



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 17-401, **Version:** 1

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.