

CURRENT TARGET INDUSTRIES

- Corporate headquarters
- Aerospace
- Medical devices
- Emerging technology
- Sustainable

Appendix B




















Target Industry Profiles







The MEDC has identified five industries to focus their incentives and their external marketing efforts on – corporate headquarters, aerospace, medical devices, emerging technology, and sustainable. Based on TIP's target industry analysis, these industries are a fit for McKinney and in-line with McKinney's economic development vision. But they are broad targets that are competitive environments for business recruitment. For this reason, TIP would like to propose narrower, well-defined niches for McKinney to target its business recruitment efforts. These niches are:

2011 Proposed Target Industries

Sector	Niche	NAICS
Aviation-Related	▪ Other airport operations	488119
	▪ Other support activities for air transportation	488190
	▪ Other aircraft parts and auxiliary equipment mfg	336413
	▪ Search, detection, navigation, & guidance instrument mfg	334511
Healthcare & Medical	▪ Surgical appliance and supplies mfg	339113
	▪ Ophthalmic goods mfg	339115
	▪ Electromedical and electrotherapeutic apparatus mfg	334510
Office Tenants	▪ Software publishing	511210
	▪ Direct life insurance	524113
	▪ Direct health and medical insurance	524114
	▪ Corporate, subsidiary, and regional managing offices	551114

These narrow targets were chosen based on McKinney's existing clusters and the targets' ability to reinforce McKinney's economic development vision. Aspirational targets were identified based on assets present in McKinney that could be attractive to companies within the cluster. Some of these aspirational targets are regional clusters and some are not. The following table summarizes the target selection reasoning.

NAICS	Industry	Assets	Aspirational	Local Cluster	Regional Cluster	Opportunity Area*
AVIATION-RELATED						
488119	Other Airport Operations		✓		✓	ATC
488190	Other Support Activities for Air Transportation	 	✓		✓	ATC
336413	Other Aircraft Parts and Auxiliary Equipment Manufacturing		✓		✓	ATC
334511	Search, Detection, Navigation, Guidance, Aeronautical, and Nautical System and Instrument Manufacturing	 		✓		ATC
HEALTHCARE & MEDICAL						
339113	Surgical Appliance and Supplies Manufacturing	   	✓			GW, REC
339115	Ophthalmic Goods Manufacturing	   	✓		✓	GW, REC
334510	Electromedical and Electrotherapeutic Apparatus Manufacturing	    		✓		GW, REC

NAICS	Industry	Assets	Aspirational	Local Cluster	Regional Cluster	Opportunity Area*
OFFICE TENANTS						
511210	Software Publishers			✓		EV
524113	Direct Life Insurance Carriers			✓		GW, REC, TC
524114	Direct Health and Medical Insurance Carriers	 	✓			GW, REC, TC
		 				
551114	Corporate, Subsidiary, and Regional Managing Offices			✓		GW, REC, TC

* ATC = Aviation Technology Corridor, GW = Gateway, REC = Regional Employment Center, EV = Entrepreneurial Village, TC = Town Center.

We believe cluster development can be boosted by taking a two-pronged approach. The first prong is the recruitment of strategic players to McKinney, which quickly augments the cluster presence. The second is the cultivation of homegrown companies in the target clusters. The organic growth generated from this “grow-your-own” strategy anchors the cluster firmly in McKinney. This approach results in a more sustainable cluster.

TIP outlines four strategies as part of this two-pronged approach. These strategies are presented in the strategic plan under Goal Three and discussed in more detail there:

Goal Three, Strategy 2: Formalize a business recruitment program based on specific target industries.

Goal Three, Strategy 3: Continue to develop an international recruitment program.

Goal Three, Strategy 4: Pursue a recruitment strategy aimed at attracting sustainable companies.

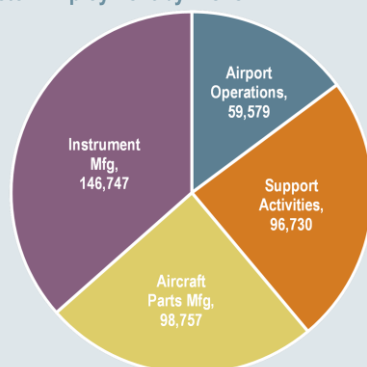
Goal Three, Strategy 5: Develop a comprehensive program to assist entrepreneurs.

On the following pages, TIP presents a profile of each of the sectors that includes an industry overview, site selection criteria, and key conferences and professional organizations in the sector. This information should provide McKinney the tools it needs to tap into the target industry networks, effectively market itself, and attract prospects to McKinney.

NICHE INDUSTRIES SNAPSHOT

Sector Name	NAICS
Other airport operations	488119
Other support activities for air transportation	488190
Other aircraft parts and auxiliary equipment mfg	336413
Search, detection, navigation, & guidance instrument mfg	334511

US Sector Employment by Niche



Collin County:

Number of Establishments (2010)	15
Number of Jobs (2010)	2,635
Expected Job Growth (2010-15)	327
Average Earnings per Worker (2010)	\$95,923

DFW:

Number of Establishments (2010)	303
Number of Jobs (2010)	21,121
Expected Job Growth (2010-15)	366
Average Earnings per Worker (2010)	\$87,134

Employment Growth Outlook (2010-15)

Texas	7.1%
US	8.5%

Source: FMSI

aviation-related >>

Industry Overview

The aviation-related sector consists of aerospace product and parts manufacturing, related computer and electronics parts manufacturing, and support activities for air transportation. Within this sector, TIP has identified four niches that would be suitable for McKinney and the Aviation Technology Corridor, in particular.

The sector as a whole consists of 18,379 establishments and 1.3 million jobs in the US of which 533 establishments and 85,800 jobs are located in the DFW region. The largest component of this sector in terms of employment is Scheduled Passenger Air Transportation. The largest component in terms of number of establishments is Other Support Activities for Air Transportation. Employment growth in the sector is expected to be driven by growth in [1] Other Support Activities for Air Transportation; [2] Search, Detection, Navigation, Guidance, Aeronautical, and Nautical System and Instrument Manufacturing; and [3] Other Aircraft Parts and Auxiliary Equipment Manufacturing.

In the US, between 2005 and 2010, employment in the sector declined 1.7% but is expected to grow by 2.9% from 2010 to 2015. In the DFW region, between 2005 and 2010, employment in the sector declined by 1.4%. Between 2010 and 2015, employment growth in this sector in DFW is expected to be 6.1%, outpacing the nation's growth rate by over 100%.

Niche Overview

The niche sectors consist of 9,321 establishments and 401,813 jobs in the US of which 303 establishments and 21,171 jobs are located in the DFW region. The largest of the niche industries in terms of employment is Search, Detection, Navigation, Guidance, Aeronautical, and Nautical System and Instrument Manufacturing. Other Support Activities for Air Transportation is the largest of the niche industries in terms of establishments.

In the US, between 2005 and 2010, employment in the niches increased 1.5% and is expected to grow 8.5% between 2010 and 2015. In the DFW region, employment increased by 10.4% and expected to grow by another 1.8% from 2010 to 2015.

EXAMPLES OF INDUSTRY PLAYERS

<i>Company</i>	<i>HQ</i>
AeroVironment	California
Alliant Techsystems	Minnesota
BE Aerospace	Florida
Boeing	Illinois
Cubic	California
Esterline Technologies	Washington
Honeywell International	New Jersey
MTU Aero Engines	Germany
Northrop Grumman	Virginia
Precision Castparts	Oregon
Rockwell Collins	Iowa
Spirit AeroSystems	Kansas
Sumitomo Precision Products	Japan
Teledyne Technologies	California
TransDigm Group	Ohio
United Technologies	Connecticut

Why McKinney?

- The presence of local and regional clusters, with Raytheon and EUA Air Support, Inc. located in McKinney.
- Available land on and adjacent to CCRA suitable for aviation-related services and light to medium industrial uses.
- The strength of the DFW workforce in key skilled occupations.

SITE CONSIDERATIONS

- ✓✓✓✓ Availability of skilled labor
- ✓✓✓ Affordable labor costs
- ✓✓✓ Regulatory climate & tax rates
- ✓✓ Transportation infrastructure
- ✓ Proximity to suppliers/customers

Workforce

The workforce required to staff the niche industries is a relatively skilled and well paid workforce. Over 30% of the jobs in the niche industries' jobs require some kind of post-secondary degree. In addition, over 40% of the occupations have median earnings over \$20.00 per hour.

The majority of the top occupations can be classified in the following categories: [1] Installation, maintenance, and repair occupations; [2] Transportation and material moving occupations; [3] Production occupations; [4] Architecture and engineering occupations; and [5] Computer and mathematical science occupations. The top 25 occupations in the niche industries are listed in the table on the following page.

In the top 10 occupations that require post-secondary education, DFW has a competitive advantage in 9 out of the 10 occupations. The DFW region is especially strong in many of the engineering occupations that are in short supply in other regions of the country. The table to the left lists the top 10 skilled occupations in the niche industries.

TOP 10 SKILLED OCCUPATIONS IN NICHE INDUSTRIES* (DFW REGION)

SOC Code	Description	2010 Jobs	2010 LQ
11-1021	General and operations managers	49,523	1.25
13-2011	Accountants and auditors	40,178	1.19
13-1199	Business operation specialists, all other	20,804	0.86
15-1032	Computer software engineers, systems software	18,510	1.99
15-1031	Computer software engineers, applications	16,790	1.39
17-2112	Industrial engineers	6,219	1.32
17-2141	Mechanical engineers	5,996	1.13
49-3011	Aircraft mechanics and service technicians	5,935	2.32
17-3023	Electrical and electronic engineering technicians	5,687	1.66
17-2071	Electrical engineers	5,418	1.58

Source: EMSI Complete Employment - 4th Quarter 2010

* Skilled occupations are those that require a post-secondary degree.

TOP 25 OCCUPATIONS IN NICHE INDUSTRIES

SOC Code	Description	% of Industry	2010 Median Hourly Earnings	Education Level
49-3011	Aircraft mechanics and service technicians	7%	\$25.25	Postsecondary vocational award
53-7062	Laborers and freight, stock, and material movers, hand	4%	\$10.99	Short-term on-the-job training
51-2022	Electrical and electronic equipment assemblers	3%	\$13.74	Short-term on-the-job training
51-2092	Team assemblers	2%	\$12.86	Moderate-term on-the-job training
51-2011	Aircraft structure, surfaces, rigging, and systems assemblers	2%	\$21.86	Long-term on-the-job training
17-2011	Aerospace engineers	2%	\$43.69	Bachelor's degree
15-1032	Computer software engineers, systems software	2%	\$42.44	Bachelor's degree
17-2112	Industrial engineers	2%	\$35.74	Bachelor's degree
53-6099	Transportation workers, all other	2%	\$15.37	Short-term on-the-job training
39-6011	Baggage porters and bellhops	2%	\$9.80	Short-term on-the-job training
51-9061	Inspectors, testers, sorters, samplers, and weighers	2%	\$15.38	Moderate-term on-the-job training
17-2199	Engineers, all other	2%	\$38.90	Bachelor's degree
43-4051	Customer service representatives	2%	\$14.46	Moderate-term on-the-job training
17-2141	Mechanical engineers	2%	\$36.05	Bachelor's degree
17-2071	Electrical engineers	2%	\$38.87	Bachelor's degree
51-4041	Machinists	2%	\$17.96	Long-term on-the-job training
11-9041	Engineering managers	2%	\$55.42	Degree plus work experience
15-1031	Computer software engineers, applications	2%	\$39.68	Bachelor's degree
11-1021	General and operations managers	1%	\$42.32	Degree plus work experience
13-1023	Purchasing agents, except wholesale, retail, and farm products	1%	\$24.58	Work experience in a related field
49-2091	Avionics technicians	1%	\$24.29	Postsecondary vocational award
51-1011	First-line supervisors/managers of production and operating workers	1%	\$24.59	Work experience in a related field
43-4181	Reservation and transportation ticket agents and travel clerks	1%	\$14.56	Short-term on-the-job training
43-5011	Cargo and freight agents	1%	\$17.79	Moderate-term on-the-job training
43-5061	Production, planning, and expediting clerks	1%	\$19.78	Short-term on-the-job training

Source: EMSI Complete Employment - 4th Quarter 2010.

Bold denotes occupations that require post-secondary training.

INDUSTRY NETWORKING

Trade Associations:

Aircraft Electronics Association

General Aviation Manufacturers Association

Light Aircraft Manufacturers Association

National Association of Manufacturers

National Business Aviation Association

Trade Publications

Aviation Week & Space Technology

Aviation International News

Avionics News

Avionics Magazine

Trade Events & Meetings

49th International Paris Air Show

20-26 June 2011

Le Bourget, France

Farnborough International Airshow

09-15 July 2012

Farnborough, UK

Asian Aerospace

08-10 March 2011

Hong Kong

Dubai Airshow

13-17 November 2011

Dubai, UAE

EBACE

17-19 May 2011

Geneva, Switzerland

Strategic Recommendations

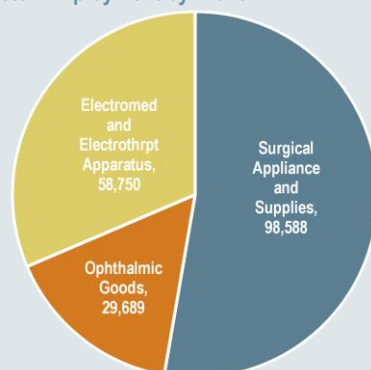
- Work with the landowners of the parcels west of the airport to create a **vision and plan for an Aviation Technology Corridor** that could accommodate companies in the niche sectors. See Goal Two for other strategies regarding the development of the Aviation Technology Corridor.
- Locating a **higher education partner** that provides training and conducts research in aviation-related fields could strengthen the value proposition to prospects in this sector. Programs could include such programs as:
 - Aeronautical Engineering and Technology
 - Aviation Law
 - Airport Management
 - Professional Flight Technology
 - Logistics & Supply Chain Management
 - Aircraft Maintenance Management

Possible higher education partners include Collin College, Embry Riddle University, Texas A&M University, Texas State Technical College, and the University of North Texas.

- Actively **recruit tenants to available pad sites** on the airport property itself to spur activity at CCRA. See Appendix C for a more detailed analysis and discussion of potential uses and development options.
- Actively recruit the **corporate aviation divisions** of regional companies to CCRA.

NICHE INDUSTRIES SNAPSHOT

Sector Name	NAICS
Surgical appliance and supplies manufacturing	339113
Ophthalmic goods manufacturing	339115
Electromedical and electrotherapeutic apparatus manufacturing	334510

US Sector Employment by Niche**Collin County:**

Number of Establishments (2010)	12
Number of Jobs (2010)	750
Expected Job Growth (2010-15)	114
Average Earnings per Worker (2010)	\$76,105

DFW:

Number of Establishments (2010)	85
Number of Jobs (2010)	4,308
Expected Job Growth (2010-15)	252
Average Earnings per Worker (2010)	\$71,803

Employment Growth Outlook (2010-15)

Texas	4.5%
US	7.0%

Source: EMSI.

healthcare & medical >>**Industry Overview**

The Healthcare and Medical Sector consists of healthcare providers and facilities as well as health-related products manufacturing and distribution. Within this sector, TIP has chosen the niche industries that focus on medical device manufacturing: surgical appliance and supplies manufacturing, ophthalmic goods manufacturing, and electromedical and electrotherapeutic apparatus manufacturing.

The sector as a whole consists of 642,477 establishments and almost 16 million jobs of which 12,866 establishments and almost 300,000 jobs are located in the DFW region. The largest sector in terms of employment is General Medical and Surgical Hospitals. The largest sector in terms of establishments is Offices of Physicians. Job growth in the sector is expected to be driven by growth in [1] Offices of Physicians; [2] Home Health Care Services; and [3] General Medical and Surgical Hospitals.

Between 2005 and 2010, employment in the sector nationwide grew by 12% and is expected to grow by another 12% between 2010 and 2015. In the DFW region, the sector grew by 25% between 2005 and 2010 and is expected to grow 18% between 2010 and 2015.

Niche Overview

The niche industries consist of 4,833 establishments and 187,027 jobs in the US of which 85 establishments and 4,308 jobs are located in the DFW region. The largest of the niche industries in terms of employment and establishments is Surgical Appliance and Supplies Manufacturing.

In the US, between 2005 and 2010, employment in the niches increased 1.0% and is expected to grow 4.0% between 2010 and 2015. In the DFW region, employment increased by 8.0% from 2005 to 2010 and expected to grow by another 6% from 2010 to 2015.

EXAMPLES OF INDUSTRY PLAYERS

<i>Company</i>	<i>HQ</i>
Abbott Laboratories	<i>Illinois</i>
Alcon	<i>Switzerland</i>
Astellas Pharma	<i>Japan</i>
Bausch & Lomb	<i>New York</i>
Baxter International	<i>Illinois</i>
Bayer	<i>Germany</i>
Beckton, Dickinson, & Co	<i>New Jersey</i>
Boston Scientific	<i>Massachusetts</i>
Daiichi Sankyo	<i>Japan</i>
Essilor International	<i>France</i>
Fresenius	<i>Germany</i>
Johnson & Johnson	<i>New Jersey</i>
Medtronic	<i>Minnesota</i>
Olympus	<i>Japan</i>
Stryker	<i>Michigan</i>
Takeda Pharmaceutical	<i>Japan</i>
Teva Pharmaceutical Industries	<i>Israel</i>
Thermo Fisher Scientific	<i>Massachusetts</i>

Why McKinney?

- A robust and growing healthcare sector.
- Available land adjacent to existing health and wellness clusters at the Gateway Site and in the Craig Ranch Medical District.
- A strategic location for accessing both skilled and low-skilled labor at reasonable costs.
- A strong training program in healthcare occupations at Collin College.

SITE CONSIDERATIONS

- ✓✓✓✓ Access to skilled labor
- ✓✓✓ Competitive cost structure
- ✓✓✓ R&D/investment tax incentives
- ✓✓ Availability of land/modern facilities
- ✓ Access to markets/customers
- ✓ Highway infrastructure
- ✓ Regional R&D activities
- ✓ Regional teaching hospitals

Workforce

About 20% of the jobs in the niche industries' jobs require some kind of post-secondary degree. In addition, approximately 25% of the occupations have median earnings over \$20.00 per hour.

The majority of the top occupations can be classified in the following categories: [1] Production occupations; [2] Architecture and engineering occupations; [3] Office and administrative support occupations; and [4] Management occupations. The top 25 occupations in the niche industries are listed in the table on the following page.

In the top 10 occupations that require post-secondary education, DFW has a competitive advantage in 8 out of the 10 occupations. The DFW region is especially strong in many of the engineering occupations that are in short supply in other regions of the country. The table to the left lists the top 10 skilled occupations in the niche industries.

TOP 10 SKILLED OCCUPATIONS IN NICHE INDUSTRIES* (DFW REGION)

SOC Code	Description	2010 Jobs	2010 LQ
11-1021	General and operations managers	49,523	1.25
15-1032	Computer software engineers, systems software	18,510	1.99
15-1031	Computer software engineers, applications	16,790	1.39
17-2112	Industrial engineers	6,219	1.32
17-2141	Mechanical engineers	5,996	1.13
17-3023	Electrical and electronic engineering technicians	5,687	1.66
17-2071	Electrical engineers	5,418	1.58
17-2072	Electronics engineers, except computer	5,342	1.72
11-9041	Engineering managers	3,940	1.00
17-2199	Engineers, all other	3,796	0.92

Source: EMSI Complete Employment - 4th Quarter 2010

* Skilled occupations are those that require a post-secondary degree.

TOP 25 OCCUPATIONS IN NICHE INDUSTRIES

SOC Code	Description	% of Industry	2010 Median Hourly Earnings	Education Level
51-2092	Team assemblers	9%	\$12.86	Moderate-term on-the-job training
51-9081	Dental laboratory technicians	7%	\$16.86	Long-term on-the-job training
51-9061	Inspectors, testers, sorters, samplers, and weighers	3%	\$15.38	Moderate-term on-the-job training
51-1011	First-line supervisors/managers of production and operating workers	3%	\$24.59	Work experience in a related field
51-2022	Electrical and electronic equipment assemblers	2%	\$13.74	Short-term on-the-job training
51-4041	Machinists	2%	\$17.96	Long-term on-the-job training
51-9083	Ophthalmic laboratory technicians	2%	\$13.27	Moderate-term on-the-job training
17-2112	Industrial engineers	2%	\$35.74	Bachelor's degree
51-9082	Medical appliance technicians	2%	\$16.62	Long-term on-the-job training
43-4051	Customer service representatives	2%	\$14.46	Moderate-term on-the-job training
43-5071	Shipping, receiving, and traffic clerks	2%	\$13.56	Short-term on-the-job training
11-1021	General and operations managers	2%	\$42.32	Degree plus work experience
51-2099	Assemblers and fabricators, all other	2%	\$13.32	Moderate-term on-the-job training
17-2141	Mechanical engineers	2%	\$36.05	Bachelor's degree
51-2023	Electromechanical equipment assemblers	1%	\$14.71	Short-term on-the-job training
11-9041	Engineering managers	1%	\$55.42	Degree plus work experience
43-9061	Office clerks, general	1%	\$12.28	Short-term on-the-job training
41-4011	Sales representatives, wholesale and manufacturing, technical and scientific products	1%	\$33.32	Moderate-term on-the-job training
17-2071	Electrical engineers	1%	\$38.87	Bachelor's degree
53-7062	Laborers and freight, stock, and material movers, hand	1%	\$10.99	Short-term on-the-job training
51-4072	Molding, coremaking, and casting machine setters, operators, and tenders, metal and plastic	1%	\$13.41	Moderate-term on-the-job training
41-4012	Sales representatives, wholesale and manufacturing, except technical and scientific products	1%	\$24.07	Moderate-term on-the-job training
51-9199	Production workers, all other	1%	\$13.21	Moderate-term on-the-job training
43-3031	Bookkeeping, accounting, and auditing clerks	1%	\$15.11	Moderate-term on-the-job training
13-1023	Purchasing agents, except wholesale, retail, and farm products	1%	\$24.58	Work experience in a related field

Source: EMSI Complete Employment - 4th Quarter 2010.

Bold denotes occupations that require post-secondary training.

INDUSTRY NETWORKING

Trade Associations

Medical Device Manufacturers Association

Association of Electrical & Medical Imaging
Equipment Manufacturers

Dental Trade Alliance

International Association of Medical Equipment
Remarketers

Orthopedic Surgical Manufacturers Association

Japan Association for Advancement of Medical
Equipment

Japan Federation of Medical Devices Associations

Japanese Society of Medical Instrumentation

Trade Publications

Q Review

European Medical Device Technology

FDA News

Conferences

Medica

16-19 November 2011

Dusseldorf, Germany

MD&M West

13-16 February 2012

Anaheim, California

MD&M East

06-09 June 2011

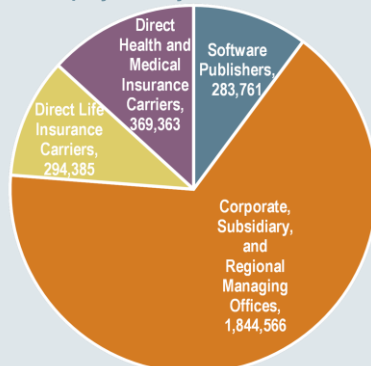
New York, New York

Strategic Recommendations

- Support **Collin College** in expanding its health education and training offerings, particularly at its Higher Education Campus.
- Team with Craig Ranch to market the available sites in its **Medical District**.
- Plan **the Gateway site** to be able to accommodate office-users as well as warehouse and light industrial users in these niche industries.
- Reach out to McKinney's **hospitals and primary healthcare providers** to identify ways to support their growth and leverage their network for business recruitment purposes.

NICHE INDUSTRIES SNAPSHOT

Sector Name	NAICS
Software publishers	511210
Direct life insurance carriers	524113
Direct health and medical insurance carriers	524114
Corporate, subsidiary, and regional managing offices	551114

US Sector Employment by Niche**Collin County:**

Number of Establishments (2010)	184
Number of Jobs (2010)	15,065
Expected Job Growth (2010-15)	2,496
Average Earnings per Worker (2010)	\$118,516

DFW:

Number of Establishments (2010)	1,228
Number of Jobs (2010)	62,366
Expected Job Growth (2010-15)	7,729
Average Earnings per Worker (2010)	\$100,800

Employment Growth Outlook (2010-15)

Texas	12.9%
US	5.3%

Source: FMSI

office tenants >>*Industry Overview*

A wide-array of industry sectors and sub-sectors may be classified as office tenants. For the purposes of this target industry profile, we have defined office tenants to include parts of the following sectors: Information; Finance and Insurance; Real Estate and Rental and Leasing; Professional, Scientific and Technical Services; Management of Companies and Enterprises; and Administrative and Support Services. Within this sector, TIP identified four niches for McKinney that would be well-suited as tenants for the Regional Employment Center, Town Center, Gateway, and Entrepreneurial Village.

The sector as a whole consists of over 2.4 million establishments and 41 million jobs in the US of which 51,743 establishments and 1.1 million jobs are located in the DFW region. The largest component of this sector in terms of employment is Temporary Help Services. In terms of establishments, the largest component is Offices of Lawyers. Employment growth in the sector is expected to be driven by growth in [1] Offices of Real Estate Agents and Brokers; [2] Portfolio Management; and [3] Other Activities Related to Real Estate.

In the US, between 2005 and 2010, employment in the sector increased by 4.2% and is expected to grow by 12.1% from 2010 to 2015. In the DFW region, between 2005 and 2010, employment in the sector increased by 12.8%. Between 2010 and 2015, the sector in DFW is expected to grow another 15.3%.

Niche Overview

The niche sectors consist of 67,148 establishments and 2.8 million jobs in the US of which 1,228 establishments and 62,300 jobs are located in the DFW region. The largest of the niche industries in terms of employment and establishments is Corporate, Subsidiary, and Regional Managing Offices.

In the US, between 2005 and 2010, employment in the niches increased 4.5% and is expected to grow 5.3% between 2010 and 2015. In the DFW region, employment increased by 30.3% and expected to grow by another 12.4% from 2010 to 2015.

EXAMPLES OF INDUSTRY PLAYERS

Company	HQ
Activision Blizzard	California
Adobe Systems	California
Aetna	Connecticut
BMC Software	Texas
Check Point Software Technologies	Israel
CIGNA	Pennsylvania
Coventry Health Care	Maryland
Electronic Arts	California
Health Care REIT	Ohio
Health Net	California
Humana	Kentucky
Intuit	California
Medco Health Solutions	New Jersey
Microsoft	Washington
Oracle	California
SAP	Germany
UnitedHealth Group	Minnesota
WellPoint	Indiana

Why McKinney?

- Existing and growing clusters in software publishing (Gaming) and insurance carriers.
- Available sites at the Regional Employment Center within 30 minute drive of DFW Airport and with access to amenities including the Tournament Players Club and Cooper Fitness Center.
- Available space in the historic Cotton Mill conveniently located between downtown and the Collin County Regional Airport.
- Existing Class A office space at Summit Park, the McKinney Green Building, and Valliance Plaza and a wide array of Class B office space across the city.
- A good value (high quality for price) for companies looking to locate or relocate in the Metroplex.

SITE CONSIDERATIONS

- ✓✓✓✓ Access to skilled labor
- ✓✓✓ Competitive tax environment
- ✓✓ Affordable labor rates
- ✓✓ Class A office options
- ✓ Airport accessibility & flight options
- ✓ Access to markets/customers

Workforce

About 44% of the jobs in the niche industries' jobs require some kind of post-secondary degree. In addition, approximately 51% of the occupations have median earnings over \$20.00 per hour.

The majority of the top occupations can be classified in the following categories: [1] Office and administrative support occupations; [2] Management occupations; [3] Computer and mathematical science occupations; and [4] Business and financial operations occupations. The top 25 occupations in the niche industries are listed in the table on the following page.

In the top 10 occupations that require post-secondary education, DFW has a competitive advantage in 9 out of the 10 occupations. The table to the left lists the top 10 skilled occupations in the niche industries.

TOP 10 SKILLED OCCUPATIONS IN NICHE INDUSTRIES* (DFW REGION)

SOC Code	Description	2010 Jobs	2010 LQ
11-1021	General and operations managers	49,523	1.25
13-2011	Accountants and auditors	40,178	1.19
13-1111	Management analysts	27,931	1.09
13-1199	Business operation specialists, all other	20,804	0.86
15-1051	Computer systems analysts	20,448	1.53
11-3031	Financial managers	19,537	1.13
15-1041	Computer support specialists	18,683	1.49
41-3021	Insurance sales agents	18,612	1.14
15-1031	Computer software engineers, applications	16,790	1.39
15-1021	Computer programmers	14,406	1.49

Source: EMSI Complete Employment - 4th Quarter 2010

* Skilled occupations are those that require a post-secondary degree.

TOP 25 OCCUPATIONS IN NICHE INDUSTRIES

SOC Code	Description	% of Industry	2010 Median Hourly Earnings	Education Level
43-4051	Customer service representatives	6%	\$14.46	Moderate-term on-the-job training
11-9199	Managers, all other	4%	\$19.12	Work experience in a related field
43-3031	Bookkeeping, accounting, and auditing clerks	3%	\$15.11	Moderate-term on-the-job training
13-2011	Accountants and auditors	3%	\$23.64	Bachelor's degree
15-1031	Computer software engineers, applications	3%	\$39.68	Bachelor's degree
11-1021	General and operations managers	3%	\$42.32	Degree plus work experience
13-1199	Business operation specialists, all other	3%	\$28.04	Bachelor's degree
43-6011	Executive secretaries and administrative assistants	3%	\$18.98	Moderate-term on-the-job training
43-9061	Office clerks, general	3%	\$12.28	Short-term on-the-job training
43-9041	Insurance claims and policy processing clerks	3%	\$16.07	Moderate-term on-the-job training
15-1051	Computer systems analysts	2%	\$33.59	Bachelor's degree
43-1011	First-line supervisors/managers of office and administrative support workers	2%	\$21.67	Work experience in a related field
13-1111	Management analysts	2%	\$24.77	Degree plus work experience
11-3031	Financial managers	2%	\$35.53	Degree plus work experience
15-1041	Computer support specialists	2%	\$20.75	Associate's degree
15-1021	Computer programmers	2%	\$30.74	Bachelor's degree
41-3021	Insurance sales agents	2%	\$15.29	Bachelor's degree
13-1031	Claims adjusters, examiners, and investigators	2%	\$26.16	Long-term on-the-job training
11-3021	Computer and information systems managers	2%	\$50.68	Degree plus work experience
15-1032	Computer software engineers, systems software	2%	\$42.44	Bachelor's degree
11-1011	Chief executives	1%	\$42.91	Degree plus work experience
43-6014	Secretaries, except legal, medical, and executive	1%	\$13.72	Moderate-term on-the-job training
11-2022	Sales managers	1%	\$40.68	Degree plus work experience
13-2051	Financial analysts	1%	\$23.32	Bachelor's degree
15-1071	Network and computer systems administrators	1%	\$31.55	Bachelor's degree

Source: EMSI Complete Employment - 4th Quarter 2010.

Bold denotes occupations that require post-secondary training.

INDUSTRY NETWORKING

Trade Associations:

American Council of Life Insurers
 Business Software Alliance
 Entertainment Software Association
 International Game Developers Association
 Interactive Software Federation of Europe

Trade Publications

National Underwriter
 Insurance Journal
 Game Developer
 IEEE Software

Conferences

SXSW Interactive

11-15 March 2011
 Austin, Texas

Interop Las Vegas

08-12 May 2011
 Las Vegas, Nevada

Interop Tokyo

07-10 June 2011
 Tokyo, Japan

Electronic Entertainment Expo

7-9 June 2011
 Los Angeles, CA

ACLI Life Insurance Conference

11-13 April 2011
 Las Vegas, Nevada

Strategic Recommendations

- **Leverage the networks** of existing companies in McKinney to recruit new office tenants.
- Explore partnership opportunities with **higher education institutions** to offer post-secondary training in the Town Center at sites including the Cotton Mill and Downtown. Programs could be in such areas as:
 - Interactive Technology
 - Video Game Development
 - Entrepreneurship
 - Sustainability
- Work closely with Craig Ranch to recruit corporate headquarters and other office users to the **Regional Employment Center**. Activities should include:
 - Identifying co-marketing opportunities
 - Referring prospects who might be interested in locating on a site in the Regional Employment Center
 - Assembling comprehensive and competitive incentives packages for prospects who are considering locating at the Regional Employment Center
- Actively **support development projects** that include office uses particularly in the Town Center area and the Gateway site.

Considerations for Future Business and Industrial Parks

Effective planning for a future business and industrial park can take on many dimensions and can move in many directions. A key element of the planning process is for the developer to create an image of how he wants the park to look when it is fully built out. It is also important to incorporate a financial and investment plan to evaluate and estimate the capital required to develop the business and industrial park over time, and the potential return on investment that will accrue to the developers. The most important phase in developing a new business and industrial park is the “concept” phase – it is also the least expensive phase. Creating ideas, exchanging strategies, evaluating market conditions, and establishing targets for a new business and industrial park tenants is a “pencil on paper” exercise and can be changed fairly easily. Once a developer begins installing infrastructure, changes become very expensive and time consuming.

Large business and industrial parks, i.e. those over 500 acres, require highly flexible planning in the beginning. The first investor in a new park has significant impact on the initial planning phase and can change development strategies quickly. Developers are always anxious to get the first tenant in place, primarily because nothing breeds success like success. The fact is, however, many developers compromise initial plans in order to accommodate the first tenant. Hence, flexible planning is a key to future success.

Large business and industrial parks are typically planned in phases. This strategy minimizes initial infrastructure investment and optimizes use of the balance of the property. Mixed use business and industrial parks become somewhat more problematic. A mixture of high-end office buildings, warehouse and distribution facilities, and manufacturing plants creates the opportunity of diversified implementation, but also spreads the amount of capital required to prepare and implement development for the park. Additionally, mixed use parks, by their very nature, create mixed traffic control requirements, i.e. pedestrian, automotive, and truck traffic are all present within the park at the same time. Truck entrances and automotive entrances should be separated to the extent possible, and pedestrian traffic should be planned carefully. Traffic control lights should be used at intersections where automotive, truck, and pedestrian traffic are mixed.

Infrastructure for a new business and industrial park should be planned carefully to provide for the broad range of demands that may be placed on the infrastructure systems by different types of tenants. The chart in Figure 1 presents generic requirements of selected infrastructure and other requirements by type of business or industry. It should be noted that these requirements are estimated averages, and are not intended to be absolute for any specific type of business or industry. The requirements could vary by as much as 100%, or more, within the same business classifications based on individual project requirements.

Figure 1. Selected Site and Building Requirements

Requirements	Heavy Industrial	General Manufacturing	Light Industrial / Assembly	Office - Technical Services Center	Office - Call Center	Warehouse & Distribution / Logistics	Research & Development	Commerce Development Site
Acreage	Minimum of 50 developable contiguous acres	Minimum of 15 developable contiguous acre	Minimum of 15 developable contiguous acres	Minimum of 15 developable contiguous acres	Minimum of 10 developable contiguous acres	Minimum of 50 developable contiguous acres	Minimum of 5 developable contiguous acres	Minimum of 45 developable, subdividable acres
Zoning	Zoned for heavy industrial	Zoned for industrial use	Zoned for light industrial/assembly	Zoned for office use	Zoned for office use	Zoned for warehouse/distribution	Research and development	Commerce development site capable of building up to 600,000 sq. ft
Environmental	Not in any EPA air quality Severe Non-Attainment & Class I areas. Free of wetlands, protected species or other environmental issues. Outside of a FEMA 100-year flood plain.	Free of wetlands, protected species or other environmental issues. Outside of a FEMA 100-year flood plain.	Free of wetlands, protected species or other environmental issues. Outside of a FEMA 100-year flood plain.	Free of wetlands, protected species or other environmental issues. Outside of a FEMA 100-year flood plain.	Free of wetlands, protected species or other environmental issues. Outside of a FEMA 100-year flood plain.	Free of wetlands, protected species or other environmental issues. Outside of a FEMA 100-year flood plain.	Free of wetlands, protected species or other environmental issues. Outside of a FEMA 100-year flood plain.	Free of wetlands, protected species or other environmental issues. Outside of a FEMA 100-year flood plain.
Electric	20,000 kilowatt (kW) demand, 13,500,000 kilowatt hour (kWh)/monthly usage.	2,000 kilowatt (kW) demand, 1,400,000 kilowatt hour (kWh)/month usage	1,200 kilowatt (kW) demand; 400,000 kilowatt hour (kWh)/monthly usage	1,500 kilowatt (kW) demand, 1,000,000 kilowatt hour (kWh)/month usage	750 kilowatt (kW) demand, 360,000 kilowatt hour (kWh)/monthly usage	2,500 kilowatt (kW) demand; 1,500,000 kilowatt hour (kWh)/month usage	600 kilowatt (kW) demand; 324,000 kilowatt hour (kWh)/month usage	8,000 kilowatt (kW) demand, 3,600,000 kilowatt hour (kWh)/month usage
Water (gallons/day)	585,000 gpd	170,000 gpd	150,000 gpd, dual sourcing.	12,000 gpd	6,000 gpd	6,000 gpd	2,500 gpd	62,000 gpd
Wastewater (gallons/day)	450,000 gpd	155,000 gpd	150,000 gpd	12,000 gpd	6,000 gpd	6,000 gpd	2,500 gpd	62,000 gpd
Solid Waste	1,000 tons/month							
Natural Gas	115,200 mcf/month peak demand, 90,000 mcf/month usage; capacity for on-site electric generation (co-generation)	4,000 mcf/month usage	833 mcf/month usage	600 mcf/month usage	250 mcf/month usage	1,600 mcf/month usage	150 mcf/month usage	5,000 mcf/month usage
Telecommunications	<i>Minimum:</i> T-1 line with at least 1.5 Mbps bandwidth or equivalent service. <i>Preferred:</i> T-1 line with at least 45 Mbps bandwidth or equivalent service	<i>Minimum:</i> T-1 line with at least 1.5 Mbps bandwidth or equivalent service. <i>Preferred:</i> T-3 line with at least 45 Mbps bandwidth or equivalent service	<i>Minimum:</i> T-1 line with at least 1.5 Mbps bandwidth or equivalent service. <i>Preferred:</i> T-3 line with at least 45 Mbps bandwidth or equivalent service	<i>Minimum:</i> Access to OC-1 with at least 52 Mbps bandwidth, SONET ring infrastructure or equivalent service. <i>Preferred:</i> Access to OC-3 lines at least 155.5 Mbps bandwidth, with SONET ring infrastructure and dual bi-directional rings from two Central Offices (CO's).	<i>Minimum:</i> T-1 line with at least 1.5 Mbps bandwidth or equivalent service. <i>Preferred:</i> Access to OC-3 lines with at least 155.5 Mbps bandwidth, SONET ring infrastructure, dual bi-directional rings from two Central Offices (CO's) or equivalent service.	<i>Minimum:</i> T-1 line with at least 1.5 Mbps bandwidth or equivalent service. <i>Preferred:</i> Telecommunications: Access to OC-3 lines with at least 155.5 Mbps bandwidth, SONET ring infrastructure or equivalent service.	<i>Minimum:</i> T-1 line with at least 1.5 Mbps or equivalent service. <i>Preferred:</i> Access to OC-1 lines with at least 52 Mbps bandwidth, SONET ring infrastructure, dual bi-directional rings from two Central Offices (CO's) or equivalent service.	<i>Minimum:</i> T-1 line with at least 1.5 Mbps bandwidth or equivalent service <i>Preferred:</i> T-3 line with at least 45 Mbps bandwidth or equivalent service
Location and Transportation	<i>Minimum:</i> Rail served. Within 10 miles, via truck route, of an Interstate or limited access, 4-lane improved US national highway system. <i>Preferred:</i> Within 5 miles via truck route, of an Interstate or limited access, 4-lane improved US national highway system. Within 60 miles of a commercial service airport.	<i>Minimum:</i> Within 10 miles, via truck route, of an Interstate or limited access, 4-lane improved US national highway system. <i>Preferred:</i> Within 5 miles, via truck route, of an Interstate or limited access, 4-lane improved US national highway system. Within 60 miles of a commercial service airport.	<i>Minimum:</i> Within 10 miles, via truck route, of an Interstate or limited access, 4-lane improved US national highway system. <i>Preferred:</i> Within 5 miles, via truck route, of an Interstate or limited access, 4-lane improved US national highway system. Within 60 miles of a commercial service airport.			<i>Minimum:</i> Within 5 miles, via truck route, of an Interstate or limited access, 4-lane improved US national highway system.	<i>Minimum:</i> Within 45 miles of a university with Ph.D. programs and R&D support/activity. <i>Preferred:</i> Within 10 miles of a university with Ph.D. programs and R&D support. Within 60 miles of a commercial service airport.	<i>Preferred:</i> Within 60 miles of a commercial service airport
Population within a 30-mile radius	<i>Minimum:</i> 30,000 <i>Preferred:</i> 50,000	<i>Minimum:</i> 30,000	<i>Minimum:</i> 30,000 <i>Preferred:</i> 50,000	<i>Minimum:</i> 50,000 <i>Preferred:</i> 100,000	<i>Minimum:</i> 50,000 <i>Preferred:</i> 75,000		<i>Minimum:</i> 50,000 <i>Preferred:</i> 75,000	

Source: Based on profiles developed by Team Pennsylvania for their "Select Sites" initiative (<http://www.teampa.com/selectsites>)

In addition to the generic requirements, the following infrastructure needs should also be incorporated into considerations for a new business and industrial park:

- **Land Use** – Multi-use parks should be subdivided on paper to identify probable uses for office, commercial, warehouse/distribution, manufacturing and any other anticipated types of tenants. If zoning is required for the park, each of the sub-zones should be appropriately identified, and at least preliminary zoning actions should be taken. Zoning should be structured so it could be changed or implemented within a 60 day window. It is typical to preserve highway frontage or highly visible areas within the park area for office/commercial use, and to preserve areas with less visibility for manufacturing and warehouse/distribution uses.
- **Transportation Access** – The primary route to the park should be an improved, limited access highway, preferably at least two lanes wide with center turn lanes and acceleration/deceleration lanes at the park entrances. Close proximity to a four-lane, limited access highway or interstate is more desirable. If the park is targeting heavy to medium manufacturing, rail access is highly desirable. Planning for rail spurs as well as receiving and departure infrastructure is critically important for rail served sites. Employee traffic and truck traffic should be separated to the extent possible with each having its own entrance and exit points for the business and industrial park.
- **Water** – Water capacity to the park should be planned to service the highest potential end users. Water supply should take into consideration potable water requirements, process water requirements and fire protection requirements. Many parks provide all of these through the same system while others provide each independently, varying based on local conditions and resources. Most business and industrial parks provide an elevated or above-ground water storage facility to provide emergency water and sustained water flows for specific timeframes. Water service should be planned very carefully since it alone can become a major limiting or eliminating factor for many types of projects.
- **Sewer** – Sewer requirements for a multi-use park can vary significantly. If the park will house heavy industrial and manufacturing facilities, it is probable that the process waste stream will have characteristics not acceptable to most sanitary sewer treatment plants. This condition may dictate the presence or use of an industrial wastewater pre-treatment plant at the industrial park. To the extent there may be multiple industrial complexes generating process waste, it may be feasible to provide a multi-user industrial wastewater pre-treatment facility. The volumes of discharge and the characteristics of the discharge will be driving and determining factors for this strategy. Permitting for industrial waste discharge may also be a limiting or determining factor. This condition reinforces the need to have detailed planning and flexibility in development and implementation of a new business and industrial park.
- **Electrical** – Planning for electrical requirements may become extensive for multi-use parks. Most heavy industrial plants, and many other types of operations, will require independent dual electric feeds for their facilities. The heavy industrial plants will request the highest voltage service possible to be brought to the park, typically to a substation located on the property. High demand, end-users of electrical service will not only seek redundancy, but may also request hardened facilities, back-up transformers, and automatic switching systems for conversion from one generating source to another. Planning and evaluation related to local conditions and the ability/cost of providing these services is best done very early in the concept development stage. Capital investment and cost/benefit ratio for utility companies typically becomes the limiting or enabling factor for these services.

- **Natural Gas** – Availability of natural gas for a multi-use business and industrial park is a given. The quantities and pressures available for delivery to the park should be fully explored and defined, as well as any infrastructure that may be required to bring service to the park.
- **Telecommunications** – Fiber availability is a given at all locations today. The quality of the connectivity and the bandwidth available may vary; however, most companies today are seeking the highest level service with state-of-the-art systems. The specific needs of each project will dictate the type of service required. From a planning perspective, the developer should identify the highest quality service providers to bring service to the park. Many companies prefer to find at least two telecommunications service providers available at new locations.