.
- Participated in Collin County Days with Chamber, City & County representatives 3/28-29<sup>th</sup>. Called upon Senate staff members & shared position statements on community & economic development issues. Attended a going away reception for Tracye McDaniel who recently left TexasOne to launch her own company.

#### **Research Activities:**

- The MEDC Board strategic prioritization work session held on 3/17 was very informative & has established the foundation for MEDC's strategic direction for the next five years. An overview of the findings/conclusions will be presented at the April MEDC Board meeting along with a first draft of the strategic goals/objectives. The plan is scheduled to be finalized in May.
- MEDC staff has begun planning activities/events/announcements for National Economic Development Week to be held May 8 – 12<sup>th</sup>. We will coordinate marketing for these activities with the City's marketing department.

#### **Other:**

- Actively recruiting candidates to fill the Director of Business Development position vacated by Chad Walker on 3/31. We have received 86 resumes thus far & the deadline for submission is 4/17.



## **Economic Development Highlights**

### **Executive Vice President Liu**

### **April 2017**

#### **Economic Development**

- Staff organized and hosted an international prospect meeting at MEDC office at March 24. Project Friends is a prospect from Taiwan. Immediate Past President and President of Greater Dallas Taiwanese Chamber of Commerce attended the meeting with the prospect. Staff invited Development Services staff to join the meeting as well as Tong Yang Group (TYG) President Jeff Chen and Wistron GreenTech General Manager, Joseph Hsu. Both companies are also globally headquartered in Taiwan.
- Staff organized and hosted an international prospect meeting at MEDC office at March 27. Project Forest is a prospect from Taiwan. Staff invited Michael Quint, Executive Director of Development Services, to join the meeting as well as TYG President Jeff Chen and Wistron GreenTech General Manager, Joseph Hsu. Both companies are also globally headquartered in Taiwan.
- Staff organized a “Welcome to McKinney” lunch meeting for Brilong, a Taiwanese company, with the honor of Mayor Loughmiller to host the lunch. Vice President Peng represented Brilong to attend the meeting at Rick’s Chophouse on April 4. Attendees include City Council Member Travis Ussery, City Manager Paul Grimes, MEDC Vice Chairman Paul Merritt, Board Member Robbie Clark, President Darrell Auterson and Staff. TYG President Chen and Wistron GreenTech General Manager Hsu were invited to express our appreciation for their assistance in recruiting Brilong to McKinney. Many constructive conversations were exchanged in the successful meeting. Peng expressed his sincere appreciation for the warm welcome from McKinney on behalf of Brilong. (Photo attached)
- Staff continued working with Project Red River executives, consultants, real estate brokers and property appraisers.

#### **Business Retention and Expansion**

- Staff organized a follow up meeting with Service First Mortgage (SFM)

Human Resource Director to express our appreciation for SFM's choosing McKinney to be its US headquarters and to seek his feedback for the company's experience in working with McKinney. Staff invited Michael Quint, Executive Director of Development Services, to join the meeting for the comments of the City's development process from a new McKinney company's perspective. It was an extremely productive meeting for the communications among SFM, the City of McKinney and MEDC.

### **Marketing and Networking**

- MEDC Business Development Director Walker, Business Development Specialist Clark and Staff attended DFW Marketing Team Spring Lunch Meeting at Dallas Regional Chamber on March 29.
- Accepting the invitation from Wistron GreenTech General Manager Hsu, Staff attended a meeting along with TYG President Chen to welcome Benjamin Hsu for his new Economic Division Director post at Taipei Economic and Cultural Office in Houston and followed by the tours of both Wistron GreenTech and Tong Yang Group operations on March 29.
- Staff was invited and attended Asian Real Estate Association of America (ARREA) First Inaugural Gala and Press Conference in Houston on March 31. Over 450 real estate nationwide professionals and elected officials attended the successful event. Congressman AL Green spoke in the afternoon Press Conference and was present in the evening Gala. Daniel Eng, President Engvest Realty, also attended the event. (Event Flyer and Photo attached)
- MEDC sponsored a booth at BISNOW's Big Platinum Corridor event in Plano on April 11. City Manager Grimes, MEDC President Schneible, MEDC Board Member Clark, Business Development Specialist Clark and Staff attended the event at Shops at Legacy. Bill Guthrey, Senior Vice President, KDC is one of the panelists at the event. This is a popular BISNOW event with 525 attendees. (Event Flyer and Photo attached)

### **Upcoming Business Mission**

- TexasOne World Forum for Foreign Direct Investment, Shanghai, China (a business delegation led by Secretary of State Rolando Pablos)
  - ❖ Conference, May 22-24
  - ❖ Private Business Meetings, May 25 & 26

### **New Project Updates**

- Project Red River – Will be discussed in Executive Session.

# BRILONG-WELCOME LUNCHEON

Rick's Chophouse

McKinney, TX | April 4, 2017



Brilong Welcome Luncheon Esteemed Attendees



John Peng, Brilong VP w/Mayor Loughmiller



J. Hsu, Wistron GM/J. Peng, Brilong VP  
MEDC EVP Liu/J. Chen, President, TYG



*The 1st Inaugural*

*Gala*



Asian Real Estate Association of America

&

**HOUSTON**

*Foundation Charity*

*March 31, 2017*

Royal Sonesta Galleria

2222 West Loop South

Houston, TX 77027



[areaa.org/houston](http://areaa.org/houston)

**HOUSTON**  
TEXAS



# ASIAN REAL ESTATE ASSOCIATION OF AMERICA FIRST INAUGURAL GALA

Royal Sonesta Houston Galleria

Houston, TX | March 31, 2017



Speaker: Congressman Al Green-US House of Representatives



MEDC EVP Liu/Daniel Eng, President Engvest Realty/  
Trang Dang-Le, Asian American COC Collin County Chair

# BISNOW'S BIG PLATINUM CORRIDOR© EVENT!

Unprecedented Growth Along the North Dallas Tollway

THIS EVENT ENDED ON APRIL 11TH, 2017

## EVENT HOST

THE SHOPS AT LEGACY

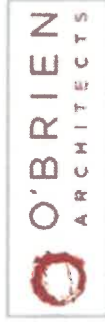
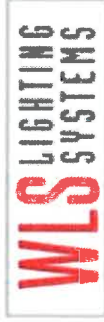


The Shops at Legacy, Suite 200 at 7300 Lone Star Drive is a new to market 60,000 SF spacious, creative, collaborative office in the heart of Legacy. It features 30-foot high exposed ceilings, upgraded open areas and unique stadium seating. Directly across Dallas Parkway from Legacy West at Legacy Drive this is the prototype office design for today's sophisticated technology enterprises...and is positioned in one of the most proven and successful "live, work, play & stay" environments serving corporate America.



## SPONSORS

INTERESTED IN SPONSORING?







MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

April 13, 2017

To: MEDC Board

From: John Valencia

Director of BRE & ET Programs

Subject: April 18, 2017 MEDC Board Meeting; BREP Report/Update

### **Business Retention & Expansion Program**

The following three are updates from my January Report:

- Blount continues with their soup line installation and production area. It's ongoing and next month, May, hope to begin equipment start up. Labor continues to haunt them in finding workforce.
- Simpson Strong-Tie expansion is well under way. They are making huge progress on their building project. Phase 2 is due to be complete in the next two weeks and are in the finishing stages. Phase 3 is coming along.
- At this time I have no other working expansions.

Also, please see <http://mckinneytexas.org/1046/Development-Reports> to find the McKinney at a Glance Development report for February. This is produced by the Planning Department and is quite comprehensive of what is happening in McKinney. I'm hoping you take a look as it really contains a wealth of information.

### **New Business**

With Chad Walker leaving the MEDC earlier this month, he was registered for the IAMC (Industrial Asset Management Council) Spring 2017 Forum in Tampa Bay, FL from April 8<sup>th</sup> to the 12<sup>th</sup>. With his vacancy, I attended in his place. MEDC has been a member for a number of years and this was an opportunity to keep MEDC in their sights. The following is a glimpse into them and specific to this Forum, I will have you an Executive Summary for the May Board Meeting. Suffice it to say, it was a valuable and enjoyable experience. Thank you.

Founded in the summer of 2002 by Atlanta-based Conway Inc. and its founder McKinley Conway, IAMC has grown into a highly influential professional association of more than 600 dues-paying members, including senior real estate directors from 3M, Alcoa, Air Products and Chemicals, BASF, PepsiCo, General Mills, Honda of America Manufacturing, Johnson & Johnson

Pharmaceuticals Group, The Linde Group, Pfizer, Weyerhaeuser and many other large industrial firms.

IAMC's slow, steady and balanced growth has been intentional and focused on quality over quantity.

Today, IAMC's leaders and staff remain steadfast to the core value proposition of the association: a devotion to its members and to providing world-class education, leadership development, and relationship building for industrial real estate professionals.

Even as IAMC works to establish its brand and presence in the global world of corporate real estate, it remains member-focused and dedicated to providing unparalleled knowledge sharing and a low-sales networking environment.

At IAMC we know that when the relationships come first, the business follows.

Please take a look at the following link for the program: [Forum Program](#)

### **Emerging Technology**

With the MEDC working on a Strategic Plan with the TadZo Team, this program as we know it is in the discussion stage and under evaluation. It might evolve differently than it is today. We believe that this type of effort and initiative is important in our community, but just how it all plays out, is still being considered.

The McKinney Innovation Center (MIC) presentation will be given at this Board Meeting. A concept presentation in January, an update given at the March Meeting, and this month's formal presentation will bring the initiative for consideration. During the week or so in advance of this meeting, Board Members were offered up a bound package like the one you now have in Box. The MIC Team thanks you for your attention and patience in this initiative and look forward in the opportunity to deliver it in McKinney.

### **The WERX in McKinney**

Please see the attached WERX's month report for that update.

**\*\*\*EXTRA\*\*\*EXTRA\*\*\* Read All About It!**

### **McKinney Robotics Team Advances To World Championship**

(see attached email, press release and photo)

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.**

## WERX Monthly Status Report to Board

Mid March 2017 to Mid April 2017

Item	Description	Outcome	Comments Notes	Further Actions Required
2017-0401	Very successful McKinney Innovation Center Event held on March 16th	Expected 95 to 100 people, actually had 124 people attend	All had very favorable comments and tons of excitement. The Makerspace was a big hit.	Keep the community that attended and others up to speed on status of the MIC
2017-0402	Secured sponsors to defray costs of the MIC Event held on March 16th	Liberty Mutual, Pest Routes, Office Source Furniture, Market Street, Metro Linen, Saskaway One, Primo, Tubbs, Contributed	A hearty thank-you to our sponsors	None
2017-0403	Received 7 support letters from the community supporting the development of McKinney Innovation Center	Grateful for the letters	Included the letters in the MEDC board books.	None
2017-0404	Provided one-on-one tours of the proposed MIC center for community Leaders.	Robbie Clark, Ken Sipiora, Jason Burress, Sharon Denny and others provided a tour	I believe that each tour yielded a good opportunity to show the potential of the MIC	None
2017-0405	Began obtaining Letter's of Intent for initial residents of the MIC	Entsais Technology submitted letter, expecting from Balanced Media, Café and Laptop, and XXL Sales.	Will continue to work to get LOIs were possible.	Continue.
2017-0406	Meet with OIE EDA government grant officer and provided tour of the WERX and potential MIC	Very positive meeting, no issues identified.	Opportunity may exist for additional funding regarding seed funds.	First OIE quarterly report due on April 30th will be submitted jointly with Collin College.
2017-0407	WERX Consolidation of space to reduce the monthly rent by over 50%.	Consolidation completed on March 30th. Everyone now located in Suite 700.	Tight now - but everyone is making it work	2 dedicated desk remain open at this point for rental.
2017-0408	Furniture Reconciliation Finalized	Through Mark and Steve's assistance, agreement was reached with the Cotton Mill on swapping furniture.	Darla and Harry to completed final count	Accounting paperwork to be completed at both ends for accurate accounting. CPA involved to assist.
2017-0409	Conference Room decision	Agreement reached with Cotton Mill for continued use of the conference room.	Process set-up for sharing use and scheduling	3 rentals within period \$242.00
2017-0410	McKinney Innovation Center Business Plan and pro forma Completed	Business Plan and pro forma have been completed and submitted for approval	Awaiting approval	Awaiting Approval
2017-0411	Attended Entrepreneur Summit representing McKinney WERX	Good event with networking opportunities. Shark Tank rep Robert H. gave key note speech.	Was able to hand out tri-folds regarding the MIC and did competitive analysis of other co-working spaces in DFW.	Follow-up with all people whom I networked with once go no-go decision made on the MIC.
2017-0412	Rick Glew and Mark Cottam provided business Plan 101 training session	About 10 Collin College students attended	Very positive feedback from attendees	none
2017-0413	Meet with Lance and Jason from Viyu for cost estimates on IT needs at the MIC	Quotes received for cabling, equipment, drops.	Reasonable quotes - will obtain others Looking at \$65 K dependant on how we split cost with landlord for the drops	Additional quotes

2017-0414	New Companies added during period- Work Turbo (2 desks), Café & Laptop (1 Desk 2 People), Emerald Pacific	Maintaining rental revenues during the consolidation	Café & Laptop and Emerald Pacific will be moving to MIC. Work Turbo still undecided	Convince Work Turbo to join
2017-0415	Continued to meet with and discuss MIC with potential companies	As of today we are looking at a potential of 60 people on opening day with growth to 120 by year end.	For Perspective - today we have 22 at the WERK	Continue to meet with potential companies
2017-0416	Introduced Emerald Pacific to MEDC for growth discussion	Emerald Pacific is looking for about 15'000 sq. ft. in McKinney for plastic recycle sorting business	Contacted Lance Black for possible opportunity at Bray Center location.	Continue to explore spaces



## John Valencia

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**From:** Mary Mobley <mhmob1986@gmail.com>  
**Sent:** Wednesday, April 5, 2017 4:04 PM  
**To:** John Valencia  
**Subject:** Robotics Team Good News  
**Attachments:** Press release 002-04-2017.pdf; DSC\_0898.jpg; DSC\_0837.jpg

Hi John. Just wanted to give you an update on the robotics team. We competed in the Brazos Valley Regional Competition this past weekend and had great results. The team made significant changes to the robot after our last competition in Dallas and the robot consistently excelled throughout this latest competition. We finished the competition as the top rookie seed. We also received the Rookie All Star Award. This award is given to a team exemplifying a young but strong partnership effort, as well as implementing the mission of FIRST to inspire students to learn more about science and technology. Winning the Rookie All Star Award qualifies the team to attend the World Championships in Houston on April 19-22. The team has worked so hard this year and they are so excited to be able to attend the World Championships.

I am sending a link to a press release we are sending out about the team. I'm also sending a couple of pictures of the team after we received our awards. We are currently trying to raise money to offset the cost of attending the championships and the press release contains a link to our GoFund Me account. Feel free to share this information.

Thanks for your help.

Mary



Contact: Mary Mobley

Email: [mhmob1986@gmail.com](mailto:mhmob1986@gmail.com)

Facebook: <https://www.facebook.com/McKinneyMerics6369/>

FOR IMMEDIATE RELEASE

## McKinney Robotics Team Advances To World Championship

WACO, TX, April 2 – The McKinney Mercenary Robotics Team racked up 2 awards in the inaugural Brazos Valley Regional For Inspiration and Recognition of Science and Technology (FIRST) Robotics Competition (FRC) held at University High School in Waco, Texas March 31 - April 2.

The Brazos Valley Regional competition featured teams from four states. Building on the lessons learned in their first competition at the Dallas Regional in March, the team was able to improve their performance. The rookie team placed 15<sup>th</sup> among the 41 teams that competed.

Mercenary Robotics won the Highest Rookie Seed Award as well as the Rookie All Star Award. The Rookie All Star Award automatically qualifies the team to compete in the FIRST Championship which will be held in Houston, Texas April 19-22.

To help with competition expenses, the team has created a GoFundMe page <https://www.gofundme.com/mercenaries-6369-championship-fund> and welcomes any support from the community.

Last summer, a group of dedicated McKinney area high school students formed FIRST Robotics Competition (FRC) Team 6369 also known as Mercenary Robotics. Before they could start solving engineering problems, the team applied for grants and asked for local business support to raise the funds to compete this year.

The team had just six weeks to design and build a robot to complete various tasks, the most difficult of which was getting the roughly 80 pound robot to ascend a rope. Facing real life engineering challenges, the students have to quickly make changes during the competition.

Working out of a team member's garage and game room, the rookie team faced tough completion from much larger teams with more funding and dedicated work spaces with full workshops.

Team 6369 would like to thank its sponsors: Emerson Process Management, Best Buy McKinney, FIRST in Texas, Texas Workforce Commission, The Argosy Foundation, Lowe's Store #2878, Texas Instruments, and McKinney Lions Club.

The team is still in need of sponsors and mentors. The greatest need is a work space to build and test their robots.

The team would also like to thank Mary Mobley for her dedication to the team and their mentors Jason Bolen and Andrew Nelson.

Mercenary Robotics is open to students from all three McKinney High Schools as well as home school students. For more info please contact the team by email at [mckinneymercs6369@gmail.com](mailto:mckinneymercs6369@gmail.com).

FIRST was founded in 1989 by inventor Dean Kamen to promote a culture where science and technology are celebrated. FIRST programs engage students in exciting mentor based programs that build science, engineering, and technical skills in addition to fostering competence in areas such as self-confidence, communication and leadership.



17-399



**TITLE:** Consider/Discuss/Act on March Financials

**SUPPORTING MATERIALS:**

[March Financials](#)  
[March Transmittal](#)  
[March Checks](#)



**McKinney Economic Development Corporation**  
**Summary Operating Statement**  
March 2017 (50% of FY Complete)

Revenues	FY17 Adopted Budget	Monthly Actual	YTD Actual	Remaining Budget	Budget Received	Monthly Comparison		YTD Comparison	
						Monthly Budget	Monthly Variance	YTD Budget	YTD Variance
Sales Tax	\$ 10,750,000	\$ 891,649	\$ 6,322,570	\$ 4,427,430	58.8%	\$ 895,833	\$ (4,184)	\$ 5,375,000	\$ 947,570
Interest Income	75,300	24,527	118,978	(43,678)	158.0%	6,275	18,252	37,650	81,328
<b>Total Revenues</b>	<b>\$ 10,825,300</b>	<b>\$ 916,177</b>	<b>\$ 6,441,548</b>	<b>\$ 4,383,752</b>	<b>59.5%</b>	<b>\$ 902,108</b>	<b>\$ 14,068</b>	<b>\$ 5,412,650</b>	<b>\$ 1,028,898</b>
Expenditures	FY17 Adopted Budget	Monthly Actual	YTD Actual	Remaining Budget	Budget Spent	Monthly Comparison		YTD Comparison	
						Monthly Budget	Monthly Variance	YTD Budget	YTD Variance
<b>MEDC Operations</b>									
Personnel	\$ 878,819	\$ 63,708	\$ 429,404	\$ 449,415	48.9%	\$ 73,235	\$ 9,527	\$ 439,410	\$ 10,005
Supplies	58,000	2,522	11,487	46,513	19.8%	4,833	2,312	29,000	17,513
Maintenance	29,000	-	-	29,000	0.0%	2,417	2,417	14,500	14,500
Services/Sundry	871,519	41,589	307,784	563,735	35.3%	72,627	31,037	435,760	127,975
<b>Total MEDC Operational Exp.</b>	<b>\$ 1,837,338</b>	<b>\$ 107,819</b>	<b>\$ 748,676</b>	<b>\$ 1,088,662</b>	<b>40.7%</b>	<b>\$ 153,112</b>	<b>\$ 45,292</b>	<b>\$ 918,669</b>	<b>\$ 169,993</b>
<b>Projects</b>									
Committed Projects	\$ 11,817,086	\$ 109,250	\$ 304,915	\$ 11,512,171	2.6%	\$ 984,757	\$ 875,507	\$ 5,908,543	\$ 5,603,628
Other Project Expenses	140,000	400	1,834	138,167	1.3%	11,667	11,267	70,000	68,167
<b>Total Project Expenses</b>	<b>\$ 11,957,086</b>	<b>\$ 109,650</b>	<b>\$ 306,749</b>	<b>\$ 11,650,338</b>	<b>2.6%</b>	<b>\$ 996,424</b>	<b>\$ 886,774</b>	<b>\$ 5,978,543</b>	<b>\$ 5,671,795</b>
<b>Non-Departmental</b>									
Other - Adm Fee	\$ 290,000	\$ 24,167	\$ 145,000	\$ 145,000	50.0%	\$ 24,167	\$ -	\$ 145,000	\$ -
Bond Issuance Costs	\$ -	\$ 51,190	\$ 53,690	\$ (53,690)		\$ -	\$ (51,190)	\$ -	\$ (53,690)
Insurance & Risk Fund	\$ 1,708	142	854	854	50.0%	142	-	854	-
MEDC I & S Fund	2,405,887	200,491	1,202,943	1,202,944	50.0%	200,491	-	1,202,943	-
<b>Total Non-Departmental Expenses</b>	<b>\$ 2,697,595</b>	<b>\$ 275,990</b>	<b>\$ 1,402,487</b>	<b>\$ 1,295,108</b>	<b>52.0%</b>	<b>\$ 226,883</b>	<b>\$ (49,107)</b>	<b>\$ 1,348,797</b>	<b>\$ (53,690)</b>
<b>Total Expenses</b>	<b>\$ 16,492,019</b>	<b>\$ 493,459</b>	<b>\$ 2,457,912</b>	<b>\$ 14,034,107</b>	<b>14.9%</b>	<b>\$ 1,376,418</b>	<b>\$ 882,960</b>	<b>\$ 8,246,009</b>	<b>\$ 5,788,098</b>
<b>Net</b>	<b>\$ (5,666,719)</b>	<b>\$ 422,718</b>	<b>\$ 3,983,636</b>			<b>\$ (474,310)</b>	<b>\$ 897,028</b>	<b>\$ (2,833,359)</b>	<b>\$ 6,816,996</b>
<b>FY17 Beginning Fund Balance</b>	<b>\$ 31,518,766</b>								
<b>Add FY17 Budgeted Revenue</b>	<b>10,825,300</b>								
<b>Less FY17 Budgeted Expense</b>	<b>(16,492,019)</b>								
<b>FY17 Proj. End Fund Balance</b>	<b>\$ 25,852,047</b>								



## Debt Service / Project Details

March 2017

Debt Service Payments	Project Code	FY17 Adopted Budget	FY17 Budget Transfers	Monthly Actual	YTD Actual	Remaining Budget	YTD Budget Spent
Gateway	E00010	946,765	-	78,897	473,382	473,383	50.0%
University Park	E97030	824,159	-	68,680	412,080	412,079	50.0%
Replacement Runway	n/a	634,963	-	52,914	317,481	317,482	50.0%
<b>Total Debt Service Payments</b>		<b>\$ 2,405,887</b>	<b>\$ -</b>	<b>\$ 200,491</b>	<b>\$ 1,202,943</b>	<b>\$ 1,202,944</b>	<b>50.0%</b>

Committed Projects		FY17 Adopted Budget	FY17 Budget Transfers	Monthly Actual	YTD Actual	Remaining Budget	YTD Budget Disbursed
Perfectly Green	E12019	110,000	-	-	-	110,000	0.0%
Raytheon	E13005	1,530,000	-	-	-	1,530,000	0.0%
Statlab	E13007	157,500	-	-	-	157,500	0.0%
Hisun	E13011	126,000	-	-	-	126,000	0.0%
Wistron II	E14002	240,000	-	-	-	240,000	0.0%
O'Hara Flying Service	E14003	120,000	-	-	-	120,000	0.0%
Ag-Power, Inc	E14004	160,000	-	-	-	160,000	0.0%
Project Brown - UPS	E14009	-	85,000	85,000	85,000	-	100.0%
Headington Energy	E14010	160,000	-	-	-	160,000	0.0%
Playful	E14016	75,000	-	-	75,000	-	100.0%
Encore Wire	E14017	930,000	-	-	-	930,000	0.0%
AIM	E14021	69,000	-	-	-	69,000	0.0%
Popular Ink II	E15005	24,000	-	-	-	24,000	0.0%
Wright IMC	E15007	108,000	-	-	-	108,000	0.0%
Accent Care	E15008	169,020	-	-	-	169,020	0.0%
Horizon Data Center	E15010	256,000	-	-	-	256,000	0.0%
Blount Fine Food Corp	E16001	510,000	-	-	-	510,000	0.0%
Cookies-N-Milk	E16002	44,480	-	-	-	44,480	0.0%
Werx (Grant Match)	E17001	-	162,145	-	54,048	108,097	33.3%
Undesignated FY 17		6,477,486	(247,145)	-	-	6,230,341	0.0%
<b>Total Committed Projects</b>		<b>\$ 11,266,486</b>	<b>\$ -</b>	<b>\$ 85,000</b>	<b>\$ 214,048</b>	<b>\$ 11,052,438</b>	<b>1.9%</b>

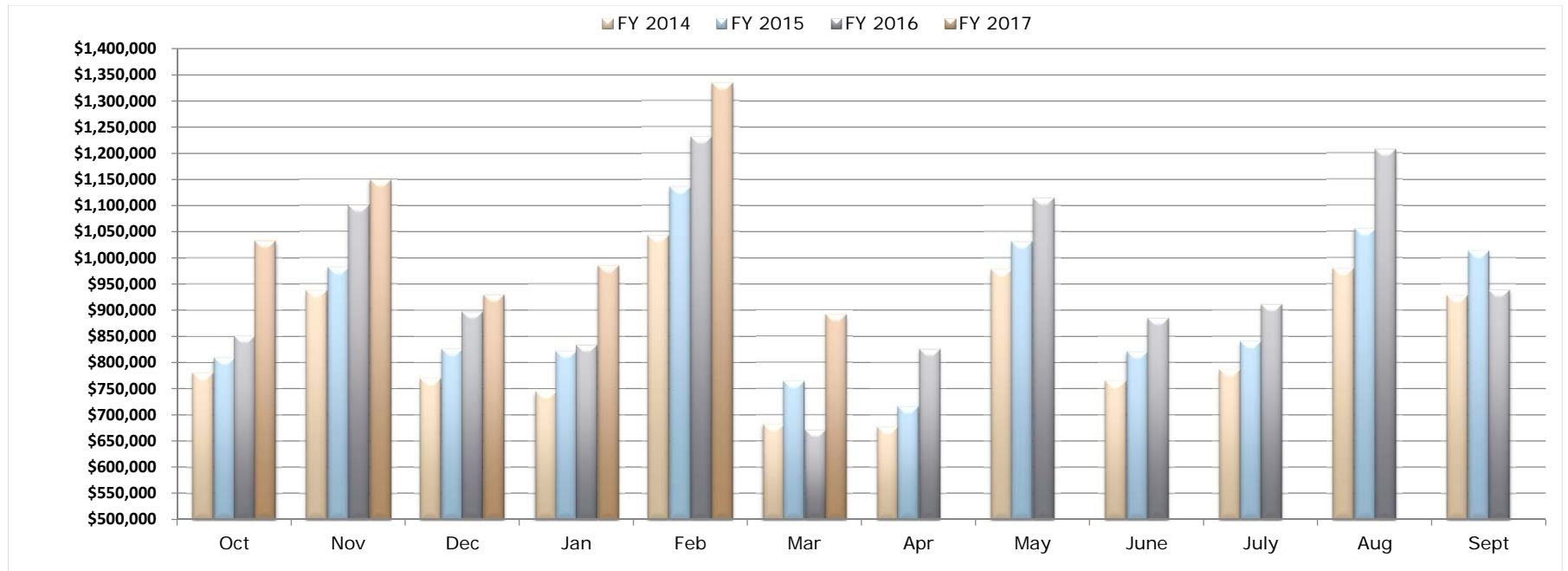
Emerging Technologies		FY17 Adopted Budget	FY17 Budget Transfers	Monthly Actual	YTD Actual	Remaining Budget	YTD Budget Disbursed
Munzee	E14015	-	4,167	-	4,167	-	100.0%
Tupps Brewery	E14019	-	12,500	12,500	12,500	-	100.0%
Werx in McKinney Inc,	E15001	23,000	47,000	11,750	70,000	-	100.0%
Pest Routes	E15006	27,600	-	-	4,200	23,400	15.2%
Undesignated FY 17		500,000	(63,667)	-	-	436,333	0.0%
<b>Total Emerging Technologies</b>		<b>\$ 550,600</b>	<b>\$ -</b>	<b>\$ 24,250</b>	<b>\$ 90,867</b>	<b>\$ 459,733</b>	<b>16.5%</b>
<b>Total Projects</b>		<b>\$ 11,817,086</b>	<b>\$ -</b>	<b>\$ 109,250</b>	<b>\$ 304,915</b>	<b>\$ 11,512,171</b>	<b>2.6%</b>

# McKinney Economic Development Corporation

## Sales Tax Revenue

March 2017

Month Received	FY 2012 Received	FY 2013 Received	FY 2014 Received	FY 2015 Received	FY 2016 Received	FY 2017 Received	Difference to FY 2016	Variance to FY 2016	% of Budget
October	\$677,019	\$716,718	\$780,694	\$809,613	\$851,178	\$1,032,847	\$181,669	21.3%	9.6%
November	788,763	1,039,163	938,090	982,351	1,101,106	1,148,939	\$47,832	4.3%	20.3%
December	590,569	722,045	770,221	826,009	897,304	929,699	\$32,395	3.6%	28.9%
January	652,773	669,397	744,988	821,731	833,503	985,393	\$151,890	18.2%	38.1%
February	900,507	1,231,993	1,043,205	1,136,044	1,231,183	1,334,043	\$102,860	8.4%	50.5%
March	582,592	666,620	681,914	764,445	671,518	891,649	\$220,131	32.8%	58.8%
April	563,639	676,334	677,086	716,258	825,953				
May	837,767	903,002	978,399	1,031,572	1,114,575				
June	646,007	703,897	765,309	820,908	884,501				
July	678,542	694,500	787,000	840,355	910,886				
August	845,911	951,437	980,251	1,055,774	1,207,558				
September	995,666	725,552	928,323	1,013,186	938,767				
<b>Total</b>	<b>\$8,759,753</b>	<b>\$9,700,659</b>	<b>\$10,075,479</b>	<b>\$10,818,246</b>	<b>\$11,468,033</b>	<b>\$6,322,570</b>	<b>\$736,778</b>	<b>13.2%</b>	<b>58.8%</b>



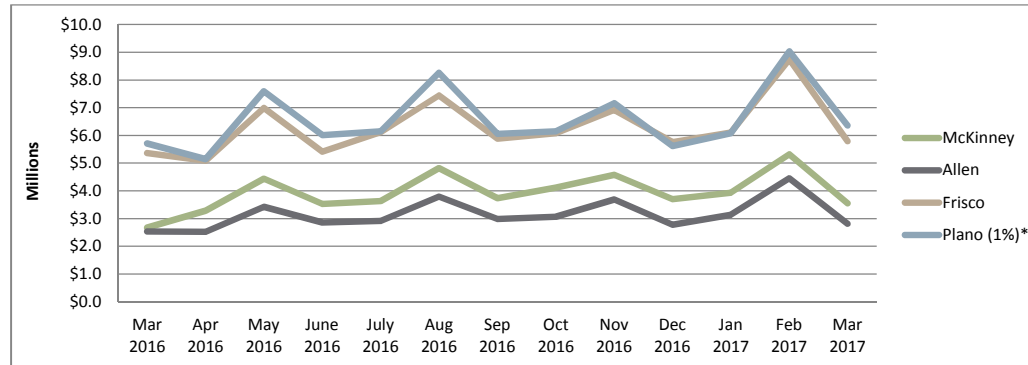
# TOTAL SALES TAX COLLECTED

## Sister City Comparison

Mar 2017	McKinney	Allen	Frisco	Plano (1%)*
Diff to LY	\$879,912	\$278,509	\$426,441	\$646,604
Var to LY	32.9%	11.0%	7.9%	11.3%

Year To Date	McKinney	Allen	Frisco	Plano (1%)*
Diff to LY	\$2,944,061	\$1,463,984	\$1,263,313	\$2,049,217
Var to LY	13.2%	7.9%	3.3%	5.3%



## Year-to-Date Collections

FY 2016	McKinney	Allen	Frisco	Plano 1% *
Oct 2015	\$3,389,959	\$2,697,390	\$6,390,476	\$5,419,975
Nov 2015	4,389,632	3,428,833	7,212,966	6,559,191
Dec 2015	3,574,431	2,655,217	5,508,523	6,194,708
Jan 2016	3,319,142	2,920,196	5,550,315	5,785,538
Feb 2016	4,909,813	4,240,249	8,100,618	8,671,921
<b>Mar 2016</b>	<b>2,671,190</b>	<b>2,530,504</b>	<b>5,368,411</b>	<b>5,706,034</b>
<b>FY 2016 Total</b>	<b>\$22,254,168</b>	<b>\$18,472,390</b>	<b>\$38,131,310</b>	<b>\$38,337,366</b>

FY 2017	McKinney	Allen	Frisco	Plano 1% *
Oct 2016	\$4,116,182	\$3,061,944	\$6,075,708	\$6,150,300
Nov 2016	4,580,493	3,694,686	6,916,761	7,160,454
Dec 2016	3,703,478	2,778,371	5,757,723	5,614,224
Jan 2017	3,926,250	3,140,385	6,099,342	6,077,156
Feb 2017	5,320,725	4,451,976	8,750,238	9,031,811
<b>Mar 2017</b>	<b>3,551,101</b>	<b>2,809,013</b>	<b>5,794,852</b>	<b>6,352,638</b>
<b>FY 2017 Total</b>	<b>\$25,198,229</b>	<b>\$19,936,374</b>	<b>\$39,394,623</b>	<b>\$40,386,584</b>

\* State Comptroller reports 1% sales tax for City of Plano and 1% for DART. All other Sister Cities represent 2% sales tax.

**McKinney Economic Development Corporation**  
Balance Sheet  
March 2017

	MEDC Operations	Interest and Sinking	Reserve Fund	Long-Term Debt	General Fixed Assets	Total
<b>Assets</b>						
Cash and Cash Equivalents	\$ 3,425,693	\$ 994,399	\$ 82,716	\$ -	\$ -	\$ 4,502,808
Investment Pools	29,921,274	-	1,523,555	-	-	31,444,829
Accounts Receivable/Other Taxes & Franchise Fees	2,177,970	-	-	-	-	2,177,970
Deposits/Security Deposits	5,528	-	-	-	-	5,528
Deferred Charges/Prepaid Items	2,225	-	-	-	-	2,225
Land	-	-	-	-	15,007,272	15,007,272
Land Improvements (Net of Depreciation)	-	-	-	-	18,260	18,260
Machinery & Equipment (Net of Depreciation)	-	-	-	-	1,076	1,076
GASB 68 TMRS/Actuarial	-	-	-	15,101	-	15,101
GASB 68 TMRS/Investment	-	-	-	110,441	-	110,441
GASB 68 TMRS/Contributions	-	-	-	69,624	-	69,624
<b>Total Assets</b>	<b>\$ 35,532,690</b>	<b>\$ 994,399</b>	<b>\$ 1,606,271</b>	<b>\$ 195,166</b>	<b>\$ 15,026,608</b>	<b>\$ 53,355,134</b>
<b>Other Debits</b>						
Amount Available for Debt Service	\$ -	\$ -	\$ -	\$ 1,600,637	\$ -	\$ 1,600,637
Amount Provided for Retirement of Long-term Debt	-	-	-	12,912,383	-	12,912,383
<b>Total Other Debits</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,513,020</b>	<b>\$ -</b>	<b>\$ 14,513,020</b>
<b>Total Assets and Other Debits</b>	<b>\$ 35,532,690</b>	<b>\$ 994,399</b>	<b>\$ 1,606,271</b>	<b>\$ 14,708,186</b>	<b>\$ 15,026,608</b>	<b>\$ 67,868,154</b>
<b>Liabilities</b>						
Vouchers Payable	\$ 30,289	\$ -	\$ -	\$ -	\$ -	\$ 30,289
Compensated Absences Payable	-	-	-	66,548	-	66,548
Accrued Interest Payable	-	-	-	44,383	-	44,383
Note Payable to Primary Government	-	-	-	2,423,840	-	2,423,840
Bonds Payable	-	-	-	11,710,000	-	11,710,000
TMRS Pension Liability	-	-	-	449,979	-	449,979
TMRS Actuarial Experience	-	-	-	13,436	-	13,436
<b>Total Liabilities</b>	<b>\$ 30,289</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,708,186</b>	<b>\$ -</b>	<b>\$ 14,738,475</b>
<b>Fund Balances/Equity</b>						
Reserve for Encumbrances	\$ 98,730	\$ -	\$ -	\$ -	\$ -	\$ 98,730
Unreserved Fund Balance	35,403,671	994,399	1,606,271	-	-	38,004,341
Investment in Capital Assets	-	-	-	-	15,026,608	15,026,608
<b>Total Fund Balances/Equity</b>	<b>\$ 35,502,401</b>	<b>\$ 994,399</b>	<b>\$ 1,606,271</b>	<b>\$ -</b>	<b>\$ 15,026,608</b>	<b>\$ 53,129,679</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 35,532,690</b>	<b>\$ 994,399</b>	<b>\$ 1,606,271</b>	<b>\$ 14,708,186</b>	<b>\$ 15,026,608</b>	<b>\$ 67,868,154</b>

# March Monthly Financial Report

April 18, 2017

Each month, city staff provides a financial report to the McKinney Economic Development Corporation's board to apprise them of the financial status of the corporation. In an effort to continue providing meaningful financial updates, this transmittal letter includes links to the interactive online financial tool for the month of March. The following is a brief analysis of each section of the corporation's financials.

## March Analysis

### ***MEDC Revenue-***

Revenue of the McKinney Economic Development Corporation is above budget YTD by 17.63%. Sales tax figures came in 13.19% above last year's collection through March. Below is a link to the current year-to-date revenue of the MEDC:

[MEDC Revenues – YTD through March](#)

### ***MEDC Expenditures-***

Expenditures of the McKinney Economic Development Corporation continue to be under budget due to savings in rebate expenditures paid out for incentives. However, during the month of March MEDC paid \$85,000 to UPS, \$75,000 to Playful Corp., \$12,500 to Tupp's Brewery, and \$11,750 to The Werx.

[MEDC Expenditures – YTD through March](#)

### ***Sales Tax Analysis-***

Below are three links that show some unique analysis for the sales tax of the McKinney Economic Development Corporation and the City of McKinney at large. The first two links relate directly to the sales tax performance, and the third is a picture of the city's collection by industry:

[FY2017 Monthly Sales Tax Comparison](#)

[MEDC – Historic Sales Tax Comparison: March](#)

[City of McKinney – Sales Tax by Industry](#)

### ***Project Details-***

Project details for the McKinney Economic Development Corporation are provided as an attachment.

***Checks Issued-***

Below is a link to the checks that were issued by the McKinney Economic Development Corporation during the month of March:

[MEDC March Checks Issued](#)

***Conclusion-***

The information included in the interactive monthly financial report is intended to provide a status update on the operations of the McKinney Economic Development Corporation. Staff is available to answer any additional questions you may have.

Sincerely,

Mark Holloway

Chief Financial Officer

City of McKinney



# McKINNEY ECONOMIC DEVELOPMENT CORPORATION

Checks Issued: March 2017

DATE	NUMBER	DESCRIPTION	AMOUNT	FPO #	PO #
3/1/2017	1016	A. Liu Mileage Reimbursement (February)	\$98.55	F32681	
3/1/2017	1017	J. Valencia Mileage Reimbursement (February)	\$205.98	F32682	
3/1/2017	1018	Tadzo Consulting	\$2,000.00		170947
3/6/2017	1019	Business Xpansion Journal (Half page + Banner ad)	\$1,100.00	F32713	
3/6/2017	1020	Dallas Regional Chamber (Annual Membership)	\$1,000.00	F32714	
3/6/2017	1021	D Magazine (Inside Front Cover Feb'17)	\$8,500.00	F32720	
3/6/2017	1022	United Parcel Service (Proj# E14009 Reimbursement Request)	\$85,000.00	F32723	
3/15/2017	1023	Pitney Bowes (Postage Machine QTRLY lease fee)	\$243.00		170843
3/15/2017	1024	Dallas Business Journal (Annual Subscription)	\$104.00	F32778	
3/15/2017	1025	Bisnow (Branding Sponsorship 4/11/17 Event)	\$2,500.00	F32777	
3/21/2017	1026	Vianco Enterprises (Passport holders/Swag)	\$1,150.00		171059
3/22/2017	1027	Dun & Bradstreet (Hoovers Online Subscription)	\$1,198.55		170923
3/23/2017	1028	TUPPS Brewery (Proj#E14-019) Loan Agreement Final Disbursement	\$12,500.00	F32827	
3/27/2017	1029	Standard Coffee	\$36.80		170140
3/27/2017	1030	Star Local Media (MCK Courier)	\$55.00	F32842	
3/27/2017	1031	TEDC (J Valencia Annual Renewal)	\$500.00	F32841	
3/27/2017	1032	OfficeTeam (S Coleman Temp Services)	\$1,584.00		171234
3/27/2017	1033	The WERX (#E15-001) Grant Reimbursement (Payment 4 of 4)	\$11,750.00		170967
3/27/2017	1034	Tadzo Consulting	\$1,600.00		170947
3/27/2017	1035	Business Xpansion Journal (Half page)	\$1,100.00	F32844	
3/28/2017	1036	Lake Forest McKinney Investors			
		Rent	\$5,103.00		170165
3/29/2017	1037	Reimbursement to CW - IAMC	\$1,145.00	F32860	
3/31/2017	1038	Brown & Hofmeister (Project Fishing)	\$272.00	F32874	
3/31/2017	1039	Brown & Hofmeister (Project 3-TAB)	\$144.00	F32873	
3/31/2017	1040	Brown & Hofmeister (Project Red River)	\$1,680.00	F32872	
3/31/2017	1041	Brown & Hofmeister (Playful)	\$224.00	F32871	
3/31/2017	1042	Brown & Hofmeister (TPUSA)	\$96.00	F32870	
3/31/2017	1043	Brown & Hofmeister (Hisun)	\$80.00	F32869	
3/31/2017	1044	Brown & Hofmeister (Board Meetings)	\$832.00	F32868	
3/31/2017	1045	Brown & Hofmeister (General)	\$1,956.60	F32867	
3/31/2017	1046	TEDC (Shanghai Mission - Texas One)	\$4,500.00	F32866	
3/31/2017	1047	4-D Property Maintenance (MEDC Land Maintenance)	\$1,872.00		170924
3/31/2017	1048	J. Valencia Mileage Reimbursement	\$181.90	F32876	
3/31/2017	1049	C. Walker Mileage Reimbursement	\$263.20	F32879	



17-400

**TITLE:** Consider/Discuss/Act on the Team McKinney Gateway Memorandum of Understanding

**COUNCIL GOAL:** Direction for Strategic & Economic Growth

**MEETING DATE:** April 18, 2017

**DEPARTMENT:** McKinney Economic Development Corporation

**CONTACT:** Darrell W. Auterson, President-CEO

**RECOMMENDED MEDC BOARD ACTION:**

- Approval of the Memorandum

**ITEM SUMMARY:**

- This item authorizes the President - CEO of the McKinney Economic Development Corporation (MEDC) to execute a Memorandum of Understanding (MOU) with an entity to be jointly formed ("Devco"; provided, however, prior to the formation of Devco, "Devco" shall mean KDC), by and among KDC Real Estate Development & Investments LLC ("KDC"), a Texas limited liability company; Columbus Realty Partners, Ltd., a Texas limited partnership; and M & R investors, LLC, a Texas Limited Liability Company, (d/b/a ATR Corinth) to facilitate development of the Gateway Project.

**BACKGROUND INFORMATION:**

- The MOU contains three phases: 1) Design Phase (binding); 2) Master Development Agreement and Initial Development Phase (non-binding); 3) Subsequent Development Phase (non-binding).
- The Design Phase outlines "Devco's" responsibility to develop alternative land use plans for the Gateway Project, including the configuration and use of constituent parcels of the Gateway Project and additional infrastructure installations needed or desired, together with a marketing program to present the Gateway Project to potential end users.

- The MEDC shall reimburse “Devco” for fifty percent (50%) of the cost of developing the alternative land use plans and marketing program up to a maximum expenditure by the MEDC in the amount of \$100,000.00.
- During the Design Phase, the parties agree to initially prepare and begin negotiation of the terms of a Master Development Agreement governing the overall development of the Gateway Project.

**FINANCIAL SUMMARY:**

- Maximum financial impact to MEDC is \$100,000.00 unless otherwise approved in writing by the MEDC Board of Directors.

**SUPPORTING MATERIALS:**

[Memorandum of Understanding](#)

## MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) memorializes a mutual understanding and agreement, including certain binding and non-binding provisions, and a desire to explore entering into subsequently legal binding definitive agreements by and between an entity to be jointly formed (“Devco”; provided, however, prior to the formation of Devco, “Devco” shall mean KDC), by and among KDC Real Estate Development & Investments LLC (“KDC”), a Texas limited liability company; Columbus Realty Partners, Ltd., a Texas limited partnership; and M & R Investors, LLC, a Texas Limited Liability Company, (d/b/a ATR Corinth), and the City of McKinney and the McKinney Economic Development Corporation (“MEDC”) (the “City Parties”) concerning the development of the land owned by the City Parties at the Northeast corner of Central Expressway and the Sam Rayburn Tollway in McKinney, Texas, consisting of approximately 57 acres of land (the “Gateway Project”) to potentially be developed for a combination of Class A office, retail, entertainment/restaurant and urban residential use.

### **Section 1. Design Phase.**

- A. Upon the execution hereof, and for up to ninety (90) days thereafter (the “Design Phase”) Devco shall have responsibility to develop alternative land use plans for the Gateway Project, including the configuration and use of constituent parcels of the Gateway Project and additional infrastructure installations needed or desired, together with a marketing program to present the Gateway Project to potential end users (collectively, the “Gateway Implementation Plan”). If the parties are unable to agree on the final Gateway Implementation Plan, either party may terminate this MOU at the end of the Design Phase if notice is given to the other party within 5 business days after the end of the Design Phase.
- B. The MEDC shall reimburse Devco for fifty percent (50%) of the cost of developing the alternative land use plans and marketing program up to a maximum expenditure by the MEDC in the amount of \$100,000.00 within ten (10) days after receipt of an invoice therefor.
- C. During the Design Phase, Devco shall have the exclusive right to market the Gateway Project to end users.
- D. During the Design Phase and concurrently with the development of the Gateway Implementation Plan, the parties agree to initially prepare and begin negotiation of the terms of a Master Development Agreement governing the overall development of the Gateway Project, including the rights and obligations of the parties in the Initial Development Phase and the Subsequent Development Phase, as described below.
- E. The provisions of this Section 1 shall be binding on the parties.

### **Section 2. Master Development Agreement and Initial Development Phase.**

- A. If this MOU has not been terminated under Section 1.A. above, the Gateway Project shall automatically extend into the Initial Development Phase, and Devco shall retain the

exclusive right to market and negotiate sales of parcels in the Gateway Project on behalf of the City Parties to end users for the Initial Development Phase, a period of two (2) years and nine (9) months from the end of the Design Phase; however, Devco and any end user transaction shall be expressly subject to satisfying the Initial Development Phase project milestones set forth on Exhibit A hereto and further be subject to the terms of the Master Development Agreement described in Sections 1.D above and 2.B below.

- B. During the Initial Development Phase, the City Parties shall commit to sell land within the Gateway Project to end users for uses consistent with the land plans developed during the Design Phase and in accordance with the Master Development Agreement which agreement shall be considered and executed by the parties within one hundred twenty (120) days from the commencement of the Initial Development Phase. If a Master Development Agreement is not fully executed within the referenced period, this MOU shall terminate, and the parties shall have no further obligations to each other unless the parties mutually agree in writing to extend the period for execution, but in no event shall such extension exceed thirty (30) days.
- C. The City Parties may, in their discretion, offer economic incentive packages to such end users, including but not limited to, those authorized by Chapters 380, 501 and 504 of the Texas Local Government Code and Chapters 311 and 312 of the Texas Tax Code.
- D. The provisions of this Section 2 shall be non-binding on the parties, pending the parties' execution of a binding Master Development Agreement governing the Initial Development Phase and the Subsequent Development Phase.

### **Section 3. Subsequent Development Phase.**

- A. If Devco causes one or more end users to purchase portions of the Gateway Project in accordance with the provisions of the Master Development Agreement and within the term of the Initial Development Period, the Initial Development Phase shall extend into the Subsequent Development Phase.
- B. The Subsequent Development Phase shall continue for one (1) year following the Initial Development Phase, and Devco shall have the exclusive right to market and negotiate sales of parcels in the Gateway Project on behalf of the City Parties to end users during the Subsequent Development Phase.
- C. The provisions of this Section 3 shall be non-binding on the parties, pending the parties' execution of a binding Master Development Agreement governing the Subsequent Development Phase.

### **Section 4. City Zoning and Permits.**

The City Parties shall facilitate and expedite rezoning and building permit requests which are consistent with the land use plans developed and approved during the Initial Development Phase on behalf of end users introduced to the Gateway Project by Devco.

## **Section 5. Miscellaneous.**

- A. Except where prohibited by law or contract, the City Parties shall provide to Devco complete access to the Gateway Project and any information and records pertaining to the Gateway Project and shall cause the directors, employees, accountants and other agents and representatives (collectively "representatives") of the City Parties to cooperate fully with Devco in connection with Devco's due diligence investigation and predevelopment of the Gateway Project during the Design Phase.
- B. Devco agrees that all information concerning the Gateway Project furnished, or to be furnished to Devco or developed by Devco in connection with its activities hereunder (collectively the "Information"), will be used solely for the purpose of evaluating the Gateway Project, and will be kept confidential by Devco and its representatives, agents and advisors; provided that (a) any such Information may be disclosed to representatives, agents, independent contractors, potential lenders, partners, venturers, and advisors of Devco and the need to know such Information for the purpose of evaluating the transaction; (b) any disclosure of such Information may be made to person to which the City Parties consent in writing; and (c) such Information may be disclosed if so required by law. Notwithstanding the foregoing, the term "Information" shall not include information which Devco can demonstrate (x) as generally available to or known by the public other than as a result of improper disclosure by Devco or (y) as obtained by Devco from a source other than the City Parties, provided that such source was not bound by a duty of confidentiality to the City Parties or another party with respect to such Information. If the Master Development Agreement is not consummated, Devco will return to the City Parties all material containing or reflecting the Information and will not retain any copies, extracts or other reproductions thereof.
- C. For a period ("Exclusive Negotiation Period") commencing on the date hereof and continuing through the Design Phase and for one hundred twenty (120) thereafter, the City Parties shall not, directly or indirectly to any representative or otherwise, solicit or entertain offers from, negotiate with or in any manner encourage, discuss, accept or consider any proposal of any other person relating to the Gateway Project.
- D. Except as and to the extent required by law, without the prior written consent of the City Parties, Devco shall not, and shall direct its representatives not to, directly or indirectly, make any public comments, statement, or communication with respect to, or otherwise disclose or permit the disclosure of the existence of discussions regarding the terms of a possible Master Development Agreement between the parties or any of the terms, conditions or other aspects of the transactions contemplated by this MOU.
- E. Save and except the period comprising the Design Phase, the City Parties and Devco shall bear their respective costs and expenses, including consultant fees and attorney's fees.
- F. This MOU, as of the date of its execution, contains the entire understanding of the parties relating to the proposed transaction.



- G. This MOU's purpose is to provide an outline of subsequent, anticipated transactions.
- H. The parties intend to negotiate and execute binding, definitive agreements as described hereinabove.
- I. Except for those obligations arising in the Design Phase, until such time as binding, definitive agreements are executed by the parties, none of the parties shall have any obligation to the other with respect to the proposed transactions.

EXECUTED this \_\_\_\_ day of April, 2017.

**THE CITY OF MCKINNEY, TEXAS,  
a municipal corporation**

By: \_\_\_\_\_  
Paul G. Grimes, City Manager

**MCKINNEY ECONOMIC DEVELOPMENT  
CORPORATION,  
A Texas non-profit corporation**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**KDC REAL ESTATE DEVELOPMENT &  
INVESTMENTS, LLC,  
a Texas limited liability company**


By: \_\_\_\_\_  
Name: M. Scott Ozmeg  
Its: VP

**COLUMBUS REALTY PARTNERS, LTD.,  
a Texas limited partnership**

By: Columbus G.P., LLC,  
a Texas limited liability company,  
its general partner

By: \_\_\_\_\_  
Robert Shaw, President

ATR CORINTH PARTNERS, LLC  
a TEXAS LIMITED LIABILITY  
COMPANY

By:   
Name: FRANK MINA LOPEZ  
Its: Manager

## **Exhibit A**

- a. Execute MOU: April 2017
- b. Execute Master Development Agreement: by October 2017
- c. Devco Marketing/Development Sign Erected: April 2017
- d. Complete Design Phase marketing materials: June 2017
- e. Land Use Entitlements: July - Oct 2017
  - 1. Property Rezoning (if needed)
  - 2. Amend CCR's (if needed)
  - 3. Platting and Site Plan revision (if needed)
- f. Commence Infrastructure Construction, only if required by Master Development Agreement: November 2017



17-401

**TITLE:** Consider/Discuss/Act on McKinney Innovation Center Grant Request

**COUNCIL GOAL:** Direction for Strategic & Economic Growth

**MEETING DATE:** April 18, 2017

**DEPARTMENT:** McKinney Economic Development Corporation

**CONTACT:** Darrell W. Auterson, President-CEO

**RECOMMENDED MEDC BOARD ACTION:**

- Potential action on this request will be discussed in executive session.

**ITEM SUMMARY:**

- This item authorizes the President - CEO to prepare an incentive offer letter (if so instructed by the MEDC Board) to facilitate the creation and launch of the proposed McKinney Innovation Center (MIC) by the WERX Foundation.

**BACKGROUND INFORMATION:**

- The MEDC has provided financial support, in cooperation with groups like the WERX, for emerging technology and entrepreneurial programs since 2010 totaling over \$1.3 million.
- The WERX Board has been contemplating a new direction during the past year.
- The WERX Board of Directors recruited new executive leadership and created a new business model and vision in late 2016.
- The concept of the McKinney Innovation Center (MIC) is at the heart of the WERX new business model.
- The WERX projects that the proposed MIC initiative will create a minimum of 295 direct jobs over three years.
- The WERX projects that the three year economic impact to be generated by the MIC for the area will be \$220 million.
- The WERX projects a Return on Investment (ROI) or “net benefits” will be 10 - 13%.

- The WERX forecasts that the MIC operations will be self-sustaining by year four.
- Intended uses for requested MEDC funding includes leasehold improvements, investments in technology and furnishings, consulting services, lease expenses, marketing and operating support and personnel expenses.

**FINANCIAL SUMMARY:**

- The WERX Foundation is requesting a three-year commitment of financial assistance totaling up to \$1 million to help launch the MIC.

**SUPPORTING MATERIALS:**

[Presentation](#)



# **MCKINNEY INNOVATION CENTER**

**April 2017 –Success Plan**



# Topics

- ✓ MIC – What You Can Expect over next 3 years
- ✓ 2017 Space & Jobs
- ✓ SWOT & Demand
- ✓ Pro Forma Summary
- ✓ The Request for Assistance “Ask”
- ✓ Business Plan Summary
- ✓ Next Steps



# Expectations – 3 years

- ✓ Creation of 295+ new jobs in McKinney 3 years  
Economic development by attracting emerging high potential new companies and established but relocatable successful companies
- ✓ Economic Impact of \$220M (3 years)

At Plan

Economic Impact	1/2 of 2017	2018	2019	2020	Total period
Direct Impact	\$ 4,586,636	\$ 28,666,478	\$ 42,999,716	\$ 57,332,955	\$ 133,585,785
Indirect Impact	\$ 1,547,795	\$ 9,673,721	\$ 14,510,582	\$ 19,347,443	\$ 45,079,542
Induced Impact	\$ 1,419,370	\$ 8,871,060	\$ 13,306,590	\$ 17,742,120	\$ 41,339,140
<b>Total Impact</b>	<b>\$ 7,553,801</b>	<b>\$ 47,211,259</b>	<b>\$ 70,816,889</b>	<b>\$ 94,422,518</b>	<b>\$ 220,004,467</b>

- ✓ ROI of 10% – 13% with 7–8 year payback (based on ask)
- ✓ Self-sustaining operations after year 3
- ✓ Enhanced Perception for McKinney as Business  
Friendly – Attraction, Creation and Retention

# 2017 Space & Jobs

- ✓ A-G Committed
- ✓ H-I 90%, Timing
- ✓ J = 1-2 companies added before opening
- ✓ DD - Current Inquires
- ✓ CO - Current Inquires

	Current WERX	Opening Day (July '17)	Calendar Year end 2017	New Jobs Delta to Current
Company A (Gaming)	9	13	21	12
Company B (Tech Consult)	3	5	9	6
Company C (Financial)	0	3	5	5
Company D (Market Dev)	2	2	3	1
Company E (Health)	2	2	4	2
Company F (Plastics)	1	1	3	2
Company G (Technology)	0	2	5	5
Company H (Telecom)	0	2	2	2
Company I (Security)	0	3	4	4
Company J (New TBD)	0	5	30	30
Dedicated Desk (DD)	5	8	14	9
Co-Work (Co)	11	15	20	9
<b>Total</b>	<b>33</b>	<b>61</b>	<b>120</b>	<b>87</b>

# The Request for Assistance

- ✓ Asking MEDC for \$1M in grants over a 3 year period (\$400K yr1, \$400K yr2 & \$200K yr3).
- ✓ Use of Funds:
  - Leasehold Improvements / Buildout Capital = \$105,000
  - Technology / IT Capital = \$63,000
  - Furniture Capital = \$120,000
  - Consulting Sales Services = \$110,000
  - Early years lease support = \$300,681
  - Marketing and Operating support = \$150,000
  - Salaries during development phase = \$151,319
- ✓ Asking MEDC for “Backstop” on 5/6 year lease



# Pro Forma Summary



## MIC Pro Forma Summary

\* 2017 includes full fiscal year with McKinney Werx

Fiscal Year	2017 *	2018	2019	2020	2021
Space Rentals MIC	\$ 27,000	\$ 422,656	\$ 932,815	\$ 1,052,513	\$ 1,139,190
CO- Working Rental Werx	\$ 40,080	\$ -	\$ -	\$ -	\$ -
<u>Other Revenues</u>	<u>\$ 10,852</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>
<b>Total Revenues</b>	<b>\$ 77,932</b>	<b>\$ 442,656</b>	<b>\$ 952,815</b>	<b>\$ 1,072,513</b>	<b>\$ 1,159,190</b>
RIS Grant Match	\$ 54,000	\$ 54,000	\$ 54,000	\$ -	\$ -
McKinney EDC Investment	\$ 470,049	\$ 400,000	\$ 200,000	\$ -	\$ -
<u>Other Contributions / Grant</u>	<u>\$ 4,242</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Grants</b>	<b>\$ 528,291</b>	<b>\$ 454,000</b>	<b>\$ 254,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Revenues</b>	<b>\$ 606,223</b>	<b>\$ 896,656</b>	<b>\$ 1,206,815</b>	<b>\$ 1,072,513</b>	<b>\$ 1,159,190</b>
Lease Costs	\$ 100,105	\$ 273,333	\$ 380,000	\$ 400,000	\$ 450,000
Salaries	\$ 107,532	\$ 350,004	\$ 350,004	\$ 380,629	\$ 392,004
<u>All other expenses</u>	<u>\$ 200,923</u>	<u>\$ 292,372</u>	<u>\$ 262,372</u>	<u>\$ 265,280</u>	<u>\$ 267,373</u>
<b>Total Expenses</b>	<b>\$ 408,560</b>	<b>\$ 915,709</b>	<b>\$ 992,376</b>	<b>\$ 1,045,909</b>	<b>\$ 1,109,377</b>
<b>Net Operating Income</b>	<b>\$ 197,663</b>	<b>\$ (19,053)</b>	<b>\$ 214,439</b>	<b>\$ 26,603</b>	<b>\$ 49,813</b>
Capital Expenses (CapEX)	\$ 175,000	\$ 70,000	\$ 33,000	\$ 5,000	\$ 5,000
Year End Cash Flow	\$ 96,605	\$ 7,552	\$ 188,991	\$ 210,595	\$ 255,407

# SWOT & Demand



- ✓ Innovate McKinney Now event.
- ✓ Only space north of GBT and demand continues to increase.
- ✓ Interested companies contacting us weekly looking for office space.

## Strengths:

Built-up Market Demand  
Experienced Team  
Desired Location  
Desired Facility w/ space  
Favorable Landlord  
Network / Access to People  
Pricing Advantage

## Weaknesses:

Perceptions  
Lack of near-by facilities

## Opportunities:

Immediate timing advantage  
Personnel  
Facility  
Desire by boards  
Multi-million \$ impact to area

## Threats:

For Profit Companies enter market  
Economy turns downward  
Other similar models appear  
Price war if others enter market  
Not attracting the right mix





# MIC ReCap/Closing Argument



- ✓ Innovation Center Defined
- ✓ Market Demand Exists
- ✓ SWOT = Timing = Now
- ✓ Initiative aligns with MEDC Strategic Plan and Target Industries
- ✓ Marketing Plan of Attack /Yes
- ✓ 5 Major Components of MIC Differentiate us from anyone
- ✓ Incubator Program Defined
- ✓ Accelerator Program Defined
- ✓ Structured Support
- ✓ Ongoing Assistance
- ✓ Amenities Defined/ Proven
- ✓ Application and acceptance process defined / Proven
- ✓ Structure Defined / Proven
- ✓ Staffing levels minimal
  - but highly experienced
- ✓ Many Stakeholders
- ✓ Pricing Comparison & Model
- ✓ Other Revenue Opportunities
- ✓ Metric / Results Driven
- ✓ Major McKinney Impact!
- ✓ Experienced / What I would do different next time....

# MEDC Request Today

- ✓ The MEDC board to approve the business opportunity and “ASK” as soon as today.
- ✓ MEDC releases funds to allow initiative to launch as soon as possible.
- ✓ MEDC and others immediately begin to articulate, communicate, brag, spread positive rumors, get on social media, and add to their vocabulary - >

McKinney Innovation Center = McKinney Economic Impact

- ✓ MEDC and others helps MIC explore other creative ways to:
  - 1) Expand the MIC
  - 2) Attract new companies to the MIC / Texas Crossing
  - 3) Make sure we have retention programs if needed





# **McKINNEY INNOVATION CENTER**

## **Conceptual Foundation and Strategic Elements of a McKinney “Innovation Center**

Business Plan v1.1

### **Mission Statement:**

Delivering sustainable and measureable positive economic impact to the McKinney Community and Collin County

WERX Board, Harry Smeenk & John Miller

April 2017

## Contents

Mission Statement: .....	0
Executive Summary .....	2
“Innovation Center” Defined.....	3
Business Case Summary .....	4
Market Demand: .....	4
SWOT .....	5
Targeted Industries: .....	5
Marketing Activities Planned: .....	6
McKinney Innovation Center Components: .....	6
The Makerspace - Entrepreneur Development .....	6
Collaboration Center / Co-Working Location / Flex Office Space .....	6
Corporate Innovation Labs .....	7
Incubator / Accelerator.....	7
Transition Companies .....	7
Incubator Program: .....	7
Accelerator Program: .....	7
McKinney Innovation Center Planned Amenities: .....	9
Virtual Memberships .....	10
Applying to McKinney Innovation Center .....	10
Structure:.....	11
Staffing: .....	11
Leadership team.....	11
Stakeholders:.....	12
Pricing Model .....	13
Other Revenue Generating Activities.....	13
Monthly Dashboards / Metrics .....	14
McKinney Area Financial Impact Details.....	15
Financial summary: .....	16

## Executive Summary

This business plan details the development and implementation of the McKinney Innovation Center (MIC) proposal and the positive economic impact to McKinney and the surrounding area.

Highlights Include:

- ✓ Our purpose is to deliver sustainable & measureable positive economic impact to McKinney. (Details and definitions are provided beginning on page 15). Please note that Economic Impact and Return on Investment, while both very important, provide considerably different measurements and each are valuable methods in determining investment opportunities.

At Plan

Economic Impact	1/2 of 2017	2018	2019	2020	Total period
Direct Impact	\$ 4,586,636	\$ 28,666,478	\$ 42,999,716	\$ 57,332,955	\$ 133,585,785
Indirect Impact	\$ 1,547,795	\$ 9,673,721	\$ 14,510,582	\$ 19,347,443	\$ 45,079,542
Induced Impact	\$ 1,419,370	\$ 8,871,060	\$ 13,306,590	\$ 17,742,120	\$ 41,339,140
<b>Total Impact</b>	<b>\$ 7,553,801</b>	<b>\$ 47,211,259</b>	<b>\$ 70,816,889</b>	<b>\$ 94,422,518</b>	<b>\$ 220,004,467</b>

- ✓ Expected **Direct** impact of **\$57,332,995** year 3 (using IMPLAN Model).
- ✓ Expected **Indirect** impact of **\$19,347,443** year 3 (using IMPLAN Model)
- ✓ Expected **Induced** impact of **\$17,742,120** year 3 (using IMPLAN Model)

At Plan

	Direct	Indirect	Induced	Total
Employment	295	181	179	655
Output / Impact	\$ 57,332,955	\$ 19,347,443	\$ 17,742,120	\$ 94,422,518
Labor Income	\$ 31,862,950	\$ 10,752,396	\$ 10,633,585	\$ 53,248,930
Value Added	\$ 38,235,540	\$ 15,053,354	\$ 14,355,339	\$ 67,644,233

- ✓ Expected direct jobs of 295 and indirect jobs of 181 year 3 with continued growth.
- ✓ Evolution of the McKinney WERX Foundation to the McKinney Innovation Center.
- ✓ MIC Becomes self-sufficient / self-sustaining after year 3.
- ✓ Potential for payback to MEDC after year 4. (from loan payments, equity stakes,)
- ✓ Enhanced Perception of McKinney as Technology Friendly
- ✓ Support for Entrepreneurs, Start-ups, Second-stage companies and others to grow.
- ✓ Asking MEDC for \$1M in grants over a 3 year period (\$400K yr1, \$400K yr2 & \$200K yr3).

Use of Funds:

- Leasehold Improvements / Buildout Capital= \$105,000
- Technology / IT Capital = \$63,000
- Furniture Capital = \$120,000
- Consulting Sales Services = \$110,000
- Early years lease support = \$300,681
- Marketing and Operating support = \$150,000
- Salaries during development phase = \$151,319
- ✓ Asking MEDC for "Backstop" on 5/6 year lease

Listed below is a 5 year summary of the Pro Forma. Details are provided in the Financial Summary section:

#### MIC Pro Forma Summary

\* 2017 includes full fiscal year with McKinney Werx

Fiscal Year	2017 *	2018	2019	2020	2021
Space Rentals MIC	\$ 27,000	\$ 422,656	\$ 932,815	\$ 1,052,513	\$ 1,139,190
CO- Working Rental Werx	\$ 40,080	\$ -	\$ -	\$ -	\$ -
<u>Other Revenues</u>	<u>\$ 10,852</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>
<b>Total Revenues</b>	<b>\$ 77,932</b>	<b>\$ 442,656</b>	<b>\$ 952,815</b>	<b>\$ 1,072,513</b>	<b>\$ 1,159,190</b>
RIS Grant Match	\$ 54,000	\$ 54,000	\$ 54,000	\$ -	\$ -
McKinney EDC Investment	\$ 470,049	\$ 400,000	\$ 200,000	\$ -	\$ -
<u>Other Contributions / Grant</u>	<u>\$ 4,242</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Grants</b>	<b>\$ 528,291</b>	<b>\$ 454,000</b>	<b>\$ 254,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Revenues</b>	<b>\$ 606,223</b>	<b>\$ 896,656</b>	<b>\$ 1,206,815</b>	<b>\$ 1,072,513</b>	<b>\$ 1,159,190</b>
Lease Costs	\$ 100,105	\$ 273,333	\$ 380,000	\$ 400,000	\$ 450,000
Salaries	\$ 107,532	\$ 350,004	\$ 350,004	\$ 380,629	\$ 392,004
<u>All other expenses</u>	<u>\$ 200,923</u>	<u>\$ 292,372</u>	<u>\$ 262,372</u>	<u>\$ 265,280</u>	<u>\$ 267,373</u>
<b>Total Expenses</b>	<b>\$ 408,560</b>	<b>\$ 915,709</b>	<b>\$ 992,376</b>	<b>\$ 1,045,909</b>	<b>\$ 1,109,377</b>
<b>Net Operating Income</b>	<b>\$ 197,663</b>	<b>\$ (19,053)</b>	<b>\$ 214,439</b>	<b>\$ 26,603</b>	<b>\$ 49,813</b>
Capital Expenses (CapEX)	\$ 175,000	\$ 70,000	\$ 33,000	\$ 5,000	\$ 5,000
Year End Cash Flow	\$ 96,605	\$ 7,552	\$ 188,991	\$ 210,595	\$ 255,407

## “Innovation Center” Defined

A location or locations which provide:

- a working / collaboration environment for individuals and emerging companies (commonly known as “co-working space); without programmatic support
- an instructional environment for developing entrepreneurial skills and early stage enterprise (commonly known as incubator/accelerators); programmatic support provided
- a place for later stage or established companies as interim operating space as they grow until they assume more permanent domiciles; little if any programmatic support

The cornerstone of the concept presented here is a co-operative approach adopted by both public and private endeavors. Within the public aspect is:

#### Public Objectives of an “Innovation Center”

- Improvement in community economic impact from programmatic activity,
- Measurable ROI for public funds provided (typically 10%-13% with 7-8 year payback)



- Employment growth,
- Enhanced perception of the City as a corporate relocation destination
- Measurable attraction of corporate entities
- Advancement of existing community advantages as a corporate domicile
- Leveraging of educational venues and instructional programs

#### **Private Role in Conjunction with an “Innovation Center”**

- Leverage of capital needs
- Increased capacity (of co-working space)
- Cooperative initiatives (cost savings)

## **Business Case Summary**

The concept of “The McKinney Innovation Center” is to support economic development by attracting both emerging high potential companies and established but relocatable successful companies. Once established the entity becomes largely cash self-sustaining from rents paid by resident companies. In certain cases modest equity is taken (usually in the form of warrants) but the overriding thrust is to moderate the risk of taxpayer monies through a real estate opportunity.

Accompanying is a pro-forma which demonstrates the execution of the model. This approach is particularly appropriate for McKinney at this time because neighboring cities are aggressively adopting co-working initiatives and other aspects of an “Innovation Center”.

There is an opportunity at the long-vacant Blockbuster building to put the model to work.

In the initial year a cash advance of \$400,000 of the EDC budget is required. In the subsequent two years, as rents build, the cash support drops significantly such that in the fourth year, no support is needed. This proposal is based upon conservative principles.

## **Market Demand:**

A number of factors have been used to determine the market demand for an Innovation Center in the McKinney area.

- 1) Trends across the United States show significant increases in Innovation Centers.
- 2) Activity in surrounding communities:
  - a. Currently there are 26 similar or somewhat similar centers in the DFW area. Some are publicly supported through EDCs or Education institutions and some are privately held for profit businesses.
  - b. There are currently zero similar centers in McKinney at this time.
- 3) Feedback from within the Community
  - a. Business community support.
  - b. Existing entrepreneurs in the community and at the existing McKinney WERX co-working facility.
  - c. Support from educational institutions
    - i. MISD
    - ii. Collin College

- d. Innovate McKinney Now event held March 16<sup>th</sup> 2017. 120 people attended 15% higher than expected. 100% favorable responses during and post event.
- e. Support letters from various areas of the local community.

## SWOT

<p><b>Strengths:</b></p> <ul style="list-style-type: none"> <li>Built-up Market Demand</li> <li>Experienced Team</li> <li>Desired Location</li> <li>Desired Facility w/ space</li> <li>Favorable Landlord</li> <li>Network / Access to People</li> <li>Pricing Advantage</li> </ul>	<p><b>Weaknesses:</b></p> <ul style="list-style-type: none"> <li>Perceptions</li> <li>Lack of near-by facilities</li> </ul>
<p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>Immediate timing advantage</li> <li>Personnel</li> <li>Facility</li> <li>Desire by boards</li> <li>Multi-million \$ impact to area</li> </ul>	<p><b>Threats:</b></p> <ul style="list-style-type: none"> <li>For Profit Companies enter market</li> <li>Economy turns downward</li> <li>Other similar models appear</li> <li>Price war if others enter market</li> <li>Not attracting the right mix</li> </ul>

## Targeted Industries:

- Technology
- Internet of Things (IoT)
- Internet of Everything (IoX)
- Aerospace
- Gaming
- Cyber Security
- Artificial Intelligence (AI)
- Virtualization
- Business Analysts & Data
- Medical Devices / Healthcare
- Next Generation Robotics
- Oil, Gas, and Alternative Fuels
- Additive Manufacturing
- Neuromorphic Technology
- Digital Genome

## Marketing Activities Planned:

Initial and ongoing marketing activity will be required to keep a steady stream of potential MIC members in Queue. These activities include but are not limited to:

- Email campaign(s)
- Liquid Space and other space –listing sites listings and announcements
- Radio Advertisement (KLAK – McKinney Radio Station)
- Social Media (Facebook, twitter....) (Managed daily by the MIC Marketing Director)
- Collin College references
- Networking meetings
- City events / activities
- Media (Dallas and McKinney)
- Web site (McKinney Innovation sites, MEDC, WERX, etc.)
- Attendance at other Innovation and Entrepreneur events
  - o Dallas Startup Week
  - o Entrepreneur Summit
  - o Tech Wildcatter, Health Wildcatter and similar events
- Referrals from other centers

## McKinney Innovation Center Components:

### The Makerspace - Entrepreneur Development

- a. The WERX Foundation and Collin College team together with the RIS i6 innovation grant to provide a location where we combine manufacturing equipment, community, and education for the purposes of enabling community members to design, prototype and create manufactured works that wouldn't be possible to create with the resources available to individuals working alone.
- b. High School Students
- c. College Students
- d. Entrepreneurs in Training
- e. Community Members
- f. Corporate Interaction

### Collaboration Center / Co-Working Location / Flex Office Space

- g. Desk for rent as drop-in or dedicated space
- h. Flexible office space without long term commitments
- i. Expandable space as companies mature and grow
- j. Center and planned activities to foster collaboration between companies, mentors, advisors, and others in the academic and business communities

### Corporate Innovation Labs

- k. As industries converge and the rules within and across industry boundaries become rewritten, corporate innovation requires new thinking on innovation and entrepreneurship in existing firms.
- l. Bringing the garage back to the corporate world thru Ideation Labs!

### Incubator / Accelerator

- m. Using a proven proprietary milestone-driven success program model, businesses are guided through from formation to launch and beyond.
- n. Program Companies

### Transition Companies

- o. Incubator & Accelerator graduates can find a longer-term expandable home among other stage 2 and attracted businesses in the McKinney Innovation Center.
- p. Graduate Directly Into Your Long Term Expandable Space without the Fuss.

## Incubator Program:

Incubators are typically publicly supported and seek a return on investment through what is termed “social benefit.” Incubators typically recruit local start-up candidates. In the public sponsored setting, the social benefit that is sought is manifested as increased employment, improved average salaries, and a business environment that is receptive and encouraging to entrepreneurship.

Certainly this benefits the local sponsor indirectly, by the influx of investment capital, increasing property tax revenues, a larger workforce, and local business growth. These parameters may be reflected as an “economic benefit” to the community by impact analysis, which includes the multiple levels of direct and indirect financial impact the endeavors create. Incubators rarely provide investment capital to their program companies and are somewhat open-ended in program company tenure within the incubator.

## Accelerator Program:

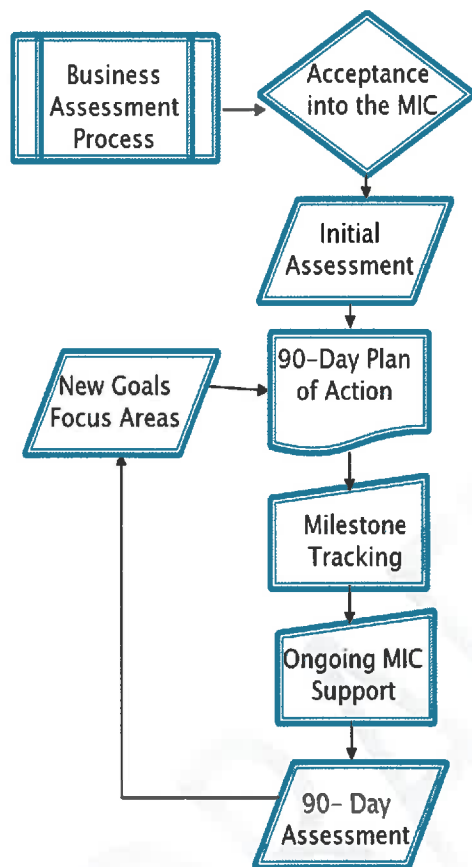
Accelerators typically attract investors who invest in candidate companies and partner with them to encourage rapid development to launch within a short timeframe, typically six to 12 months. The private investors usually participate very closely in day-to-day management to develop the companies. Accelerators tend to recruit regional and national start-up candidates.

The McKinney Innovation Center may at some point decide to invest directly through rent abatement or other in-kind offerings. The direct benefit accrues to the Accelerator in increased financial value of the equity stakes of successful graduating companies that it holds. An indirect benefit accrues to the community where the Accelerator is located due to the concentration of start-up and development-stage activity, investor interest and participation, and local employment.

Building a framework for success. While challenges such as managing cash flow, deciding when and who to hire and how best to generate awareness for a product or service are common to most young companies, we know that no two companies are the same. That’s why we designed the MIC Accelerator

Program to accommodate a wide range of needs while still providing a framework that supports the growth and evolution of our member companies.

**Structured Support** – MIC personnel will be using a proprietary Assessment process (already developed and proven) to determine who is accepted and who is not. From this, MIC staff will get to know the nature of an applicant company's business, the personalities of their founders and management and may get a sense of the areas where the company needs the most help, but the real exploration of how MIC can best support them comes once they're accepted to the program.



- After everyone is settled into their new offices, MIC staff and advisors (defined below) will meet with members of the company and conduct an initial assessment, which includes a review of financials.
- Based on the information surfaced in the assessment, MIC staff and advisors develop a 90-day plan designed to address the member company's situation, opportunities and challenges.
- Once the recommendations are complete, MIC leadership reviews the plan with member company management and both parties agree to measurable goals and milestones for the next 90 days, as well as who is responsible for reaching them and areas in which MIC will provide support.
- After the goals and milestones have been set, MIC will work with and provide support to the member company, yet holding them accountable for reaching the goals set forth in the plan.
- At the conclusion of the initial 90-day period, MIC leadership will meet with member company leadership in order to determine how they have performed against the plan.
- Following each review session, MIC staff and advisors will recommend new goals and / or areas of focus, and / or advise the company to continue working against the goals and milestones set forth in the original plan.

**Ongoing Assistance** -In addition to the structured element of the program, MIC staff members provide advice and support in these areas as-needed:

- Business Management
- Business plan development and refinement
- Advisory board development assistance
- Accountability
- Operations

## McKinney Innovation Center Planned Amenities:

Far more than a typical office building, the Center provides fully-furnished, turnkey offices, open working environments, med / tech labs, state-of-the art training and meeting rooms and enterprise-grade infrastructure to ventures working in a wide range of industries.

- 24/7 secure key card access
- High-speed wired and wireless internet (100 / 100 Mbps)
- VOIP telecom
- Staffed reception
- Shipping/receiving services
- Private, secure mailboxes
- On-site notary
- Metered postage
- Printing center / work room (print/copy/bind, etc.)
- Network print stations (copy, print, scan, fax)
- Premium coffee / tea service
- Well-equipped Kitchens
- Lounge / Break room
- Ample parking
- Monitored security & fire alarms
- 24/7 Video surveillance

Companies that are accepted into The Accelerator Program pay an all-inclusive fee ranging from \$325 per dedicated desk to \$3,200 a month per office/suite (pricing is described later in this document and there are different rates for co-working and incubator spaces), which includes:

- Accelerator services
- The opportunity to network and collaborate with over 20 other local startups
- Private, fully-furnished offices
- All utilities
- 24/7/365 secure key card access
- High-speed wired and wireless internet (100 / 100 Mbps)
- Meeting rooms with conference phones and full suite of A/V equipment
- Kitchens with premium single-serve coffee & tea service, purified water, ice maker, microwaves and toaster ovens
- Fully furnished lounge / break room with big screen TV and massage chair
- Network print stations (copy, print, scan, fax)
- Fully-equipped printing center / work room (print/copy/bind, etc.)
- Staffed reception
- Shipping/receiving services
- Private, secure mailboxes
- Metered postage
- On-site notary
- Monitored security & fire alarms
- 24/7 Video surveillance
- Ample parking
- Janitorial service



## Virtual Memberships

For those who don't require the breadth of the Accelerator Membership, we will offer select organizations virtual memberships, which includes a business mailing address and secure mailbox at the Center, as well as limited meeting room privileges. Virtual membership rate is \$195 per month.

## Applying to McKinney Innovation Center

We're not partial to one industry or another. We welcome all emerging businesses and entrepreneurs that are looking for an initial boost or help taking their company to the next level, but we do want to make sure that we can help your organization and that it will enhance our community of member companies and the McKinney community at-large.

You don't have to be from McKinney to be accepted; but you should have plans to base your company here. It isn't a contractual obligation, but contributing meaningfully to McKinney's economy is at the core of our mission, so a desire to be in the area long-term is a big plus.

Broadly speaking, we're seeking startups with innovative ideas, strong potential to have significant market impact within a reasonable time frame, a willingness to learn and the resourcefulness to put the support we provide to good use.

Beyond those high-level attributes, here are a few more-concrete things that we look for in applicants:

- Innovative and identifiable intellectual property
- Time-to-market within a two year target
- Preliminary business plan with pro forma financial statements showing significant revenues within five years
- Founder is full-time and has pertinent niche expertise and additional team members are a plus
- Sufficient seed capital or personal financial resources to carry the venture for at least six months at the current burn rate
- Desire to utilize and participate in the full breadth of services offered by MIC and willingness to participate in open-book accounting and advisory services
- Ability to support and enhance the educational mission of MIC through offering and/or participation in educational programming and events
- Fit within the physical and operational constraints of the facility, e.g. space requirements, fees, equipment, infrastructure etc.
- Ability to pay the \$150 nonrefundable application fee (which will be applied toward deposit for accepted applicants)

Before beginning the application, we encourage candidates to put some thought into the criteria outlined above, as well as, these important points:

- The MIC has no obligation to admit any company to the accelerator program.
- Eligibility and final determination of acceptance or rejection is at MIC's sole discretion.
- Prior to acceptance, we cannot execute a nondisclosure agreement (NDA) due to the nature of our business.

- The MIC has no liability to the applicant related to the application, review and selection process used to determine acceptance into the program.

## Structure:

The existing WERX Foundation, Inc. and McKinney WERX are non-profit organizations and has one board of directors for both. Plans are to continue leveraging these 501C3 and C6 organizations and to utilize the DBA **McKinney Innovation Center** under the WERX Foundation, Inc. While plans are to be self-funding after 3 year of operations, direct funding support for years 1 to 3 will be provided by the McKinney Economic Development Corporation (MEDC), who will therefore provide oversight.

## Staffing:

Initial staffing serves to run the operations, market and secure program companies, and provide program companies support:

- **Executive Director** – FTE - Reports to the Board and has overall responsibility for strategic plan implementation, day to day operations, financial performance, resident acceptance, support and interactions, and staff management.
- **Senior Consultant** – Contractor – Reports to ED and the board and is responsible for assisting in the initial implementation of the center and attracting and securing new businesses to join the center.
- **Director of Marketing** – FTE – Reports to ED, responsible for ongoing marketing efforts at all levels including direct, social media, attending networking events, representing the MIC at events and overall attracting interest into the center.
- **Operations Support** – FTE – Reports to ED, responsible for the day-to-day operations of the center, on-boarding residents, vendor interactions, building interactions, and working with residents to resolve center –related issues.

## Leadership team

WERX Board Members:

- Mark Cottam
- Steve Tucker
- John Minnis
- John Valencia (non-voting)

**Executive Director – Harry Smeenk, MBA, CMC**, (CMC = Certified Management Consultant), 35 years business experience, 19 years with Nortel Networks, 16 years in business consulting and fractional assignments working with start-ups, turn-arounds and mid-sized companies. Provided consulting services to over 75 companies directly including Intertek, Goodman Networks, PRIMEDIA Healthcare, Telecom Industry Association (TIA) and American Wireless. Successfully launched 4 companies in the past 8 years, the largest with revenues over \$11M annually. 1 Failed launch – ran out of time and money. For the past 4 years, has served as the Entrepreneur in Residence at NTEC in Frisco involved in the turn-around there and in conjunction with running and selling his latest start-up in the wireless tower deployment services industry.

**Senior Consultant – John Miller**, Past Executive Director, NTEC with the mission of expanding and diversifying Frisco’s economic base by helping high-potential startups grow into significant contributors to the city’s business community. In the prior twenty years, Miller led three companies from inception/early-stage; each achieving \$100M to well over \$1B in revenues. His industry operating experience is broad-based and includes technology, renewable energy, global manufacturing and related services, and facilities management.

John has structured and led financing transactions in the public markets, venture capital, and private equity for companies at nearly all stages of development. He served as CEO of YLG Holdings, Inc., a national leader in the landscape industry; Managing Director of WTCG, a wind energy technology development company; and was the executive leader for the LeBlanc Group, a billion dollar diversified technology telecommunications/broadcast Equipment Company.

**Director of Marketing** – To Be Determined

**Operations Support** – To Be Determined

## Stakeholders:

There are a number of stakeholders involved in the implementation of McKinney Innovation Center:

- McKinney Economic Development Corporation (MEDC)
  - o Will Contribute \$1,000,000 over a 3 year period
  - o \$162,000 - 3 year Makerspace matching grant already committed
  - o Stands to gain from payback of grant over time
  - o Potential opportunity for equity stakes
- Saskaway – Mike Klasen Landlord (Total = \$635,000)
  - o \$150,000 year 1 rent reductions below market-rates (3 year value = \$375,000)
  - o Elimination of the NET/NET Charges of over \$75,000 over 3 years)
  - o Estimated \$65,000 in buildouts and lease-hold improvements
  - o Estimated \$40,000 per year savings in providing front desk personnel \$120,000 3yr
  - o Willingness to work with all of us to make this work
- Collin College
  - o Providing \$150,000 in kind support
  - o Providing 3 of the 4 maker spaces
  - o Facility is providing entrepreneur curriculum
- McKinney WERX
  - o Providing existing assets (\$35,000) and initial residents
- USA Government Department of Commerce
  - o \$346,000 in RIS i6 grant funds for the Makerspaces

## Pricing Model

The initial McKinney Innovation Pricing model will generally reflect a 25% lower rate than existing similar centers in Dallas, North Dallas, Plano, and Frisco. These rates will be re-assessed annually. We are able to offer lower rates to attract businesses to McKinney due to the lower-than-market rate (40%) we will be paying:

### Price Compare

	MIC	COCO	We-Work	Spaces	Launch Pad
Maker Space	\$ 2,500.00	\$ -	\$ -	\$ -	\$ -
Virtual Office / Basic Membership	\$ 195.00	\$ 20.00	\$ -	\$ 199.00	\$ -
Open Desk (co-working / Hot Desk)	\$ 175.00	\$ 365.00	\$ 350.00	\$ 250.00	\$ 250.00
Flex 14 (14 days month)	\$ -	\$ 195.00	\$ -	\$ -	\$ -
Flex 5 (5 days month)	\$ -	\$ 85.00	\$ -	\$ -	\$ -
Dedicated Desks	\$ 325.00	\$ 500.00	\$ 450.00	\$ 375.00	\$ 350.00
Small Offices 1-2 People	\$ 575.00	\$ 1,000.00	\$ 620.00	\$ 650.00	\$ 650.00
Medium Offices 2-3	\$ 850.00	\$ 1,500.00	\$ 1,280.00	\$ 1,200.00	\$ 1,000.00
Large Office 4-6	\$ 1,150.00	\$ 2,400.00	\$ 1,880.00	\$ 2,000.00	\$ 1,800.00
Small Suite 8 to 10 people	\$ 1,500.00	\$ 2,800.00	\$ 3,250.00		
Large Suite / Lab 12-14 people	\$ 3,000.00	\$ 3,500.00	\$ 4,500.00		
One Time Registration Fee	\$ 150.00	\$50 to \$300	\$ -	\$ -	\$ 200.00
Conf Room (assume 5 rents per m)	\$ 2,000.00			\$ 2,340.00	\$ 2,000.00

### Pricing Model

Space Plan version 1.0	QTY	Rate	Utl 25%	Utl 50%	Utl 75%	Utl 100%	People @ 100%
Maker Space	1	\$ 2,500.00	\$ -	\$ -	\$ -	\$ -	5
Virtual Office	15	\$ 195.00	\$ 731.25	\$ 1,462.50	\$ 2,193.75	\$ 2,925.00	15
Open Desk Total Seats	80	\$ 175.00	\$ 3,500.00	\$ 7,000.00	\$ 10,500.00	\$ 14,000.00	80
Dedicated Desks	60	\$ 325.00	\$ 4,875.00	\$ 9,750.00	\$ 14,625.00	\$ 19,500.00	60
Small Offices	7	\$ 575.00	\$ 1,006.25	\$ 2,012.50	\$ 3,018.75	\$ 4,025.00	7
Medium Offices	9	\$ 850.00	\$ 1,912.50	\$ 3,825.00	\$ 5,737.50	\$ 7,650.00	18
Large Office	3	\$ 1,150.00	\$ 862.50	\$ 1,725.00	\$ 2,587.50	\$ 3,450.00	9
Small Suite 8 to 10 people	2	\$ 1,500.00	\$ 750.00	\$ 1,500.00	\$ 2,250.00	\$ 3,000.00	20
Large Suite / Lab 12-14 people	3	\$ 3,000.00	\$ 2,250.00	\$ 4,500.00	\$ 6,750.00	\$ 9,000.00	40
One Time Registration Fee	100	\$ 150.00	\$ 3,750.00	\$ 7,500.00	\$ 11,250.00	\$ 15,000.00	0
Conference Room	2	\$ 2,000.00	\$ 1,000.00	\$ 2,000.00	\$ 3,000.00	\$ 4,000.00	0
<b>Totals Monthly</b>			<b>\$ 20,637.50</b>	<b>\$ 41,275.00</b>	<b>\$ 61,912.50</b>	<b>\$ 82,550.00</b>	<b>254</b>
Totals Annualized			\$ 247,650.00	\$ 495,300.00	\$ 742,950.00	\$ 990,600.00	
Total square feet total = 24,821		24,821	6,205	12,411	18,616	24,821	98
							p/person

## Other Revenue Generating Activities

While initially a majority of revenue generation is through MEDC funding and rents. Over time rental incomes becomes the majority and other opportunities exist to generate review. To remain conservative within the pro forma, we have not placed much emphasis on these in the calculations, but we do remain focused on pursuing these aggressively.

- **Google Tech Hubs Program** is part of the company's two-year-old Google for Entrepreneurs effort to empower startups and their founders worldwide. They are currently looking for a North Texas Incubator / Accelerator and we are currently scheduling discussions with them. As part of

the network, the tech hubs will receive a number of Google benefits, including funding, discounts on products and software, and access to Google mentors.

- **OIE Governmental Grants** – Further to the RSI6 grant won last year, there are other grants available to be pursued. A meeting was held with OIE on April 5, 2017 to discuss a Seed grant opportunity along with other opportunities.
- **Commercial Commissions revenue** – The MIC will receive finder's fee/ credit from the landlord for placing new stage 2 and MIC transition companies into other space within Texas Crossing.
- **Equity stakes in participant companies**- Warrant and other equity opportunities may be pursued with program companies within the MIC.
- **Training, development, and other event Programs** - Plans are to develop and conduct business/ entrepreneur revenue generating programs either held at the MIC or in a "Road-show" capacity. Examples include Business Roundtables, Summits, Trade events, etc.

## Monthly Dashboards / Metrics

The McKinney Innovation will not only assist start-ups in building their businesses with support and experience, but the MIC itself will be run as a successful business with ongoing operations, reviews, metrics and dashboards. While not finalized at this time, typically monthly reporting revolves around:

Monthly Revenue / Trends

Projected Revenues

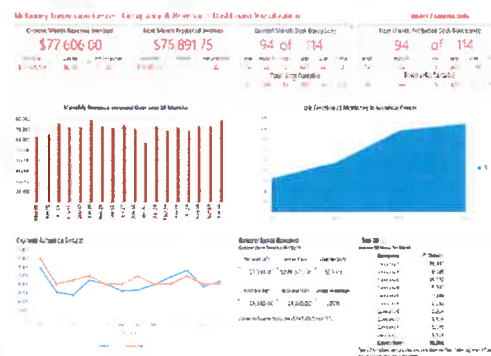
Occupancy Rates

Projected Occupancy

Job Creation

Expenses Actual to Budget

Resident Status



## McKinney Area Financial Impact Details

Assumptions Used and Source(s): Information extracted and computed based on:

- Source: The University of Texas at Dallas Report "The WERX Foundation Small Business Impact Report" December 16<sup>th</sup>, 2016 prepared by Kamir Kordi.
- Source: North Texas Enterprise Center (NTEC) Regional Economic Development Impact Report Dated September 19, 2015, Prepared by Clay Randall.
- IMPLAN Model used and is the generally agreed upon industry (EDC) methodology for impact measurement. 6 industry sectors were assumed / associated NAICS Industry Codes:
  - o 541: Professional, Scientific & Technical Services
  - o 611: Educational Services
  - o 5419: Other Professional, Scientific & Technical Services
  - o 541511: Custom Computer Programming Services
  - o 5416: Management, Scientific & Technical Consulting Services
  - o 334: Computer & Electronic Product & Manufacturing
- McKinney Median household income of \$82,988, median age 32, population 161,905
- Average Engineers salary in McKinney per Glassdoor = \$76,585
- IMPLAN Model represents in this area that each worker provides \$259,132 of total production value to the firm. Since most of the MIC firms will be in Phase 1 & 2 of the Entrepreneurship and Economic Development process, they will likely be below that number initially, so for the purposes of these calculations we used 75% \$194,349.

### - Jobs Created:

	2017	2018	2019	2020	Total period
Direct Jobs	24	148	221	295	305
Indirect Jobs	14	91	136	181	208

Where Direct jobs equals the full-time equivalent of new jobs at the MIC, and Indirect Jobs are: a MIC Company purchases goods and services from other vendors/businesses in their supply chain (i.e. Office Depot). These consist of business to business transactions and inter-industry transactions.

### - Economic Impact:

At Plan

	Direct	Indirect	Induced	Total
Employment	295	181	179	655
Output / Impact	\$ 57,332,955	\$ 19,347,443	\$ 17,742,120	\$ 94,422,518
Labor Income	\$ 31,862,950	\$ 10,752,396	\$ 10,633,585	\$ 53,248,930
Value Added	\$ 38,235,540	\$ 15,053,354	\$ 14,355,339	\$ 67,644,233

Where **Output Impact** represents the value that each worker provides of total production value to the firm. **Labor Income** is the estimate of all forms of employment income, including employee compensation (wages and benefits) and proprietor income" and **Value Added** is the estimate of the contribution to Gross Domestic Product (GDP) by the firms (or industry or sector) and represents "the



difference between an industry's or an establishment's total output and the cost of its intermediate inputs” .

At 50% Plan				
	Direct	Indirect	Induced	Total
Employment	166	102	101	368
Output	\$ 32,249,787	\$ 10,882,937	\$ 9,979,943	\$ 53,112,666
Labor Income	\$ 17,922,909	\$ 6,048,222	\$ 5,981,391	\$ 29,952,523
Value Added	\$ 21,507,491	\$ 8,467,511	\$ 8,074,878	\$ 38,049,881

At 75% Plan				
	Direct	Indirect	Induced	Total
Employment	221	136	134	491
Output	\$ 42,999,716	\$ 14,510,582	\$ 13,306,590	\$ 70,816,889
Labor Income	\$ 23,897,213	\$ 8,064,297	\$ 7,975,188	\$ 39,936,698
Value Added	\$ 28,676,655	\$ 11,290,015	\$ 10,766,504	\$ 50,733,175

At 150% Plan				
	Direct	Indirect	Induced	Total
Employment	443	272	269	983
Output	\$ 85,999,433	\$ 29,021,164	\$ 26,613,180	\$ 141,633,777
Labor Income	\$ 47,794,425	\$ 16,128,593	\$ 15,950,377	\$ 79,873,395
Value Added	\$ 57,353,310	\$ 22,580,031	\$ 21,533,009	\$ 101,466,349

## Financial summary:

2017- 2021 Yearly Pro Forma's Attached



**McKinney Innovation Center- FY - 2017 Proforma**

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Total FY 2017
	Actual	Actual	Actual	Actual	Actual	Actual							
<b>Revenues and Investments:</b>													
Space Rentals MIC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,500	\$ 8,500	\$ 11,000	\$ 27,000
CO- Working Rental Wex	\$ 5,230	\$ 8,200	\$ (550)	\$ 5,450	\$ 5,225	\$ 4,525	\$ 4,000	\$ 4,000	\$ 4,000	\$ -	\$ -	\$ -	\$ 40,080
Event Revenues	\$ 2,914	\$ 1,485	\$ (3,867)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 532
Non- Mic Rental Commissions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,400	\$ -	\$ 6,400
<u>Other Revenues</u>	<u>\$ 2,367</u>	<u>\$ 1,181</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 304</u>	<u>\$ 34</u>	<u>\$ 34</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,920</u>
<b>Sub Total Ops Revenues</b>	<b>\$ 10,511</b>	<b>\$ 10,866</b>	<b>\$ (4,417)</b>	<b>\$ 5,450</b>	<b>\$ 5,225</b>	<b>\$ 4,829</b>	<b>\$ 4,034</b>	<b>\$ 4,034</b>	<b>\$ 4,000</b>	<b>\$ 7,500</b>	<b>\$ 14,900</b>	<b>\$ 11,000</b>	<b>\$ 77,932</b>
Community Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
RIS Grant Match	\$ -	\$ -	\$ -	\$ 54,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,000
Sponsorships	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	\$ -	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000
McKinney EDC Investment	\$ 9,000	\$ 9,000	\$ 5,049	\$ 11,750	\$ 11,750	\$ 11,750	\$ 11,750	\$ -	\$ 150,000	\$ 150,000	\$ 50,000	\$ 50,000	\$ 470,049
<u>Other Contributions / Grants</u>	<u>\$ 2,122</u>	<u>\$ 912</u>	<u>\$ 700</u>	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,742</u>
<b>Sub Total Investment Revenues</b>	<b>\$ 11,122</b>	<b>\$ 9,912</b>	<b>\$ 65,749</b>	<b>\$ 65,750</b>	<b>\$ 11,758</b>	<b>\$ 12,250</b>	<b>\$ 11,750</b>	<b>\$ -</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 588,291</b>
<b>Total Revenues &amp; Investments</b>	<b>\$ 21,633</b>	<b>\$ 20,778</b>	<b>\$ 61,332</b>	<b>\$ 71,200</b>	<b>\$ 16,983</b>	<b>\$ 17,079</b>	<b>\$ 15,784</b>	<b>\$ 4,034</b>	<b>\$ 154,000</b>	<b>\$ 157,500</b>	<b>\$ 64,900</b>	<b>\$ 61,000</b>	<b>\$ 666,223</b>
<b>Expenses:</b>													
Banking Charges	\$ 12	\$ 8	\$ 2	\$ 55	\$ 2	\$ 2	\$ 2	\$ 2	\$ 30	\$ 30	\$ 3	\$ 30	\$ 177
Beverages / Snacks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300	\$ 300	\$ 300	\$ 300	\$ 1,200
Contractor / Consultant	\$ -	\$ 3,000	\$ 5,500	\$ 7,000	\$ 9,000	\$ 15,250	\$ 13,000	\$ 13,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 97,750
Electric	\$ 747	\$ 656	\$ 447	\$ 633	\$ 761	\$ 734	\$ 450	\$ 450	\$ 450	\$ 2,000	\$ 2,000	\$ 2,000	\$ 11,329
Entertainment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400	\$ 400	\$ 400	\$ 400	\$ 1,600
Event Costs	\$ 2,143	\$ 2,181	\$ -	\$ -	\$ -	\$ 1,074	\$ 1,000	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ 7,398
Insurance - Liability	\$ 61	\$ 61	\$ 61	\$ 61	\$ 61	\$ 61	\$ 61	\$ 61	\$ 150	\$ 150	\$ 150	\$ 150	\$ 1,089
Insurance - Medical	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ 2,500	\$ 2,500	\$ 2,500	\$ 9,500
Internet	\$ 33	\$ 342	\$ 51	\$ 261	\$ 45	\$ 45	\$ 45	\$ 45	\$ 50	\$ 1,900	\$ 1,900	\$ 1,900	\$ 6,618
Lease / Rent	\$ 8,100	\$ 8,100	\$ 8,100	\$ 8,505	\$ 8,100	\$ 8,100	\$ 3,700	\$ 3,700	\$ 3,700	\$ -	\$ 20,000	\$ 20,000	\$ 100,105
Legal & Professional Fees	\$ -	\$ 100	\$ 250	\$ 100	\$ 138	\$ 100	\$ 100	\$ 100	\$ 2,500	\$ -	\$ -	\$ 2,500	\$ 5,888
Marketing / Advertisement	\$ -	\$ -	\$ -	\$ 90	\$ 284	\$ -	\$ -	\$ -	\$ 5,000	\$ 2,500	\$ 500	\$ 5,000	\$ 13,374
Meals	\$ -	\$ -	\$ -	\$ 62	\$ 308	\$ -	\$ -	\$ -	\$ 250	\$ 250	\$ 250	\$ 250	\$ 1,370
Office Supplies	\$ 419	\$ 277	\$ 159	\$ 358	\$ 369	\$ 318	\$ 318	\$ 318	\$ 500	\$ 1,500	\$ 400	\$ 350	\$ 5,285
Print / Mail / Shipping	\$ -	\$ 38	\$ 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350	\$ 350	\$ 350	\$ 350	\$ 1,447
Repair & Maintenance	\$ -	\$ 94	\$ -	\$ -	\$ -	\$ 4	\$ -	\$ -	\$ -	\$ 150	\$ 150	\$ 150	\$ 548
Salaries	\$ 4,669	\$ 3,981	\$ 3,515	\$ 3,700	\$ -	\$ -	\$ -	\$ -	\$ 12,500	\$ 20,833	\$ 29,167	\$ 29,167	\$ 107,532
Salaries Bonuses / Commissions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries Taxes	\$ 1,028	\$ 822	\$ 791	\$ 123	\$ -	\$ -	\$ -	\$ -	\$ 1,750	\$ 2,938	\$ 4,104	\$ 4,104	\$ 15,660
Telecom Services	\$ 486	\$ 486	\$ 486	\$ 489	\$ 419	\$ 419	\$ 419	\$ 419	\$ 250	\$ 250	\$ 250	\$ 250	\$ 4,623
Trash / Cleaning	\$ 375	\$ 600	\$ -	\$ 150	\$ 300	\$ 300	\$ 300	\$ 300	\$ 750	\$ 750	\$ 750	\$ 750	\$ 5,325
Travel Costs	\$ -	\$ 230	\$ 88	\$ -	\$ 30	\$ -	\$ -	\$ -	\$ 300	\$ 300	\$ 300	\$ 1,500	\$ 2,747
Water	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100	\$ 100	\$ 100	\$ 100	\$ 400
<u>Other Costs</u>	<u>\$ 316</u>	<u>\$ 244</u>	<u>\$ 151</u>	<u>\$ 177</u>	<u>\$ 182</u>	<u>\$ 175</u>	<u>\$ 1,175</u>	<u>\$ 1,175</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 7,595</u>
<b>Total Expenses</b>	<b>\$ 18,389</b>	<b>\$ 21,219</b>	<b>\$ 19,610</b>	<b>\$ 21,765</b>	<b>\$ 19,999</b>	<b>\$ 26,581</b>	<b>\$ 20,570</b>	<b>\$ 20,570</b>	<b>\$ 40,330</b>	<b>\$ 46,201</b>	<b>\$ 72,574</b>	<b>\$ 80,751</b>	<b>\$ 408,560</b>
<b>Net Operating Income</b>	<b>\$ 3,244</b>	<b>\$ (441)</b>	<b>\$ 41,722</b>	<b>\$ 49,435</b>	<b>\$ (3,016)</b>	<b>\$ (9,502)</b>	<b>\$ (4,786)</b>	<b>\$ (16,536)</b>	<b>\$ 113,670</b>	<b>\$ 111,299</b>	<b>\$ (7,674)</b>	<b>\$ (19,751)</b>	<b>\$ 257,663</b>
<b>MIC Capex</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 90,000</b>	<b>\$ 85,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 175,000</b>
<b>Total Capital Spend</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 90,000</b>	<b>\$ 85,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 175,000</b>
<b>Return to Operations</b>	<b>\$ 3,244</b>	<b>\$ (441)</b>	<b>\$ 41,722</b>	<b>\$ 49,435</b>	<b>\$ (3,016)</b>	<b>\$ (9,502)</b>	<b>\$ (4,786)</b>	<b>\$ (16,536)</b>	<b>\$ 23,670</b>	<b>\$ 26,299</b>	<b>\$ (7,674)</b>	<b>\$ (19,751)</b>	<b>\$ 82,663</b>
<b>Cumulative Cash Flow</b>	<b>\$ 17,185</b>	<b>\$ 16,744</b>	<b>\$ 58,466</b>	<b>\$ 107,902</b>	<b>\$ 104,886</b>	<b>\$ 95,384</b>	<b>\$ 90,597</b>	<b>\$ 74,061</b>	<b>\$ 97,731</b>	<b>\$ 124,031</b>	<b>\$ 116,356</b>	<b>\$ 96,605</b>	

**McKinney Innovation Center- FY - 2018 Proforma**

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Total FY 2018
<b>Revenues and Investments:</b>													
Space Rentals MIC	\$ 12,383	\$ 18,161	\$ 20,638	\$ 24,765	\$ 28,893	\$ 33,020	\$ 37,148	\$ 41,275	\$ 45,403	\$ 49,530	\$ 53,658	\$ 57,785	\$ 422,656
CO- Working Rental Werx	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Event Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 10,000
Non- Mic Rental Commissions	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ 10,000
<u>Other Revenues</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub Total Ops Revenues</b>	<b>\$ 12,383</b>	<b>\$ 18,161</b>	<b>\$ 20,638</b>	<b>\$ 24,765</b>	<b>\$ 33,893</b>	<b>\$ 38,020</b>	<b>\$ 37,148</b>	<b>\$ 41,275</b>	<b>\$ 45,403</b>	<b>\$ 54,530</b>	<b>\$ 53,658</b>	<b>\$ 62,785</b>	<b>\$ 442,656</b>
<b>Community Investments</b>													
RIS Grant Match	\$ -	\$ -	\$ -	\$ 54,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,000
Sponsorships	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
McKinney EDC Investment	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000
<u>Other Contributions / Grants</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub Total Investment Revenues</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 104,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 454,000</b>
<b>Total Revenues &amp; Investments</b>	<b>\$ 62,383</b>	<b>\$ 68,161</b>	<b>\$ 70,638</b>	<b>\$ 128,765</b>	<b>\$ 83,893</b>	<b>\$ 88,020</b>	<b>\$ 87,148</b>	<b>\$ 91,275</b>	<b>\$ 45,403</b>	<b>\$ 54,530</b>	<b>\$ 53,658</b>	<b>\$ 62,785</b>	<b>\$ 896,656</b>
<b>Expenses:</b>													
Banking Charges	\$ 30	\$ 30	\$ 30	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 540
Beverages / Snacks	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 3,600
Contractor / Consultant	\$ 8,000	\$ 8,000	\$ 8,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 54,000
Electric	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 24,000
Entertainment	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Event Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance - Liability	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 1,800
Insurance - Medical	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 30,000
Internet	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 22,800
Lease / Rent	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 26,667	\$ 26,667	\$ 26,667	\$ 26,667	\$ 26,667	\$ 273,333
Legal & Professional Fees	\$ -	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000
Marketing / Advertisement	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
Meals	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 3,600
Office Supplies	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 4,200
Print / Mail / Shipping	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 4,200
Repair & Maintenance	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 1,800
Salaries	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 350,004
Salaries Bonuses / Commissions	\$ -	\$ -	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000
Salaries Taxes	\$ 4,104	\$ 4,104	\$ 8,983	\$ 4,104	\$ 4,104	\$ 4,104	\$ 4,104	\$ 4,104	\$ 4,104	\$ 4,104	\$ 4,104	\$ 4,104	\$ 54,132
Telecom Services	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 3,000
Trash / Cleaning	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 9,000
Travel Costs	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ 4,500
Water	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
<u>Other Costs</u>	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
<b>Total Expenses</b>	<b>\$ 72,901</b>	<b>\$ 75,401</b>	<b>\$ 114,280</b>	<b>\$ 68,921</b>	<b>\$ 68,921</b>	<b>\$ 68,921</b>	<b>\$ 70,421</b>	<b>\$ 75,588</b>	<b>\$ 75,588</b>	<b>\$ 73,588</b>	<b>\$ 75,088</b>	<b>\$ 76,088</b>	<b>\$ 915,709</b>
<b>Net Operating Income</b>	<b>\$ (10,519)</b>	<b>\$ (7,240)</b>	<b>\$ (43,643)</b>	<b>\$ 59,844</b>	<b>\$ 14,971</b>	<b>\$ 19,099</b>	<b>\$ 16,726</b>	<b>\$ 15,687</b>	<b>\$ (30,186)</b>	<b>\$ (19,058)</b>	<b>\$ (21,431)</b>	<b>\$ (13,303)</b>	<b>\$ (19,053)</b>
<u>MIC Capex</u>	\$ -	\$ -	\$ -	\$ 23,333	\$ -	\$ -	\$ -	\$ 23,333	\$ -	\$ -	\$ -	\$ 23,334	\$ 70,000
<b>Total Capital Spend</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,333</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,333</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,334</b>	<b>\$ 70,000</b>
<b>Return to Operations</b>	<b>\$ (10,519)</b>	<b>\$ (7,240)</b>	<b>\$ (43,643)</b>	<b>\$ 36,511</b>	<b>\$ 14,971</b>	<b>\$ 19,099</b>	<b>\$ 16,726</b>	<b>\$ (7,646)</b>	<b>\$ (30,186)</b>	<b>\$ (19,058)</b>	<b>\$ (21,431)</b>	<b>\$ (36,637)</b>	<b>\$ (89,053)</b>
Cumulative Cash Flow	\$ 86,086	\$ 78,846	\$ 35,203	\$ 71,713	\$ 86,685	\$ 105,783	\$ 122,509	\$ 114,863	\$ 84,678	\$ 65,620	\$ 44,189	\$ 7,552	

# McKinney Innovation Center- FY - 2019 Proforma

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Total FY 2019
<b>Revenues and Investments:</b>													
Space Rentals MIC	\$ 61,913	\$ 66,040	\$ 70,168	\$ 74,295	\$ 78,423	\$ 82,550	\$ 82,550	\$ 82,550	\$ 82,550	\$ 82,550	\$ 82,550	\$ 86,678	\$ 932,815
CO- Working Rental Werx	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non- Mic Rental Commissions	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ 10,000
Event Revenues	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ 10,000
<u>Other Revenues</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub Total Ops Revenues</b>	<b>\$ 61,913</b>	<b>\$ 66,040</b>	<b>\$ 75,168</b>	<b>\$ 74,295</b>	<b>\$ 83,423</b>	<b>\$ 82,550</b>	<b>\$ 82,550</b>	<b>\$ 82,550</b>	<b>\$ 87,550</b>	<b>\$ 87,550</b>	<b>\$ 82,550</b>	<b>\$ 86,678</b>	<b>\$ 952,815</b>
<b>Community Investments</b>													
RIS Grant Match	\$ -	\$ -	\$ -	\$ 54,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,000
Sponsorships	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
McKinney EDC Investment	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
<u>Other Contributions / Grants</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub Total Investment Revenues</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 104,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 254,000</b>
<b>Total Revenues &amp; Investments</b>	<b>\$ 111,913</b>	<b>\$ 116,040</b>	<b>\$ 125,168</b>	<b>\$ 178,295</b>	<b>\$ 83,423</b>	<b>\$ 82,550</b>	<b>\$ 82,550</b>	<b>\$ 82,550</b>	<b>\$ 87,550</b>	<b>\$ 87,550</b>	<b>\$ 82,550</b>	<b>\$ 86,678</b>	<b>\$ 1,206,815</b>
<b>Expenses:</b>													
Banking Charges	\$ 30	\$ 30	\$ 30	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 540
Beverages / Snacks	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 3,600
Contractor / Consultant	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 24,000
Electric	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 24,000
Entertainment	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Event Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance - Liability	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 1,800
Insurance - Medical	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 30,000
Internet	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 22,800
Lease / Rent	\$ 26,667	\$ 26,667	\$ 26,667	\$ 33,333	\$ 33,333	\$ 33,333	\$ 33,333	\$ 33,333	\$ 33,333	\$ 33,333	\$ 33,333	\$ 33,333	\$ 380,000
Legal & Professional Fees	\$ -	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500	\$ 5,000
Marketing / Advertisement	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
Meals	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 3,600
Office Supplies	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 4,200
Print / Mail / Shipping	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 4,200
Repair & Maintenance	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 1,800
Salaries	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 350,004
Salaries Bonuses / Commissions	\$ -	\$ -	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000
Salaries Taxes	\$ 4,104	\$ 4,104	\$ 8,983	\$ 4,104	\$ 4,104	\$ 4,104	\$ 4,104	\$ 4,104	\$ 4,104	\$ 4,104	\$ 4,104	\$ 4,104	\$ 54,132
Telecom Services	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 3,000
Trash / Cleaning	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 9,000
Travel Costs	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ 4,500
Water	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
<u>Other Costs</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 12,000</u>
<b>Total Expenses</b>	<b>\$ 73,568</b>	<b>\$ 76,068</b>	<b>\$ 114,947</b>	<b>\$ 80,255</b>	<b>\$ 80,255</b>	<b>\$ 80,255</b>	<b>\$ 81,755</b>	<b>\$ 80,255</b>	<b>\$ 80,255</b>	<b>\$ 80,255</b>	<b>\$ 81,755</b>	<b>\$ 82,755</b>	<b>\$ 992,376</b>
<b>Net Operating Income</b>	<b>\$ 38,344</b>	<b>\$ 39,972</b>	<b>\$ 10,220</b>	<b>\$ 98,040</b>	<b>\$ 3,168</b>	<b>\$ 2,295</b>	<b>\$ 795</b>	<b>\$ 2,295</b>	<b>\$ 7,295</b>	<b>\$ 7,295</b>	<b>\$ 795</b>	<b>\$ 3,923</b>	<b>\$ 214,439</b>
<u>MIC Capex</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,000</u>	<u>\$ -</u>	<u>\$ 33,000</u>
<b>Total Capital Spend</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,000</b>	<b>\$ -</b>	<b>\$ 33,000</b>
<u><b>Return to Operations</b></u>	<u><b>\$ 38,344</b></u>	<u><b>\$ 39,972</b></u>	<u><b>\$ 10,220</b></u>	<u><b>\$ 98,040</b></u>	<u><b>\$ (7,832)</b></u>	<u><b>\$ 2,295</b></u>	<u><b>\$ 795</b></u>	<u><b>\$ (8,705)</b></u>	<u><b>\$ 7,295</b></u>	<u><b>\$ 7,295</b></u>	<u><b>\$ (10,205)</b></u>	<u><b>\$ 3,923</b></u>	<u><b>\$ 181,439</b></u>
Cumulative Cash Flow	\$ 45,896	\$ 85,868	\$ 96,089	\$ 194,129	\$ 186,297	\$ 188,592	\$ 189,388	\$ 180,683	\$ 187,978	\$ 195,273	\$ 185,069	\$ 188,991	

# McKinney Innovation Center- FY - 2020 Proforma

	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Total FY 2020
<b>Revenues and Investments:</b>													
Space Rentals MIC	\$ 86,678	\$ 86,678	\$ 86,678	\$ 86,678	\$ 86,678	\$ 86,678	\$ 86,678	\$ 86,678	\$ 86,678	\$ 90,805	\$ 90,805	\$ 90,805	\$ 1,052,513
CO- Working Rental Werx	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non- Mic Rental Commissions	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ 10,000
Event Revenues	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ 10,000
<u>Other Revenues</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub Total Ops Revenues</b>	<b>\$ 86,678</b>	<b>\$ 86,678</b>	<b>\$ 91,678</b>	<b>\$ 86,678</b>	<b>\$ 91,678</b>	<b>\$ 86,678</b>	<b>\$ 86,678</b>	<b>\$ 86,678</b>	<b>\$ 91,678</b>	<b>\$ 95,805</b>	<b>\$ 90,805</b>	<b>\$ 90,805</b>	<b>\$ 1,072,513</b>
<b>Community Investments</b>													
RIS Grant Match	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sponsorships	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
McKinney EDC Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Other Contributions / Grants</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub Total Investment Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Revenues &amp; Investments</b>	<b>\$ 86,678</b>	<b>\$ 86,678</b>	<b>\$ 91,678</b>	<b>\$ 86,678</b>	<b>\$ 91,678</b>	<b>\$ 86,678</b>	<b>\$ 86,678</b>	<b>\$ 86,678</b>	<b>\$ 91,678</b>	<b>\$ 95,805</b>	<b>\$ 90,805</b>	<b>\$ 90,805</b>	<b>\$ 1,072,513</b>
<b>Expenses:</b>													
Banking Charges	\$ 30	\$ 30	\$ 30	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 540
Beverages / Snacks	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 3,600
Contractor / Consultant	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 24,000
Electric	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 24,000
Entertainment	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Event Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance - Liability	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 1,800
Insurance - Medical	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 30,000
Internet	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 22,800
Lease / Rent	\$ 33,333	\$ 33,333	\$ 33,333	\$ 33,333	\$ 33,333	\$ 33,333	\$ 33,333	\$ 33,333	\$ 33,333	\$ 33,333	\$ 33,333	\$ 33,333	\$ 400,000
Legal & Professional Fees	\$ -	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000
Marketing / Advertisement	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
Meals	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 3,600
Office Supplies	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 4,200
Print / Mail / Shipping	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 4,200
Repair & Maintenance	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 1,800
Salaries	\$ 30,625	\$ 30,625	\$ 30,625	\$ 32,084	\$ 32,084	\$ 32,084	\$ 32,084	\$ 32,084	\$ 32,084	\$ 32,084	\$ 32,084	\$ 32,084	\$ 380,629
Salaries Bonuses / Commissions	\$ -	\$ -	\$ 38,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,500
Salaries Taxes	\$ 4,309	\$ 4,309	\$ 4,309	\$ 4,513	\$ 4,513	\$ 4,513	\$ 4,513	\$ 4,513	\$ 4,513	\$ 4,513	\$ 4,513	\$ 4,513	\$ 53,540
Telecom Services	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 3,000
Trash / Cleaning	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 9,000
Travel Costs	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ 4,500
Water	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
<u>Other Costs</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 12,000</u>
<b>Total Expenses</b>	<b>\$ 81,897</b>	<b>\$ 84,397</b>	<b>\$ 121,897</b>	<b>\$ 83,580</b>	<b>\$ 83,580</b>	<b>\$ 83,580</b>	<b>\$ 85,080</b>	<b>\$ 83,580</b>	<b>\$ 83,580</b>	<b>\$ 83,580</b>	<b>\$ 85,080</b>	<b>\$ 86,080</b>	<b>\$ 1,045,909</b>
<b>Net Operating Income</b>	<b>\$ 4,780</b>	<b>\$ 2,280</b>	<b>\$ (30,220)</b>	<b>\$ 3,098</b>	<b>\$ 8,098</b>	<b>\$ 3,098</b>	<b>\$ 1,598</b>	<b>\$ 3,098</b>	<b>\$ 8,098</b>	<b>\$ 12,225</b>	<b>\$ 5,725</b>	<b>\$ 4,725</b>	<b>\$ 26,603</b>
<b>MIC Capex</b>													
<u>Total Capital Spend</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>
<b>Return to Operations</b>	<b>\$ 4,780</b>	<b>\$ 2,280</b>	<b>\$ (30,220)</b>	<b>\$ 3,098</b>	<b>\$ 8,098</b>	<b>\$ (1,902)</b>	<b>\$ 1,598</b>	<b>\$ 3,098</b>	<b>\$ 8,098</b>	<b>\$ 12,225</b>	<b>\$ 5,725</b>	<b>\$ 4,725</b>	<b>\$ 21,603</b>
<b>Cumulative Cash Flow</b>	<b>\$ 193,772</b>	<b>\$ 196,052</b>	<b>\$ 165,832</b>	<b>\$ 168,930</b>	<b>\$ 177,028</b>	<b>\$ 175,126</b>	<b>\$ 176,723</b>	<b>\$ 179,821</b>	<b>\$ 187,919</b>	<b>\$ 200,144</b>	<b>\$ 205,869</b>	<b>\$ 210,595</b>	

# McKinney Innovation Center- FY - 2021 Proforma

	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Total FY 2021
<b>Revenues and Investments:</b>													
Space Rentals MIC	\$ 94,933	\$ 94,933	\$ 94,933	\$ 94,933	\$ 94,933	\$ 94,933	\$ 94,933	\$ 94,933	\$ 94,933	\$ 94,933	\$ 94,933	\$ 94,933	\$ 1,139,190
CO- Working Rental Wex	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non- Mic Rental Commissions	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ 10,000
Event Revenues	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ 10,000
<u>Other Revenues</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub Total Ops Revenues</b>	<b>\$ 94,933</b>	<b>\$ 94,933</b>	<b>\$ 99,933</b>	<b>\$ 94,933</b>	<b>\$ 99,933</b>	<b>\$ 94,933</b>	<b>\$ 94,933</b>	<b>\$ 94,933</b>	<b>\$ 99,933</b>	<b>\$ 99,933</b>	<b>\$ 94,933</b>	<b>\$ 94,933</b>	<b>\$ 1,159,190</b>
Community Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RIS Grant Match	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sponsorships	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
McKinney EDC Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Other Contributions / Grants</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub Total Investment Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Revenues &amp; Investments</b>	<b>\$ 94,933</b>	<b>\$ 94,933</b>	<b>\$ 99,933</b>	<b>\$ 94,933</b>	<b>\$ 99,933</b>	<b>\$ 94,933</b>	<b>\$ 94,933</b>	<b>\$ 94,933</b>	<b>\$ 99,933</b>	<b>\$ 99,933</b>	<b>\$ 94,933</b>	<b>\$ 94,933</b>	<b>\$ 1,159,190</b>
<b>Expenses:</b>													
Banking Charges	\$ 30	\$ 30	\$ 30	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 540
Beverages / Snacks	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 3,600
Contractor / Consultant	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 24,000
Electric	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 24,000
Entertainment	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Event Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance - Liability	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 1,800
Insurance - Medical	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 30,000
Internet	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 22,800
Lease / Rent	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 450,000
Legal & Professional Fees	\$ -	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500	\$ 5,000
Marketing / Advertisement	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
Meals	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 3,600
Office Supplies	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 4,200
Print / Mail / Shipping	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 4,200
Repair & Maintenance	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 1,800
Salaries	\$ 32,667	\$ 32,667	\$ 32,667	\$ 32,667	\$ 32,667	\$ 32,667	\$ 32,667	\$ 32,667	\$ 32,667	\$ 32,667	\$ 32,667	\$ 32,667	\$ 392,004
Salaries Bonuses / Commissions	\$ -	\$ -	\$ 39,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,000
Salaries Taxes	\$ 4,594	\$ 4,594	\$ 4,594	\$ 4,594	\$ 4,594	\$ 4,594	\$ 4,594	\$ 4,594	\$ 4,594	\$ 4,594	\$ 4,594	\$ 4,594	\$ 55,133
Telecom Services	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 3,000
Trash / Cleaning	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 9,000
Travel Costs	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ 4,500
Water	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
<u>Other Costs</u>	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
<b>Total Expenses</b>	<b>\$ 88,391</b>	<b>\$ 90,891</b>	<b>\$ 128,891</b>	<b>\$ 88,411</b>	<b>\$ 88,411</b>	<b>\$ 88,411</b>	<b>\$ 89,911</b>	<b>\$ 88,411</b>	<b>\$ 88,411</b>	<b>\$ 88,411</b>	<b>\$ 89,911</b>	<b>\$ 90,911</b>	<b>\$ 1,109,377</b>
<b>Net Operating Income</b>	<b>\$ 6,541</b>	<b>\$ 4,041</b>	<b>\$ (28,959)</b>	<b>\$ 6,521</b>	<b>\$ 11,521</b>	<b>\$ 6,521</b>	<b>\$ 5,021</b>	<b>\$ 6,521</b>	<b>\$ 11,521</b>	<b>\$ 11,521</b>	<b>\$ 5,021</b>	<b>\$ 4,021</b>	<b>\$ 49,813</b>
<u>MIC Capex</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Capital Spend</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,000</b>
<b>Return to Operations</b>	<b>\$ 6,541</b>	<b>\$ 4,041</b>	<b>\$ (28,959)</b>	<b>\$ 6,521</b>	<b>\$ 11,521</b>	<b>\$ 1,521</b>	<b>\$ 5,021</b>	<b>\$ 6,521</b>	<b>\$ 11,521</b>	<b>\$ 11,521</b>	<b>\$ 5,021</b>	<b>\$ 4,021</b>	<b>\$ 44,813</b>
Cumulative Cash Flow	\$ 217,136	\$ 221,177	\$ 192,218	\$ 198,739	\$ 210,260	\$ 211,781	\$ 216,802	\$ 223,323	\$ 234,844	\$ 246,365	\$ 251,386	\$ 255,407	

# McKinney Innovation Center- FY - 2017 Proforma

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Total FY 2017
Actual	Actual	Actual	Actual	Actual	Actual	Actual							
<b>Revenues and Investments:</b>													
Space Rentals MIC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,000
CO- Working Rental Wierx	\$ 5,230	\$ 8,200	\$ (550)	\$ 5,450	\$ 5,225	\$ 4,525	\$ 4,000	\$ 4,000	\$ 4,000	\$ -	\$ -	\$ -	\$ 40,080
Event Revenues	\$ 2,914	\$ 1,485	\$ (3,867)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 532
Non- Mic Rental Commissions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,400	\$ -	\$ 6,400
Other Revenues	\$ 2,367	\$ 1,181	\$ -	\$ -	\$ -	\$ 304	\$ 34	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,920
<b>Sub Total Ops Revenues</b>	<b>\$ 10,511</b>	<b>\$ 10,866</b>	<b>\$ (4,417)</b>	<b>\$ 5,450</b>	<b>\$ 5,225</b>	<b>\$ 4,829</b>	<b>\$ 4,034</b>	<b>\$ 4,034</b>	<b>\$ 4,000</b>	<b>\$ 7,500</b>	<b>\$ 14,900</b>	<b>\$ 11,000</b>	<b>\$ 77,932</b>
Community Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
RIS Grant Match	\$ -	\$ -	\$ -	\$ 54,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,000
Sponsorships	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	\$ -	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000
McKinney EDC Investment	\$ 9,000	\$ 9,000	\$ 5,049	\$ 11,750	\$ 11,750	\$ 11,750	\$ -	\$ -	\$ 150,000	\$ 150,000	\$ 50,000	\$ 50,000	\$ 470,049
Other Contributions / Grants	\$ 2,122	\$ 912	\$ 700	\$ -	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,742
<b>Sub Total Investment Revenues</b>	<b>\$ 11,122</b>	<b>\$ 9,912</b>	<b>\$ 65,749</b>	<b>\$ 65,750</b>	<b>\$ 11,758</b>	<b>\$ 12,250</b>	<b>\$ 11,750</b>	<b>\$ -</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 588,291</b>
<b>Total Revenues &amp; Investments</b>	<b>\$ 21,633</b>	<b>\$ 20,778</b>	<b>\$ 61,332</b>	<b>\$ 71,200</b>	<b>\$ 16,983</b>	<b>\$ 17,079</b>	<b>\$ 15,784</b>	<b>\$ 4,034</b>	<b>\$ 154,000</b>	<b>\$ 157,500</b>	<b>\$ 64,900</b>	<b>\$ 61,000</b>	<b>\$ 666,223</b>
<b>Expenses:</b>													
Banking Charges	\$ 12	\$ 8	\$ 2	\$ 55	\$ 2	\$ 2	\$ 2	\$ 2	\$ 30	\$ 30	\$ 3	\$ 3	\$ 177
Beverages / Snacks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300	\$ 300	\$ 300	\$ 300	\$ 1,200
Contractor / Consultant	\$ -	\$ 3,000	\$ 5,500	\$ 7,000	\$ 9,000	\$ 15,250	\$ 13,000	\$ 13,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 97,750
Electric	\$ 747	\$ 656	\$ 447	\$ 633	\$ 761	\$ 734	\$ 450	\$ 450	\$ 450	\$ 2,000	\$ 2,000	\$ 2,000	\$ 11,329
Entertainment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400	\$ 400	\$ 400	\$ 400	\$ 1,600
Event Costs	\$ 2,143	\$ 2,181	\$ -	\$ -	\$ -	\$ 1,074	\$ 1,000	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ 7,398
Insurance - Liability	\$ 61	\$ 61	\$ 61	\$ 61	\$ 61	\$ 61	\$ 61	\$ 61	\$ 150	\$ 150	\$ 150	\$ 150	\$ 1,089
Insurance - Medical	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ 2,500	\$ 2,500	\$ 2,500	\$ 9,500
Internet	\$ 33	\$ 342	\$ 51	\$ 261	\$ 45	\$ 45	\$ 45	\$ 45	\$ 50	\$ 1,900	\$ 1,900	\$ 1,900	\$ 6,618
Lease / Rent	\$ 8,100	\$ 8,100	\$ 8,100	\$ 8,505	\$ 8,100	\$ 8,100	\$ 3,700	\$ 3,700	\$ 3,700	\$ -	\$ 20,000	\$ 20,000	\$ 100,105
Legal & Professional Fees	\$ -	\$ 100	\$ 250	\$ 100	\$ 138	\$ 100	\$ 100	\$ 100	\$ 2,500	\$ -	\$ -	\$ -	\$ 5,888
Marketing / Advertisement	\$ -	\$ -	\$ -	\$ 90	\$ 284	\$ -	\$ -	\$ -	\$ 5,000	\$ 2,500	\$ 500	\$ 5,000	\$ 13,374
Meals	\$ -	\$ -	\$ -	\$ 62	\$ 308	\$ -	\$ -	\$ -	\$ 250	\$ 250	\$ 250	\$ 250	\$ 1,370
Office Supplies	\$ 419	\$ 277	\$ 159	\$ 358	\$ 369	\$ 318	\$ 318	\$ 318	\$ 500	\$ 1,500	\$ 400	\$ 350	\$ 5,285
Print / Mail / Shipping	\$ -	\$ 38	\$ 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350	\$ 350	\$ 350	\$ 350	\$ 1,447
Repair & Maintenance	\$ -	\$ 94	\$ -	\$ -	\$ -	\$ 4	\$ -	\$ -	\$ -	\$ 150	\$ 150	\$ 150	\$ 548
Salaries	\$ 4,669	\$ 3,981	\$ 3,515	\$ 3,700	\$ -	\$ -	\$ -	\$ -	\$ 12,500	\$ 20,833	\$ 29,167	\$ 29,167	\$ 107,532
Salaries Bonuses / Commissions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries Taxes	\$ 1,028	\$ 822	\$ 791	\$ 123	\$ -	\$ -	\$ -	\$ -	\$ 1,750	\$ 2,938	\$ 4,104	\$ 4,104	\$ 15,660
Telecom Services	\$ 486	\$ 486	\$ 486	\$ 489	\$ 419	\$ 419	\$ 419	\$ 419	\$ 250	\$ 250	\$ 250	\$ 250	\$ 4,623
Trash / Cleaning	\$ 375	\$ 600	\$ -	\$ 150	\$ 300	\$ 300	\$ 300	\$ 300	\$ 750	\$ 750	\$ 750	\$ 750	\$ 5,325
Travel Costs	\$ -	\$ 230	\$ 88	\$ -	\$ 30	\$ -	\$ -	\$ -	\$ 300	\$ 300	\$ 300	\$ 300	\$ 2,747
Water	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100	\$ 100	\$ 100	\$ 100	\$ 400
Other Costs	\$ 316	\$ 244	\$ 151	\$ 177	\$ 182	\$ 175	\$ 1,175	\$ 1,175	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 7,595
<b>Total Expenses</b>	<b>\$ 18,389</b>	<b>\$ 21,219</b>	<b>\$ 19,610</b>	<b>\$ 21,765</b>	<b>\$ 19,999</b>	<b>\$ 26,581</b>	<b>\$ 20,570</b>	<b>\$ 20,570</b>	<b>\$ 40,330</b>	<b>\$ 46,201</b>	<b>\$ 72,574</b>	<b>\$ 80,751</b>	<b>\$ 408,560</b>
<b>Net Operating Income</b>	<b>\$ 3,244</b>	<b>\$ (441)</b>	<b>\$ 41,722</b>	<b>\$ 49,435</b>	<b>\$ (3,016)</b>	<b>\$ (9,502)</b>	<b>\$ (4,786)</b>	<b>\$ (16,536)</b>	<b>\$ 113,670</b>	<b>\$ 111,299</b>	<b>\$ (7,674)</b>	<b>\$ (19,751)</b>	<b>\$ 257,663</b>
MIC Capex	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,000	\$ 85,000	\$ -	\$ -	\$ 175,000
<b>Total Capital Spend</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 90,000</b>	<b>\$ 85,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 175,000</b>
<b>Return to Operations</b>	<b>\$ 3,244</b>	<b>\$ (441)</b>	<b>\$ 41,722</b>	<b>\$ 49,435</b>	<b>\$ (3,016)</b>	<b>\$ (9,502)</b>	<b>\$ (4,786)</b>	<b>\$ (16,536)</b>	<b>\$ 23,670</b>	<b>\$ 26,299</b>	<b>\$ (7,674)</b>	<b>\$ (19,751)</b>	<b>\$ 82,663</b>
Cumulative Cash Flow	\$ 17,185	\$ 16,744	\$ 58,466	\$ 107,902	\$ 104,886	\$ 95,384	\$ 90,597	\$ 74,061	\$ 97,731	\$ 124,031	\$ 116,356	\$ 96,605	



# McKinney Innovation Center- FY - 2018 Proforma

## Revenues and Investments:

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Total FY 2018
Space Rentals MIC	\$ 12,383	\$ 18,161	\$ 20,638	\$ 24,765	\$ 28,893	\$ 33,020	\$ 37,148	\$ 41,275	\$ 45,403	\$ 49,530	\$ 53,658	\$ 57,785	\$ 422,656
CO- Working Rental Werx	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Event Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 10,000
Non- Mic Rental Commissions	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ 10,000
Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub Total Ops Revenues</b>	<b>\$ 12,383</b>	<b>\$ 18,161</b>	<b>\$ 20,638</b>	<b>\$ 24,765</b>	<b>\$ 33,893</b>	<b>\$ 38,020</b>	<b>\$ 37,148</b>	<b>\$ 41,275</b>	<b>\$ 45,403</b>	<b>\$ 49,530</b>	<b>\$ 53,658</b>	<b>\$ 62,785</b>	<b>\$ 442,656</b>
Community Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RIS Grant Match	\$ -	\$ -	\$ -	\$ 54,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,000
Sponsorships	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
McKinney EDC Investment	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000
Other Contributions / Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub Total Investment Revenues</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 104,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 454,000</b>
<b>Total Revenues &amp; Investments</b>	<b>\$ 62,383</b>	<b>\$ 68,161</b>	<b>\$ 70,638</b>	<b>\$ 128,765</b>	<b>\$ 83,893</b>	<b>\$ 88,020</b>	<b>\$ 87,148</b>	<b>\$ 91,275</b>	<b>\$ 45,403</b>	<b>\$ 54,530</b>	<b>\$ 53,658</b>	<b>\$ 62,785</b>	<b>\$ 896,656</b>

## Expenses:

Banking Charges	\$ 30	\$ 30	\$ 30	\$ 30	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50
Beverages / Snacks	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 3,600
Contractor / Consultant	\$ 8,000	\$ 8,000	\$ 8,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 54,000
Electric	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 24,000
Entertainment	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Event Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance - Liability	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 1,800
Insurance - Medical	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 30,000
Internet	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 22,800
Lease / Rent	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 26,667	\$ 26,667	\$ 26,667	\$ 26,667	\$ 26,667	\$ 273,333
Legal & Professional Fees	\$ -	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500	\$ 5,000
Marketing / Advertisement	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
Meals	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 3,600
Office Supplies	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 4,200
Print / Mail / Shipping	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 4,200
Repair & Maintenance	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 1,800
Salaries	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 350,004
Salaries Bonuses / Commissions	\$ -	\$ -	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000
Salaries Taxes	\$ 4,104	\$ 4,104	\$ 8,983	\$ 4,104	\$ 4,104	\$ 4,104	\$ 4,104	\$ 4,104	\$ 4,104	\$ 4,104	\$ 4,104	\$ 4,104	\$ 54,132
Telecom Services	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 3,000
Trash / Cleaning	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 9,000
Travel Costs	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ 4,500
Water	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
Other Costs	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
<b>Total Expenses</b>	<b>\$ 72,901</b>	<b>\$ 75,401</b>	<b>\$ 114,280</b>	<b>\$ 68,921</b>	<b>\$ 68,921</b>	<b>\$ 68,921</b>	<b>\$ 70,431</b>	<b>\$ 75,588</b>	<b>\$ 75,588</b>	<b>\$ 73,588</b>	<b>\$ 75,088</b>	<b>\$ 76,088</b>	<b>\$ 915,709</b>

## Net Operating Income

	\$ (10,519)	\$ (7,240)	\$ (43,643)	\$ 59,844	\$ 14,971	\$ 19,099	\$ 16,726	\$ 15,687	\$ (30,186)	\$ (19,058)	\$ (21,431)	\$ (13,303)	\$ (19,053)
MIC Capex	\$ -	\$ -	\$ -	\$ 23,333	\$ -	\$ -	\$ -	\$ 23,333	\$ -	\$ -	\$ -	\$ 23,334	\$ 70,000
<b>Total Capital Spend</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,333</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,333</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,334</b>	<b>\$ 70,000</b>
<b>Return to Operations</b>	<b>\$ (10,519)</b>	<b>\$ (7,240)</b>	<b>\$ (43,643)</b>	<b>\$ 36,511</b>	<b>\$ 14,971</b>	<b>\$ 19,099</b>	<b>\$ 16,726</b>	<b>\$ (7,646)</b>	<b>\$ (30,186)</b>	<b>\$ (19,058)</b>	<b>\$ (21,431)</b>	<b>\$ (36,637)</b>	<b>\$ (89,053)</b>
Cumulative Cash Flow	\$ 86,086	\$ 78,846	\$ 35,203	\$ 71,713	\$ 86,685	\$ 105,783	\$ 122,509	\$ 114,863	\$ 84,678	\$ 65,620	\$ 44,189	\$ 7,552	



# McKinney Innovation Center- FY - 2019 Proforma

	Oct-18	Nov-18	Dec-18	Jan -19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Total FY 2019
<b>Revenues and Investments:</b>													
Space Rentals MIC	\$ 61,913	\$ 66,040	\$ 70,168	\$ 74,295	\$ 78,423	\$ 82,550	\$ 82,550	\$ 82,550	\$ 82,550	\$ 82,550	\$ 82,550	\$ 86,678	\$ 932,815
CO- Working Rental Werx	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non- Mic Rental Commissions	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ 10,000
Event Revenues	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub Total Ops Revenues</b>	<b>\$ 61,913</b>	<b>\$ 66,040</b>	<b>\$ 75,168</b>	<b>\$ 74,295</b>	<b>\$ 83,423</b>	<b>\$ 82,550</b>	<b>\$ 82,550</b>	<b>\$ 82,550</b>	<b>\$ 87,550</b>	<b>\$ 87,550</b>	<b>\$ 82,550</b>	<b>\$ 86,678</b>	<b>\$ 952,815</b>
<b>Community Investments</b>													
RIS Grant Match	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sponsorships	\$ -	\$ -	\$ -	\$ 54,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,000
Donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
McKinney EDC Investment	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Other Contributions / Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub Total Investment Revenues</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 104,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 254,000</b>
<b>Total Revenues &amp; Investments</b>	<b>\$ 111,913</b>	<b>\$ 116,040</b>	<b>\$ 125,168</b>	<b>\$ 178,295</b>	<b>\$ 83,423</b>	<b>\$ 82,550</b>	<b>\$ 82,550</b>	<b>\$ 82,550</b>	<b>\$ 87,550</b>	<b>\$ 87,550</b>	<b>\$ 82,550</b>	<b>\$ 86,678</b>	<b>\$ 1,206,815</b>
<b>Expenses:</b>													
Banking Charges	\$ 30	\$ 30	\$ 30	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 540
Beverages / Snacks	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 3,600
Contractor / Consultant	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 24,000
Electric	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 24,000
Entertainment	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Event Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance - Liability	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 1,800
Insurance - Medical	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 30,000
Internet	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 22,800
Lease / Rent	\$ 26,667	\$ 26,667	\$ 26,667	\$ 33,333	\$ 33,333	\$ 33,333	\$ 33,333	\$ 33,333	\$ 33,333	\$ 33,333	\$ 33,333	\$ 33,333	\$ 380,000
Legal & Professional Fees	\$ -	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000
Marketing / Advertisement	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
Meals	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 3,600
Office Supplies	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 4,200
Print / Mail / Shipping	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 4,200
Repair & Maintenance	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 1,800
Salaries	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 29,167	\$ 350,004
Salaries Bonuses / Commissions	\$ -	\$ -	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000
Salaries Taxes	\$ 4,104	\$ 4,104	\$ 8,983	\$ 4,104	\$ 4,104	\$ 4,104	\$ 4,104	\$ 4,104	\$ 4,104	\$ 4,104	\$ 4,104	\$ 4,104	\$ 54,132
Telecom Services	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 3,000
Trash / Cleaning	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 9,000
Travel Costs	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ 4,500
Water	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
Other Costs	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
<b>Total Expenses</b>	<b>\$ 73,568</b>	<b>\$ 76,068</b>	<b>\$ 114,947</b>	<b>\$ 80,255</b>	<b>\$ 80,255</b>	<b>\$ 80,255</b>	<b>\$ 81,755</b>	<b>\$ 80,255</b>	<b>\$ 80,255</b>	<b>\$ 80,255</b>	<b>\$ 81,755</b>	<b>\$ 82,755</b>	<b>\$ 992,376</b>
<b>Net Operating Income</b>	<b>\$ 38,344</b>	<b>\$ 39,972</b>	<b>\$ 10,220</b>	<b>\$ 98,040</b>	<b>\$ 3,168</b>	<b>\$ 2,295</b>	<b>\$ 795</b>	<b>\$ 2,295</b>	<b>\$ 7,295</b>	<b>\$ 7,295</b>	<b>\$ 795</b>	<b>\$ 3,923</b>	<b>\$ 214,439</b>
<b>MIC Capex</b>													
<b>Total Capital Spend</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,000</b>	<b>\$ -</b>	<b>\$ 33,000</b>
<b>Return to Operations</b>	<b>\$ 38,344</b>	<b>\$ 39,972</b>	<b>\$ 10,220</b>	<b>\$ 98,040</b>	<b>\$ (7,832)</b>	<b>\$ 2,295</b>	<b>\$ 795</b>	<b>\$ (8,705)</b>	<b>\$ 7,295</b>	<b>\$ 7,295</b>	<b>\$ (10,205)</b>	<b>\$ 3,923</b>	<b>\$ 181,439</b>
<b>Cumulative Cash Flow</b>	<b>\$ 45,896</b>	<b>\$ 85,868</b>	<b>\$ 96,089</b>	<b>\$ 194,129</b>	<b>\$ 186,297</b>	<b>\$ 188,592</b>	<b>\$ 189,388</b>	<b>\$ 180,683</b>	<b>\$ 187,978</b>	<b>\$ 195,273</b>	<b>\$ 185,069</b>	<b>\$ 188,951</b>	

# McKinney Innovation Center- FY - 2020 Proforma

	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Total FY 2020
<b>Revenues and Investments:</b>													
Space Rentals MIC	\$ 86,678	\$ 86,678	\$ 86,678	\$ 86,678	\$ 86,678	\$ 86,678	\$ 86,678	\$ 86,678	\$ 86,678	\$ 90,805	\$ 90,805	\$ 90,805	\$ 1,052,513
CO- Working Rental Werx	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non- Mic Rental Commissions	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ 10,000
Event Revenues	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ 10,000
Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub Total Ops Revenues</b>	<b>\$ 86,678</b>	<b>\$ 86,678</b>	<b>\$ 91,678</b>	<b>\$ 86,678</b>	<b>\$ 91,678</b>	<b>\$ 86,678</b>	<b>\$ 86,678</b>	<b>\$ 86,678</b>	<b>\$ 91,678</b>	<b>\$ 95,805</b>	<b>\$ 90,805</b>	<b>\$ 90,805</b>	<b>\$ 1,072,513</b>
<b>Community Investments</b>													
RIS Grant Match	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sponsorships	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
McKinney EDC Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Contributions / Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub Total Investment Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Revenues &amp; Investments</b>	<b>\$ 86,678</b>	<b>\$ 86,678</b>	<b>\$ 91,678</b>	<b>\$ 86,678</b>	<b>\$ 91,678</b>	<b>\$ 86,678</b>	<b>\$ 86,678</b>	<b>\$ 86,678</b>	<b>\$ 91,678</b>	<b>\$ 95,805</b>	<b>\$ 90,805</b>	<b>\$ 90,805</b>	<b>\$ 1,072,513</b>
<b>Expenses:</b>													
Banking Charges	\$ 30	\$ 30	\$ 30	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 540
Beverages / Snacks	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 3,600
Contractor / Consultant	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 24,000
Electric	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 24,000
Entertainment	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Event Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance - Liability	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 1,800
Insurance - Medical	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 30,000
Internet	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 22,800
Lease / Rent	\$ 33,333	\$ 33,333	\$ 33,333	\$ 33,333	\$ 33,333	\$ 33,333	\$ 33,333	\$ 33,333	\$ 33,333	\$ 33,333	\$ 33,333	\$ 33,333	\$ 400,000
Legal & Professional Fees	\$ -	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000
Marketing / Advertisement	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
Meals	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 3,600
Office Supplies	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 4,200
Print / Mail / Shipping	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 4,200
Repair & Maintenance	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 1,800
Salaries	\$ 30,625	\$ 30,625	\$ 30,625	\$ 32,084	\$ 32,084	\$ 32,084	\$ 32,084	\$ 32,084	\$ 32,084	\$ 32,084	\$ 32,084	\$ 32,084	\$ 380,629
Salaries Bonuses / Commissions	\$ -	\$ -	\$ 38,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,500
Salaries Taxes	\$ 4,309	\$ 4,309	\$ 4,309	\$ 4,513	\$ 4,513	\$ 4,513	\$ 4,513	\$ 4,513	\$ 4,513	\$ 4,513	\$ 4,513	\$ 4,513	\$ 53,540
Telecom Services	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 3,000
Trash / Cleaning	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 9,000
Travel Costs	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ 4,500
Water	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
Other Costs	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
<b>Total Expenses</b>	<b>\$ 81,897</b>	<b>\$ 84,397</b>	<b>\$ 121,897</b>	<b>\$ 83,580</b>	<b>\$ 83,580</b>	<b>\$ 83,580</b>	<b>\$ 85,080</b>	<b>\$ 83,580</b>	<b>\$ 83,580</b>	<b>\$ 83,580</b>	<b>\$ 85,080</b>	<b>\$ 86,080</b>	<b>\$ 1,045,909</b>
<b>Net Operating Income</b>	<b>\$ 4,780</b>	<b>\$ 2,280</b>	<b>\$ (30,220)</b>	<b>\$ 3,098</b>	<b>\$ 8,098</b>	<b>\$ 3,098</b>	<b>\$ 1,598</b>	<b>\$ 3,098</b>	<b>\$ 8,098</b>	<b>\$ 12,225</b>	<b>\$ 5,725</b>	<b>\$ 4,725</b>	<b>\$ 26,603</b>
<b>MIC Capex</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Capital Spend</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,000</b>
<b>Return to Operations</b>	<b>\$ 4,780</b>	<b>\$ 2,280</b>	<b>\$ (30,220)</b>	<b>\$ 3,098</b>	<b>\$ 8,098</b>	<b>\$ (1,902)</b>	<b>\$ 1,598</b>	<b>\$ 3,098</b>	<b>\$ 8,098</b>	<b>\$ 12,225</b>	<b>\$ 5,725</b>	<b>\$ 4,725</b>	<b>\$ 21,603</b>
<b>Cumulative Cash Flow</b>	<b>\$ 193,772</b>	<b>\$ 196,052</b>	<b>\$ 165,832</b>	<b>\$ 168,930</b>	<b>\$ 177,028</b>	<b>\$ 175,126</b>	<b>\$ 176,723</b>	<b>\$ 179,821</b>	<b>\$ 187,919</b>	<b>\$ 200,144</b>	<b>\$ 205,869</b>	<b>\$ 210,595</b>	

McKinney Innovation Center- FY - 2021 Proforma

	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Total FY 2021
<b>Revenues and Investments:</b>													
Space Rentals MIC	\$ 94,933	\$ 94,933	\$ 94,933	\$ 94,933	\$ 94,933	\$ 94,933	\$ 94,933	\$ 94,933	\$ 94,933	\$ 94,933	\$ 94,933	\$ 94,933	\$ 1,139,190
CO- Working Rental Werx	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non- Mic Rental Commissions	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ 10,000
Event Revenues	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ 10,000
<u>Other Revenues</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub Total Ops Revenues</b>	<b>\$ 94,933</b>	<b>\$ 94,933</b>	<b>\$ 99,933</b>	<b>\$ 94,933</b>	<b>\$ 99,933</b>	<b>\$ 94,933</b>	<b>\$ 94,933</b>	<b>\$ 94,933</b>	<b>\$ 99,933</b>	<b>\$ 99,933</b>	<b>\$ 94,933</b>	<b>\$ 94,933</b>	<b>\$ 1,159,190</b>
Community Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RIS Grant Match	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sponsorships	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
McKinney EDC Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Other Contributions / Grants</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub Total Investment Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Revenues &amp; Investments</b>	<b>\$ 94,933</b>	<b>\$ 94,933</b>	<b>\$ 99,933</b>	<b>\$ 94,933</b>	<b>\$ 99,933</b>	<b>\$ 94,933</b>	<b>\$ 94,933</b>	<b>\$ 94,933</b>	<b>\$ 99,933</b>	<b>\$ 99,933</b>	<b>\$ 94,933</b>	<b>\$ 94,933</b>	<b>\$ 1,159,190</b>
<b>Expenses:</b>													
Banking Charges	\$ 30	\$ 30	\$ 30	\$ 30	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 540
Beverages / Snacks	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 3,600
Contractor / Consultant	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 24,000
Electric	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 24,000
Entertainment	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Event Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance - Liability	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 1,800
Insurance - Medical	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 30,000
Internet	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 22,800
Lease / Rent	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 450,000
Legal & Professional Fees	\$ -	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000
Marketing / Advertisement	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
Meals	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 3,600
Office Supplies	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 4,200
Print / Mail / Shipping	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 4,200
Repair & Maintenance	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 1,800
Salaries	\$ 32,667	\$ 32,667	\$ 32,667	\$ 32,667	\$ 32,667	\$ 32,667	\$ 32,667	\$ 32,667	\$ 32,667	\$ 32,667	\$ 32,667	\$ 32,667	\$ 392,004
Salaries Bonuses / Commissions	\$ -	\$ -	\$ 39,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,000
Salaries Taxes	\$ 4,594	\$ 4,594	\$ 4,594	\$ 4,594	\$ 4,594	\$ 4,594	\$ 4,594	\$ 4,594	\$ 4,594	\$ 4,594	\$ 4,594	\$ 4,594	\$ 55,133
Telecom Services	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 3,000
Trash / Cleaning	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 9,000
Travel Costs	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ 4,500
Water	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
Other Costs	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
<b>Total Expenses</b>	<b>\$ 88,391</b>	<b>\$ 90,891</b>	<b>\$ 128,891</b>	<b>\$ 88,411</b>	<b>\$ 88,411</b>	<b>\$ 88,411</b>	<b>\$ 89,911</b>	<b>\$ 88,411</b>	<b>\$ 88,411</b>	<b>\$ 88,411</b>	<b>\$ 89,911</b>	<b>\$ 90,911</b>	<b>\$ 1,109,377</b>
<b>Net Operating Income</b>	<b>\$ 6,541</b>	<b>\$ 4,041</b>	<b>\$ (28,959)</b>	<b>\$ 6,521</b>	<b>\$ 11,521</b>	<b>\$ 6,521</b>	<b>\$ 5,021</b>	<b>\$ 6,521</b>	<b>\$ 11,521</b>	<b>\$ 11,521</b>	<b>\$ 5,021</b>	<b>\$ 4,021</b>	<b>\$ 49,813</b>
<u>MIC Capex</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Capital Spend</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,000</b>
<b>Return to Operations</b>	<b>\$ 6,541</b>	<b>\$ 4,041</b>	<b>\$ (28,959)</b>	<b>\$ 6,521</b>	<b>\$ 11,521</b>	<b>\$ 1,521</b>	<b>\$ 5,021</b>	<b>\$ 6,521</b>	<b>\$ 11,521</b>	<b>\$ 11,521</b>	<b>\$ 5,021</b>	<b>\$ 4,021</b>	<b>\$ 44,813</b>
<b>Cumulative Cash Flow</b>	<b>\$ 217,136</b>	<b>\$ 221,177</b>	<b>\$ 192,218</b>	<b>\$ 198,739</b>	<b>\$ 210,260</b>	<b>\$ 211,781</b>	<b>\$ 216,802</b>	<b>\$ 223,323</b>	<b>\$ 234,844</b>	<b>\$ 246,365</b>	<b>\$ 251,386</b>	<b>\$ 255,407</b>	

## Letters of Support

**From:** Nancy Cowlshaw [mailto:ncowlshaw@mckinneyisd.net]  
**Sent:** Sunday, March 19, 2017 4:31 PM  
**To:** John Valencia <Valencia@mckinneyedc.com>  
**Cc:** Nancy Cowlshaw <ncowlshaw@mckinneyisd.net>  
**Subject:** McKinney Innovation Center (MIC)

Please forward on my behalf.

03/20/2017

McKinney Economic Development Corporation  
5900 S. Lake Forest Drive, Suite 110  
McKinney, TX 75070

To Whom It May Concern,

I had the privilege of representing McKinney Independent School District at the event at which the vision was shared for what the McKinney Innovation Center (MIC) could be. I wanted to take a moment to whole heartedly endorse The WERX Foundation, Inc., The McKinney Innovation Center and its continued growth in conjunction with Collin College and The Maker Space. It is refreshing to see that the market demand for MIC has been validated. Interest in WERX will continue to increase as word of the MIC spreads.

Thanks so much!

Nancy A. Cowlshaw  
Director, Partners in Education  
McKinney Independent School District  
#1 Duvall Street  
McKinney, TX 75071



**2016 BEST PLACES TO WORK\***  
DALLAS BUSINESS JOURNAL



March 20, 2017

Darrell Auterson  
McKinney EDC  
5900 S. Lake Forest  
Suite 110  
McKinney, TX 75070

Dear Darrell:

I want to express my support and recommendation for the McKinney EDC to continue investing in the entrepreneurial community by relocating the WERX program to the former Blockbuster location.

I had the opportunity to visit the space at their open house last week, and I believe the location offers ample parking, space that can be expanded when growth demands, and a desirable location in McKinney with easy access to major thoroughfares. In addition, the space can be finished out to the desired specifications and parameters, which will ensure that the entrepreneurs will have an inviting, creative space.

I feel that if we want McKinney to be competitive in attracting creative, innovative, intellectual entrepreneurs, especially in the emerging technology arena, we need to have a program like WERX in place.

Thank you for considering my input.

Kindest regards,

John H. Rattan

**Corporate Office: 700 N. McDonald Street, McKinney, TX 75069 P: 972.547.0811 F: 972.542.8577**

Garland Location: 2054 Forest Lane, Ste. 450 Garland, TX 75042 P: 972.272.8821 F: 972.272.1277  
Prosper Location: 430 Business Park Drive, Prosper, TX 75078 P: 972.346.5150 F: 972.346.5145

[www.thebodyshoptx.com](http://www.thebodyshoptx.com)



# Center for the 21<sup>st</sup> Century

March 21, 2017

Jason K. Burress, JD  
Chairman of the Board of Directors  
McKinney Economic Development Corporation  
5900 S. Lake Forest Drive  
McKinney, Texas 75070

Dear Jason:

I have visited Texas Crossing two times in view of the McKinney Innovation Center (MIC) moving there. I really like the place for such an endeavor. It has an environment conducive to creativity and innovation. The lighting is good, and there are ample windows. There is sufficient space for various groups and individuals to perform their work. I can see a well-lighted facility with lots of green plants and indoor gardens furnishing the energy for making things happen for the MIC. This space allows for the design and décor for promoting a creative atmosphere. In contrast to the current location of WERX, Texas Crossing is much better and will promote better outcomes (in my opinion).

I feel that it is very important for McKinney to have a state-of-the-art facility to offer maker space and to facilitate the success of the incubator/accelerator concept. Also, I know other initiatives are planned for the McKinney Innovation Center. I don't know the financial component of the business plan nor do I know exactly how recruitment is to take place. But I do know that it is important to make the numbers work and to target high-level participants in order to maximize economic impact of the MIC. Texas Crossing will offer a more inviting environment than the current place being used.

Innovation and creativity are no longer a luxury for communities. They are necessities if the community is to create value and compete with other outstanding cities/suburbs in the state. The U.S. Council on Competitiveness (hereafter referred to as Council), one of the most prestigious non-partisan research and policy recommendation organizations in the nation, has issued a report emphasizing the need to assess rapid global changes and determine new paths if America is to continue to create new jobs and prosper. The same is applicable to communities like McKinney. In its report addressed to whomever would become U.S. President, and written before the November presidential election of 2016, titled *2016 Clarion Call: A Competitiveness Agenda for the 45<sup>th</sup> President of the United States*, the Council covers what the administration should do to make America more competitive and prosperous in the future. Here is a quote from that report:

"Today, nations, provinces and localities world-wide recognize that their long-term productivity and competitiveness are linked tightly to innovation. Innovation is more than invention—it brings talent, technology, entrepreneurship and investment together to create value. It is the key to high-margin growth and good jobs through new firms, new products and services and entirely new industries." (p.6) One of the Council's calls to action is to "launch an initiative on technology commercialization that examines local, state, federal, and global efforts. [and] Propose new actions to incentivize entrepreneurship, facilitate startups to scale up, improve access to capital and encourage partnerships between industry, academia, and national laboratories." (p.23) See [www.compete.org](http://www.compete.org) for more information.

I believe that the MIC offers critical elements of the clarion call listed above. And the transition to Texas Crossing will help move MIC forward in its quest to become a premier asset in McKinney's economic development toolbox.

Best,  
  
Carolyn Corbin  
President

21 Country Ridge Road • Melissa, TX 75454-8900  
Voice: 214-802-5212 • FAX: 972-838-4355  
Email: [carolyncorbin@c21c.com](mailto:carolyncorbin@c21c.com)



March 22, 2017

Dear Mr. Valencia:

Please find this letter as my support of the investment in and further development of the McKinney Innovation Center. As an executive level administrator in higher education with a Collin County institution, I am tasked with supervising and leading our Workforce & Economic Development team. From my experience and professional perspective, the importance of creating collaborative spaces dedicated to industrial, technical, and entrepreneurial innovation is critical to sustaining and supporting the speed and acceleration of Collin County's rapid and dramatic growth.

Based on the concept and staging introduced at last week's open house, the newly proposed location appears poised to provide, inspire, and cement McKinney as a center of innovation and entrepreneurial excellence.

Collaborative workspace provides burgeoning innovators the safety and opportunity to focus on product and service innovation while building capital and revenue, significantly decreasing financial risk and minimizing barriers for achievement. Further, by inviting companies, business and industry leaders, and innovators to all convene and collaborate at the space, the collective energy and opportunity resulting will cultivate a culture of opportunity throughout McKinney and Collin County.

I am pleased to support and encourage the further development of the McKinney Innovation Center. I believe the potential for impact is great and the future implications for return on this investment are immeasurable, given the current blueprint introduced for its success.

Please feel free to contact me if I can provide further support or information. My cell is 321.243.6260 and my email is [jlblalock@yahoo.com](mailto:jlblalock@yahoo.com).

Respectfully,

Dr. Jennifer Blalock

Collin County Resident & Higher Education Workforce & Development  
Administrator

**From:** Matthew Mattoon [<mailto:matthew.mattoon@entasistech.com>]

**Sent:** Wednesday, March 22, 2017 5:59 PM

**To:** John Valencia <[Valencia@mckinneyedc.com](mailto:Valencia@mckinneyedc.com)>

**Subject:** Re: McKinney Innovation Center

John,

MEDC,

I want to thank you for considering the MIC initiative, this is incredibly important to my company. My company is a new resident at the Werx, and we are here for a number of reasons. We are technology consulting firm that specializes in complex problems for medium and large customers. One of the things that I plan on showcasing in our partnership with the MIC is that we have strategically placed ourselves there to be able to draw on an incredible talent pool to diversify my team, which is currently 3 FTE and 6 Contractors - I am planning on being at 10 FTE by the end of the year (with an appropriate increase in Contractors as well). With this in mind the current Werx space will not work (our current office doesn't hold my latest hire), however there are more reasons that the Cotton Mill in particular doesn't work for Entasis.

- The Cotton Mill is hard to find, actually it is really easy to find, but businesses inside are not easy to find.
- Parking can be really bad.
- No ceilings on the office, so I cannot secure my space properly.
- It doesn't have a professional feel: broken windows, and the worn wood steps have character but it doesn't feel like an office, so people question if they are in the right place.

All of that said I am betting on being able to move into the MIC and stay there long term. This space has ample parking, has a professional feel, and the combination of the open space, maker space, and office space make it very attractive and a place where I can host customers without hesitation. This ability to host customers is critical to my business as one of my key customers is a \$400M company with no office, and as such we are constantly renting conference space here or there in order to have collaboration and planning meetings with regards to ongoing customers.

I look forward to moving into the MIC and would love to meet one on one with anyone at the MEDC who has any questions about my vision for my company and/or our plans for the new space.

-matt

Matthew H. Mattoon



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(469) 301-1066 - direct

Dear MEDC members,

March 24, 2017

As one of the founding members of the Collide Center, now known as The WERX, in McKinney I have been privileged to meet many budding and successful entrepreneurs from McKinney and the surrounding area over the past few years. Whether we were just starting out, had successful exits, or even failed attempts, we all had many things in common; one of those being that we've all had to travel to Dallas or other areas to find support and resources.

With the development of the WERX we'd finally been given a chance to develop and grow our ideas within our own community. As a first-time entrepreneur I was looking forward to the open collaboration that the WERX provided along with the prospect of a structured path for guidance in all phases of planning, funding and growing a new business. I can personally vouch for the benefit of an open collaboration space. My team had made many mistakes but had been able to quickly adjust thanks to the many hours of discussions and even hands on help that others at the WERX had provided. Unfortunately, the structured mentoring and other assistance never fully materialized. Just like other new ventures the startup process for the WERX took several unexpected and lengthy turns before it could start to reach its potential. But having been so fortunate to experience the birth and growth of the WERX I invest a lot of passion into seeing it succeed and know that given the chance to fulfill its promise it will produce many advocates for it and the city of McKinney.

Currently we live in a portion of the D/FW Metroplex that is sparse in terms of new business resources and support. When startups reach out for assistance, either in guidance or finance, they typically end up relocating to where those resources are based. That's why it's so important that the McKinney Economic Development Corporation (MEDC) support the Innovation Center initiative. With the surge in population and corporate relocations to the Collin County area, McKinney needs to take the lead on being that source for innovation, support and resources. Those ideas will not only foster new small businesses but also serve as a beacon to businesses looking to locate to where talent exists. The Innovation Center will finally fulfill the promise of the WERX and so much more.

We have the opportunity to move McKinney from being a benefactor of business growth in Collin County to a leader in the growth of new businesses and ideas. I urge the MEDC to support the Innovation Center and jump start McKinney's future.

Thank you,

Brian Hartman  
Customer Experience Manager  
Imagine the Space



Imagine the Space  
Brian Hartman  
Co-Founder & CTO  
(214) 228-3520 (mobile)  
[bhartman@imaginethespace.com](mailto:bhartman@imaginethespace.com)

# Mongan Law, P.C.

6170 Research Road, Suite 103, Frisco, Texas 75033-3580

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TOD V. MONGAN  
ATTORNEY

[tod@monganlaw.com](mailto:tod@monganlaw.com)

March 24, 2017

Darrell W. Auterson, CEcD, EDFP  
President  
McKinney Economic Development Corporation  
5900 S. Lake Forest Drive, Suite 110  
McKinney, TX 75070

Re: The WERX in McKinney

Dear Mr. Auterson:

I am writing to encourage McKinney Economic Development Corporation ("MEDC") to continue its support of The WERX in McKinney ("WERX"). I have been a legal advisor to the WERX as well as an advisor/mentor to its resident companies since its formation in December of 2014. With the support of the MEDC the WERX was able to establish a community for startup and early stage companies. I congratulate the MEDC on recognizing the need to support entrepreneurs in and around the city of McKinney. I have enjoyed watching the WERX grow from a fledgling operation with no recognition to a place where people can come and meet other like-minded individuals. However I believe it is time, as with any operation, to move to the next phase.

The opportunity to move to a new facility with new experienced leadership is a great start. I have known John Miller and Harry Smeenck since their arrival at NTEC where I served, since 2005, in the same capacity as I do for the WERX. They were able to grow NTEC's occupancy while not lessening the quality of its support for their tenant entrepreneurs. Their companies grew and moved to other spaces in the city. With the proposed facility McKinney will now have the space not only nurture young companies but also a space from which these companies can "graduate" and continue to reside in the city. This appears to me to be a win/win for all parties.

I plan to continue to support the WERX and encourage the MEDC to continue to support them also. I believe that in doing so it will prove to be great for the city of McKinney.

Very truly yours,



Tod V. Mongan

cc: WERX Board of Directors

## John Valencia

---

**From:** Willie Wu <williewu@le-vise.com>  
**Sent:** Monday, March 27, 2017 11:34 AM  
**To:** John Valencia  
**Cc:** williewu@le-vise.com  
**Subject:** McKinney Innovation Center

Hi Mr. Valencia,

I recently learned about the proposal for the McKinney Innovation Center (MIC), and I am writing you and McKinney Economic Development Corporation in support of this project. My company Le Vise Products dba My Buddy Tag is a start-up focusing on developing child safety wearables and IoT technologies. We currently have an office at McKinney WERX, which has been an invaluable resource for us. McKinney WERX did not just provide an working space for us, but it allowed us to network with other technologists and entrepreneurs and get advises from legal and corporate advisors.

McKinney needs MIC to attract more high-tech companies and nurture new technology start-ups in McKinney. Besides just a co-working space, I strongly believe the Makerspace, incubator and accelerator, and corporate innovation labs will provide the differentiation factors for tech companies to consider McKinney as their future homes.

Sincerely,

Willie Wu  
Founder/CEO  
Le Vise Products LLC  
Phone: 1-888-258-2488, x888  
Email: [williewu@le-vise.com](mailto:williewu@le-vise.com)  
<http://www.MyBuddyTag.com>  
<http://www.TheJoeyTag.com>



214 E. Louisiana Street  
Suite 300  
McKinney, Texas 75069

March 30, 2017

Darrell W. Auterson  
5900 S. Lake Forest Drive  
Suite 110  
McKinney, TX 75070

Dear Mr. Auterson,

I am writing to express our support for the McKinney EDC and their collaboration and investment with the WERX.

As a startup company ourselves, I had the privilege of attending the *Innovate McKinney Now* open house and enjoyed speaking with other local business owners. It was refreshing to meet with local businesses as well as share in their success and vision for McKinney's future. McKinney has been noted on several occasions as one of the fastest growing cities. We believe this has to do with forward-thinking, enthusiastic planners such as WERX's who value growth and economic development.

As a tech company based in the historic McKinney square, I see the potential for a Silicon Valley growth where companies network and exchange information for an overall healthier development of business.

We thank you for the input and opportunity to play a role in the McKinney's growth.

Kindest regards,

A handwritten signature in black ink that reads "Lorenzo L. Amaya".

Lorenzo Amaya

## **A History of the North Texas Enterprise Center, NTEC (2003 to 2017)**

NTEC also known as the North Texas Enterprise Center, was a 501-(c) 3 corporation that promoted entrepreneurship in North Texas under sponsorship of the City of Frisco through the Frisco Economic Development Corporation (FEDC) which in turn created the NTEC entity. The original objective was to promote economic development and job creation with new self-sufficient companies in medical and life sciences. While operating from 12,000 square feet during the first five years, the NTEC and FEDC boards became progressively convinced a larger facility would yield substantial returns from share capital appreciation.

The thinking at the time was that NTEC would take equity stakes thus developing a portfolio that would generate rental income and capital appreciation. In those heady times the reasoning was “it was only a matter of time until one company or another would deliver an appreciation bonanza”. A new and uniquely designed 50,000 sq. ft. facility, at a cost exceeding \$11MM, was built and came on stream in October of 2008. The timing could not have been much worse as the USA was entering a severe financial recession. The emergent companies lacked financial staying power and the then NTEC management lacked experience in dealing with the prevailing challenges.

After five years of substantial financial hemorrhaging and building occupancy at 30% the NTEC and FEDC boards sought new management. A national search surfaced John W. Miller, a senior executive with extensive experience in troubled companies and also a successful entrepreneur. Under new leadership in less than 18 months building occupancy exceeded 75% and soon thereafter reached capacity. Building revenues exceeded expenses and program companies emerged from infancy. NTEC and its companies were recognized across the DFW Metroplex and beyond.

### **Alternative Use Scenario**

In 2015 the City of Frisco received election support for a \$200MM bond issue. Among the designated projects from the proceeds was a permanent home for the city’s municipal courts. Given the subsequent explosion in construction costs in North Texas, a new building for the courts ballooned to an estimated \$30MM. Certain members of the Frisco governance structure had for some time advocated the NTEC building be used for another purpose. Modifying the NTEC building for the courts would result in an “all in” cost of \$12MM. NTEC’s existence became clouded with the advent of a potential alternative use of its building. Identifying a subsequent suitable building for NTEC became problematic due to escalating rents and high office space occupancy.

John Miller, Executive Director of NTEC, had advocated since NTEC’s 2015 Strategic Plan an evolution to separately defined entities: one for a “publicly supported social benefit incubator” (in conjunction with the EDC) and the other a private equity supported seed capital accelerator. The former would provide substantial economic impact, jobs and a vehicle to accommodate and attract established companies. The latter would partner with an academic institution and support entrepreneurial initiatives. One is capital generative while the other is capital consumptive.

The respective business models were never pursued and the NTEC entity was ensnared in alternative uses for its assets. Career prospects for NTEC’s younger staff became uncertain and Miller had already stayed a year longer than he intended. The decision was made to fold NTEC and allow private sector interests (e.g. Jerry Jones) to fill the vacancy.



Miller was approached by board members from WERX whether he was interested in becoming Executive Director in McKinney. While he was interested in supporting the evolution of the WERX he was not a candidate for the top staff role. For that position Miller recommended his close friend and senior executive, Harry Smeenk. The two men have worked with the MEDC staff and the WERX Board since September of 2016 on the concept and execution of the McKinney Innovation Center.

Listed below is summary of NTEC key indicators / results from 2013 to 2017:

	2013	2014	2015	2016
Revenue *	\$ 1,080,701	\$1,048,000	N/A	\$ 1,061,340
Expenses	\$ 1,149,060	\$ 989,000	N/A	\$ 565,146
Net Income	\$ (68,359)	\$ 59,000	N/A	\$ 496,194
* 2013 & 2014 includes \$600K subsidies in revenues each year.				

Major Highlights Include:

- Facility utilization went from 33% to 100%
- Increased resident companies to 30 with diversity across nine industries from 1
- Overall space utilization increased by over 12,000 sq ft through renovations and modifications
- Reduced facility operating costs by over 30%
- Moved focus to "Acceleration" of emerging businesses
- Return of \$500K to EDC Dec 2016

**John Miller**

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**From:** John Miller  
**Sent:** Wednesday, November 16, 2016 10:40 AM  
**To:** 'Jaime Ronderos'  
**Cc:** Jason Wilkie  
**Subject:** FEDC payment and contract extension

Jaime,

Under the Consulting Agreement covering fiscal year 2016 NTEC is required within two months following EOFY to distribute excess monies in the FEDC Building Account to the FEDC. In order for the City Finance Office to close their books they would appreciate the check be drawn as soon as practical.

We have performed an analysis of the present cash balance in the FEDC account and concluded that NTEC tenants' security deposits and a buffer of \$50,000.00 must remain in the bank. Observing those two requirements we can draw a check to the FEDC and deliver it tonight at the FEDC meeting. The check would be for \$500,000.00.

Also, we expect December, January, February rents to provide positive cash in each month which will begin to replenish (at about \$30K/month) the FEDC Building Account.

Delivering the check in person to the FEDC Board is a bit of grandstanding but I think it is a fine approach. Is it OK with you?

Also, I intend to sign two copies of the Consulting Agreement 2<sup>nd</sup> Extension and provide it to Gary Carley in anticipation that the FEDC Board approves it tonight in Executive Session. With Gandy there maybe we can get his signature and we're good to go for three more months.

Thoughts and affirmations ?

*John W. Miller*

NTEC  
6170 Research Road  
Frisco, TX 75033

(972) 987-1403



September 21, 2015

Executive Director John Miller  
North Texas Enterprise Center (NTEC, Inc.)  
6170 Research Road  
Frisco, Texas 75033

Dear Mr. Miller:

It is my pleasure to submit the report for the estimated economic impact of NTEC on the area economy. In addition to the IMPLAN based generated estimate of NTEC's economic impact, the report also includes a description of the model of the Entrepreneurial and Economic Development process and describes how a business incubator/accelerator, such as NTEC, meshes into the model to create a more vibrant and successful community.

Two impact scenarios were conducted - one region was defined as Collin County and another region included a five county impact including Collin, Dallas, Denton, Rockwall, and Tarrant counties. Regarding the Collin County scenario - NTEC's direct employment of 213 jobs in six industry sectors translates, through the multiplier effect, into an estimated total of 495 jobs in Collin County. The total effect includes the direct, indirect, and induced effects which equates to \$55 million in output (or Gross Regional Product) and an additional \$38 million in output when considering the indirect and induced effects of those initial 213 jobs.

Just as important as the quantitative data in this report I had the opportunity to visit with some of the firms on two site visits at NTEC in the last year and a half and I have included some observations of those interactions with the residents of NTEC which as you will see positively correlates with the Heartland Center for Leadership Development's "Clues to a Successful Community."

Indeed when combining the IMPLAN based quantitative analysis with the qualitative part, such as the site visits, NTEC's mission and outcomes positively supports the Frisco Economic Development Corporation's goal of providing the conduit for an "innovation culture through entrepreneurship."

Please let me know if you have any questions regarding the report.

Sincerely,  
*Clay Randall*

Collin College Economics Professor (2007-present)  
Sam Roach Endowed Chair in Business and Engineering (AY2013-AY2015)  
2800 East Spring Creek Parkway  
Plano, Texas 75074  
crandall@collin.edu  
972.881.5835 office  
972.955.4417 cell

North Texas Enterprise Center (NTEC)  
Regional Economic Development Impact Report

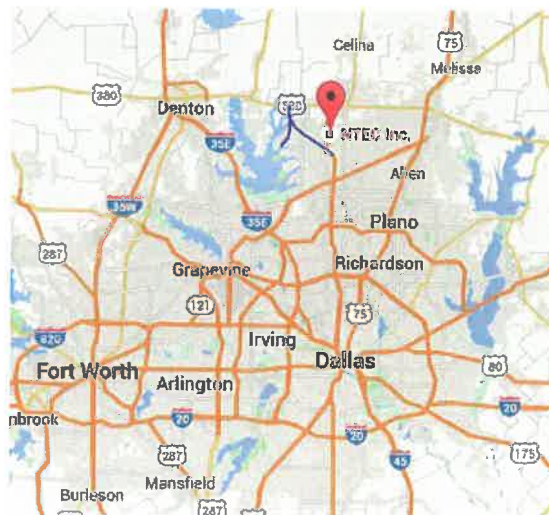
September 19, 2015

Prepared by Clay Randall

Collin College Economics Professor (2007-present) & Sam Roach Endowed Chair in Business & Engineering (AY2013-AY2015)



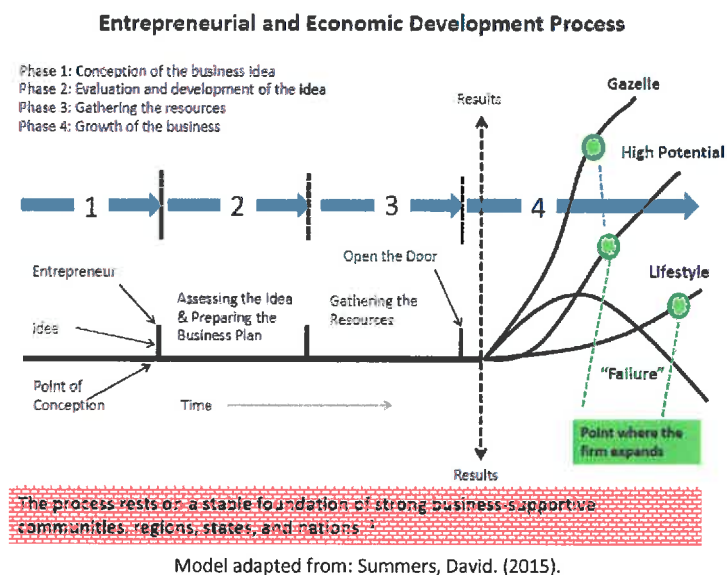
NTEC's Estimated Economic Impact in Collin, Dallas, Denton, Rockwall, and Tarrant Counties



## I. INTRODUCTION – The Entrepreneurial and Economic Development Process

A primary goal of a community is to improve its citizen's economic well-being which leads to a higher quality of life. Wealth creation in a community is a primary goal of economic development which can be accomplished in three ways – starting businesses, growing and keeping existing businesses, and business attraction. Starting businesses or entrepreneurship may be defined as the opportunity discovery process of turning an idea into a business idea; and, in turn, capturing the value of the business idea through customer acquisition leading to revenues flowing to the firm.

According to Robert Kiyosaki in *Rich Dad Poor Dad*, true wealth is real asset accumulation to create an income. Entrepreneurship is a primary form of wealth creation. The entrepreneurial process rests on a stable foundation of business supportive communities, as the following model illustrates.



One business friendly community located in Collin County and Denton County is Frisco, Texas. According to the Frisco Economic Development Corporation's website, "Supported by strong infrastructure, exceptional leadership and quality commercial developments, Frisco has been recognized by Money Magazine as one of the top 100 places to live in the United States. This infrastructure supports an exceptional community and an extraordinary quality of life" (Frisco, 2015).

In fact, the Frisco Economic Development Corporation Board of Directors explicitly set a goal to "enhance Frisco's innovation culture through entrepreneurship." One strategy to accomplish this goal was to establish a business incubator or business accelerator – the North Texas Enterprise Center (NTEC).



## II. BUSINESS INCUBATOR/ACCELERATOR BACKGROUND

Just as the name implies, a business incubator nurtures “fledgling firms that share services and equipment and occupy space at a reduced rate. In addition to low-cost shelter and services, one of the biggest benefits provided by incubators is the support and counsel provided by a network of business assistant professionals” (Bygrave and Zacharakis, 2010). According to the National Business Incubation Association, most business incubators foster community job creation, facilitate entrepreneurial climate in a community, assist with a community’s business retention, build growth in a local industry, and diversify a local economy (Business, 2015).

The following table summarizes the types of business incubators as of 2012: (Business, 2015)

Table 2.1

Business incubators in the world	7,000
Business incubators in the U.S.	1,250
Incubators in North America that are nonprofit	93%
Incubators in North America that are for profit	7%
Incubators that are “mixed-use”	54%
Incubators that focus on technology businesses	37%
Incubators that serve manufacturing firms	3%
Incubators that operate in urban areas	47%
Incubators that operate in rural areas	28%
Incubators that operate in suburban areas	25%

Interestingly, “32% of North American business incubators are sponsored by academic institutions; 25% are sponsored by economic development organizations; 16% are sponsored by government entities; 4% are ‘hybrids’ with more than one sponsor; and, 15% of incubators have no sponsor or host organization” (Business, 2015). In 2011, community colleges also played a role in supporting business incubators as “close to 35 business incubators are operated by two-year colleges [U.S.] nationwide” (Kent, 2011). The NBIA also estimates that in 2011, North American business incubators helped 49,000 start-up businesses which employed about 200,000 workers while generating about \$15 billion in annual

revenue (Business, 2015). The NBIA also claims that business incubators reduce small business failure risk citing that “NBIA member incubators have reported that 87% of all firms that have graduated from their incubators are still in business” (Business, 2015).

### III. SPILLOVER BENEFITS of NTEC – NTEC as a conduit for a vibrant and successful community

How does a business incubator/accelerator improve a community’s quality of life? High quality of life communities are where people want to live. Interestingly, the Heartland Center for Leadership Development mentions the following vital characteristics of such communities (Heartland, 2015). Although developed to allow rural communities to benchmark themselves, any community could utilize “the clues of successful communities” listed below.

Clue	Characteristics or Clues of a Successful Community	How would you rate Frisco? 0 None 1 Low 2 Med 3
1	Evidence of community pride ( <i>successful communities are often showplaces of care, attention, history, and heritage</i> )	
2	Emphasis on quality in business and community life ( <i>people believe that something worth doing is worth doing right</i> )	
3	Willingness to invest in the future ( <i>in addition to the brick-and-mortar investments, all decisions are made with an outlook on the future</i> )	
4	Participatory approach to community decision making ( <i>even the most powerful of opinion leaders seem to work toward building consensus</i> )	
5	Cooperative community spirit ( <i>the stress is on working together toward a common goal and the focus is on positive results</i> )	
6	Realistic appraisal of future opportunities ( <i>successful communities have learned how to build on strengths and minimize weaknesses</i> )	
7	Awareness of competitive positioning ( <i>local loyalty is emphasized, but thriving communities who know how their competitors are and position themselves accordingly</i> )	
8	Knowledge of the physical environment ( <i>relative location and available natural resources underscore decision-making</i> )	
9	Active economic development program ( <i>there is an organized, public/private approach to economic development</i> )	
10	Deliberate transition of power to a younger generation of leaders ( <i>people under 40 regularly hold key positions in civic and business affairs</i> )	
11	Celebration of diversity in leadership ( <i>women, minorities, youth, and newcomers are welcomed into leadership circles where their ideas are treated as opportunities</i> )	
12	Strong belief in and support of education ( <i>good schools are the norm and centers of community activity</i> )	



13	Problem-solving approach to providing health care ( <i>health care is considered essential, and smart strategies are in place for diverse methods of delivery</i> )	
14	Strong multi-generational family orientation ( <i>the definition of family is broad, and activities include younger as well as older generations</i> )	
15	Strong presence of traditional institutions that are integral to community life ( <i>churches, schools and service clubs are strong influences on community development and social activities</i> )	
16	Sound and well-maintained infrastructure ( <i>leaders work hard to maintain and improve streets, sidewalks, water systems, and sewage facilities</i> )	
17	Careful use of fiscal resources ( <i>frugality is a way of life and expenditures are considered investments in the future</i> )	
18	Sophisticated use of technology resources ( <i>leaders access information that is beyond the knowledge base available in the community</i> )	
19	Willingness to seek help from the outside ( <i>people seek outside help for community needs, and many compete for government grants and contracts for economic and social programs</i> )	
20	Conviction that, in the long run, you have to do it yourself ( <i>thriving rural communities believe their destiny is in their own hands – making their communities good places is a pro-active assignment, and they willingly accept it</i> )	

It is this writer's opinion that the partnership that makes NTEC function, especially the existing staff's interaction with NTEC residents and potential residents, adds a very important dimension to this checklist and NTEC elevates the overall score for the city of Frisco compared to if the City did not have the accelerator. For example, see #1, #5, #9, #14, and #20. In my visits to NTEC and with discussions with NTEC residents, there is indeed a sense of family between staff and staff, staff and residents, and resident and resident – the nurturing of ideas into business ideas in an effort to capture value (wealth) is impressive and is a source of community pride (#1) for Frisco. As further evidence, in a discussion with the owner of PhotoSculpt ("making memories tangible") the owner mentioned how his business model was a bonding opportunity for him and his son – the business is a way for him and his son to spend time together (see #14 above) in an innovative and creative way while providing value to the customer.



Photo source: Retrieved on 9/18/2015 from <http://photosculpt.com/>

Although this report will focus on jobs associated with NTEC and the potential economic impact of those jobs on the north Texas economy, we should not forget other quality of life measures that NTEC

epitomizes – many of NTEC’s qualities and outcomes provide evidence of the 20 clues to vibrant and successful communities as published by the Heartland Center for Leadership Development.

#### IV. OVERALL ECONOMY AND ECONOMIC CONDITION

What is the overall economic climate that NTEC operates in? For the economic impact study a Collin County and a 5 county regional impact is estimated.

Table 4.1: Raw Numbers

	Population (2014)	Land Area Sq Miles	Persons / sq mile	One Way Commute Time
Collin	885,241	841.23	1,052	27.5 minutes
Dallas	2,518,638	871.28	2,891	26.0
Denton	753,363	878.43	858	27.4
Rockwall	87,809	127.04	691	30.8
Tarrant	1,945,360	863.61	2,253	26.0
5 County	6,190,411	3,582	1,728	27.5
Texas	26,956,958	261,231.71	103	25.0
USA	318,857,056	3,531,905.43	90	25.5

Source: State and County QuickFacts, The United States Census Bureau. Retrieved on 9/16/2015.

Table 4.2: Percentages and Variance

	Population	Land Area	Persons/sqmi	Commute Time
Collin	14%	23%	61%	0.0
Dallas	41%	24%	167%	-1.5
Denton	12%	25%	50%	-0.1
Rockwall	1%	4%	40%	3.3
Tarrant	31%	24%	130%	-1.5
5 County to TX	23%	1%	1675%	2.5

Collin County has 14% and 23% of the population and land area, respectively; while the commute time for Collin County residents is the same as the mean commute time for the 5 counties. While only occupying 1% of the Texas land area, the 5 counties possess 23% of the Texas population.

Table 4.3

	High School	BA	Veterans	Median Income	Poverty
Collin	93.4%	49.3%	42,843	\$82,762	7.8%
Dallas	77.4%	28.6%	106,414	\$49,481	19.1%
Denton	91.8%	40.5%	39,891	\$74,155	8.7%
Rockwall	91.2%	36.5%	5,062	\$86,119	5.9%
Tarrant	84.5%	29.5%	118,263	\$56,853	15.2%
5 county	87.7%	36.9%	312,473	\$69,874	11.3%
Texas	81.2%	26.7%	1,583,272	\$51,900	17.6%
USA	86.0%	28.8%	21,263,779	\$53,046	15.4%

Source: State and County QuickFacts, The United States Census Bureau. Retrieved on 9/16/2015.

In Collin County, 93.4% of persons age 25 and higher have a high school diploma compared to the 5 county average of 87.7%; 49.3% of persons age 25 and higher have a bachelor's degree. In Collin County, 7.8% of the population is below the poverty level (2009-2013).

Table 4.4

	Private Nonfarm Establishments	Private Nonfarm Employment	Nonemployer Establishments	Building Permits
Collin	19,906	336,461	75,827	10,635
Dallas	62,501	1,322,022	210,881	14,360
Denton	12,517	182,916	59,107	3,565
Rockwall	1,885	20,809	8,134	965
Tarrant	38,782	729,252	151,025	8,985
5 county	135,591	2,591,460	504,974	38,510
Texas	547,190	9,663,567	2,039,732	166,982
USA	7,488,353	118,266,253	23,055,620	1,046,363

Source: State and County QuickFacts, The United States Census Bureau. Retrieved on 9/16/2015.

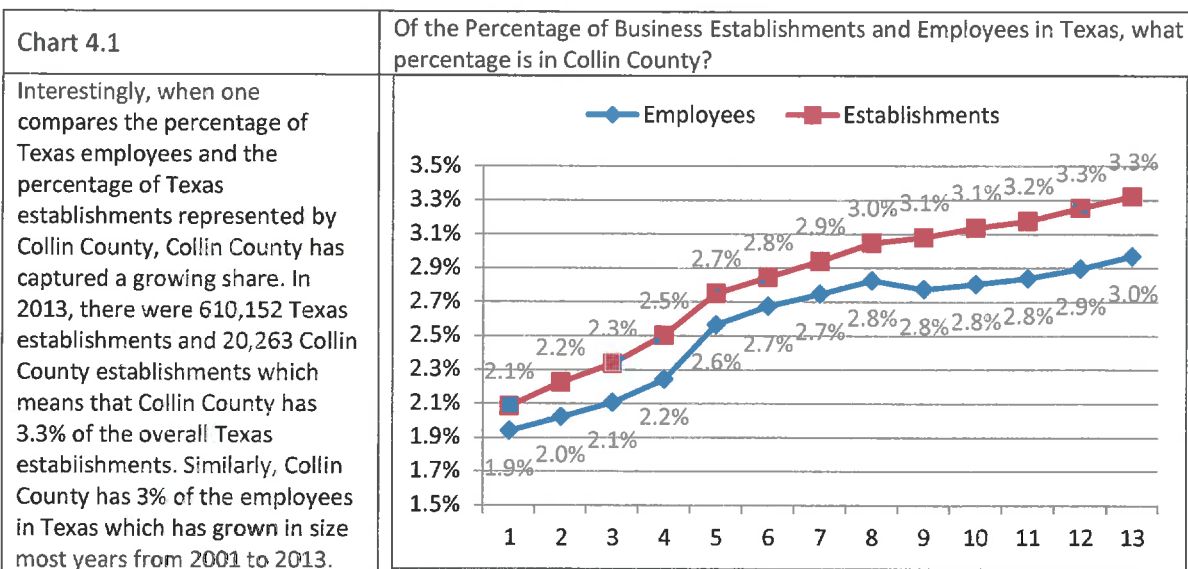
Table 4.5

	Private Nonfarm Establishments	Private Nonfarm Employment	Nonemployer Establishments	Building Permits
Collin	15%	13%	15%	28%
Dallas	46%	51%	42%	37%
Denton	9%	7%	12%	9%
Rockwall	1%	1%	2%	3%
Tarrant	29%	28%	30%	23%
5 CTY to TX	25%	27%	25%	23%

Source: State and County QuickFacts, The United States Census Bureau. Retrieved on 9/16/2015.

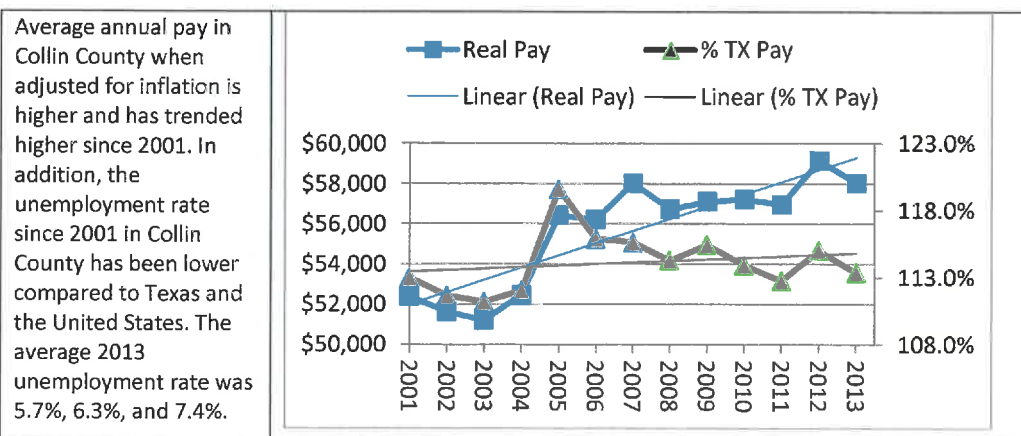
Collin County has 15% of the 5 County nonfarm establishments, 13% of the employees, 15% of nonemployer firms, and 28% of the recorded building permits. Similar to population, the 5 counties had about one quarter of the businesses and employees in the State.

The historical and current state of the economy in Collin County is strong in terms of both quantity and quality. From a quantity standpoint, the number of business establishments in 2001 was 10,284 and in 2013 was 20,263 while the number of employees in 2001 was 181,007 and in 2013 was 327,418 (Please note these numbers represent a point in time as a result of my analysis of the Collin County economy as a result of retrieving the data in December 2014 to produce the following calculations).



Regarding economic quality, Collin County seems to be growing over time as well. One way to measure quality is through real income in the County compared to the state of Texas. Collin County's annual pay for employees trends at about 114% of the state of Texas.

Chart 4.2



## V. ECONOMIC MODEL ANALYSIS

In order to conduct the economic impact of NTEC on the Collin County and regional economy, IMPLAN (Impact analysis for PLANning) data and the IMPLAN online modeling package was utilized. NTEC provided NAICS codes of their resident firms and provided full time and part time employment numbers per firm as of September 2015.

Table 5.1

NAICS Code	Implan Sector	Base Industry	Employment
333314	272	Manufacturing	9.5
339113	380	Manufacturing	17.5
512110	423	Information	3.5
518210	430	Information	5.5
519130	432	Information	28
522320	434	Finance and Insurance	2
524210	438	Finance and Insurance	2
541110	447	Professional and Technical Services	5
541511	451	Professional and Technical Services	21
541512	452	Professional and Technical Services	6
5416XX	454	Professional and Technical Services	14
541820	457	Professional and Technical Services	1
561621	467	Administrative and Waste Services	17.5
621511	479	Healthcare and Social Assistance	80
			<b>212.5</b>

Two regions were built in IMPLAN – Collin County and a combined region representing Collin County, Dallas County, Denton County, Rockwall County, and Tarrant County. The following are the summary statistics of the economy.

Table 5.2

2013, IMPLAN 9/14/2015	USA	Texas	5 Counties	Collin
Gross Regional Product	\$16,688,149,561,355	\$1,415,032,633,366	\$376,587,058,187	\$46,827,522,773
Personal Income	\$14,081,240,000,000	\$1,151,869,000,000	\$290,766,500,000	\$48,389,660,000
Employment	182,645,331	15,396,816	3,966,490	508,853
# Industries	532	519	487	334
Population	316,128,800	26,448,190	6,060,694	854,778
Households	119,745,800	9,304,923	2,150,716	302,063
Average Household Income	\$117,593	\$123,791	\$135,195	\$160,197

Table 5.3

2013, % of USA by:	USA	Texas	5 Counties	Collin
Gross Regional Product	100%	8.5%	2.3%	0.3%
Personal Income	100%	8.2%	2.1%	0.3%
Employment	100%	8.4%	2.2%	0.3%
# Industries	100%	97.6%	91.5%	62.8%
Population	100%	8.4%	1.9%	0.3%
Households	100%	7.8%	1.8%	0.3%
Average Household Income	100%	105.3%	115.0%	136.2%

Table 5.4

2013, % of TX & 5 counties by:	5 Counties / TX	Collin / TX	Collin / 5 Counties
Gross Regional Product	26.6%	3.3%	12.4%
Personal Income	25.2%	4.2%	16.6%
Employment	25.8%	3.3%	12.8%
# Industries	93.8%	64.4%	68.6%
Population	22.9%	3.2%	14.1%
Households	23.1%	3.2%	14.0%
Average Household Income	109.2%	129.4%	118.5%

## VI. ECONOMIC MODEL RESULTS

Prior to viewing the results of the model, some definitions of terms used in the model report include:

- **Employment** – Employment represents jobs. NTEC provided the number of full time jobs and part time jobs for each firm and the respective NAICS code. The full time equivalent was calculated to use in the IMPLAN model which totaled 212.5.
- **Output** – Output “represents the value of industry production” (IMPLAN, 2015).
- **Labor Income** - “Labor Income is the estimate of all forms of employment income, including employee compensation (wages and benefits) and proprietor income” (IMPLAN, 2015)
- **Value Added** - Value Added is the estimate of the contribution to Gross Domestic Product (GDP) by the firms (or industry or sector) and represents “the difference between an industry's or an establishment's total output and the cost of its intermediate inputs” (IMPLAN, 2015).

The 212.5 full time equivalent jobs at NTEC through the multiplier effects utilized by IMPLAN results in the following yearly 2015 estimates for Collin County (impact is measured in 2015 jobs and 2015 dollars):

Table 6.1 – Collin County Scenario





Collin County	Direct	Indirect	Induced	Total
Employment	213	139	143	495
Output	\$55,195,146	\$19,714,255	\$18,873,424	\$93,782,825
Labor Income	\$23,006,296	\$8,160,962	\$6,515,535	\$37,682,793
Value Added	\$27,082,706	\$12,380,835	\$11,417,419	\$50,880,960

Table 6.2 – Collin, Dallas, Denton, Rockwall, and Tarrant Counties Scenario

5 Counties 2015	Direct	Indirect	Induced	Total
Employment	213	210	208	631
Output	\$55,216,263	\$31,934,604	\$29,936,525	\$117,087,392
Labor Income	\$23,019,690	\$13,052,799	\$10,901,786	\$46,974,275
Value Added	\$27,098,473	\$19,340,541	\$17,741,525	\$64,180,539

Regarding employment, the 213 NTEC jobs are associated with 139 indirect jobs. The indirect effect can be considered business to business transactions. A firm that locates at NTEC will spend money at other firms which affects the jobs in other industries. Indirect jobs are jobs that are needed to support business (the new NTEC firm) to business transactions (the new NTEC firm buys supplies from another firm). The induced effect of the initial 213 direct jobs is estimated to be 143 jobs. For example, as a result of the new NTEC firm buying supplies from another store, employees at the store earn income which is then used to spend at say, a Frisco RoughRiders baseball game.

In a summary table:

	Direct Effect	Indirect Effect	Induced Effect
Example using the firm, True Health	True Health has “x” number of employees at NTEC and is considered the initial change in the economy (212.5 initial jobs counting all the firms at NTEC in 2015).	True Health purchases goods and services from other vendors/businesses in their supply chain. These consist of business to business transactions and inter-industry transactions.	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. The True Health and Office Depot employees may purchase gasoline and RoughRiders tickets.
			



In reflecting on earlier comments regarding benchmarking Frisco's business and economic climate with the 20 clues published by the Heartland Center for Leadership Development, one could use the IMPLAN model results in a similar fashion.

For the Collin County scenario, the following table takes the direct effect results from the IMPLAN model and divides by the number of employees which is 212.5.

Table 6.3

NTEC	Direct
Output / Employee	\$259,132
Labor Income / Employee	\$108,011
Value Added / Employee	\$127,149

The IMPLAN results imply that each worker provides \$259,132 of total production value to the firm. Is each firm at NTEC hitting this benchmark or are they above or below this number? Of course, if a firm is in Phase 1 and 2 of the Entrepreneurship and Economic Development Process then the firm is likely below the \$259,132 of output / employee contribution to the respective industry sector. By the way, IMPLAN allows one to see the results of each firm's results or each NAICS code industry results. For example, True Health executives could see what the average employee in Collin County in True Health's industry (NAICS code) contributes to output. If the firm's average contribution is below the Collin County average then this could indicate the competitor's have an advantage or perhaps the firm is still transitioning from a start-up to a growth firm and expects revenue to hit the books in a later quarter.

In addition to the entrepreneur using IMPLAN results, another interpretation of the numbers is from an economic development perspective. If, on average, NTEC brings in a firm and that firm produces an output per employee number, for example, of \$300,000 then this will cause the average to go up and improve the quality of the local economy. Similar to the RoughRiders signing a player and the new players batting average is higher than the team average, this marginal change will pull the team average up and vice versa. In general, local economies grow or decline based on the number of primary employers in the area. True Health seems to be a primary employer for Frisco. A primary employer is one who imports wealth into the community by securing customers from outside of the local economy. True Health likely contracts with customers outside of the Frisco area and dollars flow from outside Frisco into the Frisco economy. Without primary employers many of the retail businesses we see in communities would not exist. Suppose that in the next two years, NTEC has 30 new firms move in and just one of the firms becomes a growth or a gazelle company as illustrated in the Entrepreneurship and Economic Development Process chart, this could be viewed as a success especially if the firm graduates

and relocates within the local economy. According to IMPLAN, the average household income in Collin County is \$160,197. If the firm is able to pay its employees a wage such that the employee's household income is above the average in the County, then this will bring the average up which is a signal that the local economy is strengthening.

Another perspective at an individual household level and referencing one of Robert Kiyosaki's points in *Rich Dad Poor Dad*, a business could be viewed as a success if the business helps the household accrue real assets and as a result incrementally increasing wealth within the household. However, from an economic development macro perspective, we may see that a certain business could actually "hurt" the local economy because the income to the proprietor and employees is below the existing overall average. But, within the economics of the household the business income may be viewed as a "success" as the income may help the household reach a household income goal as well as an accumulation of assets such as capital equipment that can be used to generate future income.

In addition, one limitation of the IMPLAN results assume no opportunity cost such as what would the firms have earned if resources had been allocated to the next best alternative (opportunity cost) such as not starting the business and working for someone else?

## **VII. Conclusion**

In conclusion, a snapshot of the regional economy was provided which indicates a regional economy that is growing in size and in quality. Secondly, an analysis of results on the potential impact of NTEC on the regional economy was reported with interpretations of the numbers provided as well as a mention of limitations of the IMPLAN calculations and interpretations. Overall, NTEC enhances Frisco's stature in the regional economy and supports the Frisco EDC goal of providing the conduit for an "innovation culture through entrepreneurship." NTEC's outcomes and results help to produce both direct benefits in terms of jobs and spillover benefits onto the regional economy.

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