

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

NOVEMBER 30, 2021

The McKinney Economic Development Corporation met in a Special session in the Weiskopf Room, 8000 Collin McKinney Parkway, McKinney, Texas, on Tuesday, November 30, 2021, at 8:00 a.m.

Board Members Present: Chairman Michael Jones, Vice Chairman Joe Minissale, Secretary/Treasurer Kurt Kuehn, Ken Sipiora, Brian Loughmiller, Thad Helsley, and Alternate Mohamed Kacem.

Staff Present: President Peter Tokar, Executive Vice President Abby Liu, Director of Technology and Research Michael DePaola, Business Retention and Expansion Manager Madison Clark, Project Manager Miguel Esparza, and MEDC Executive Administrative Assistant Joanne Isom.

Absent: MEDC Operations Manager Deana Smithee

There were 2 guests present.

Chairman Jones called the meeting to order at 8:03 a.m. after determining a quorum present.

21-1063 Strategic Planning Session and discussion/direction on 2022 Key Performance Indicators. The presentation for this item will be entered into the Minutes as "Exhibit A – 21-0063 Strategic Planning Session / 2022 Key Performance Indicators". President Tokar began the meeting by outlining the purpose and goals for the session. Board expectations of staff around Committee meetings were outlined to include meeting cancellations, agenda requirements, and meeting objectives. Board discussion was held on who would serve on the following MEDC committees: Finance Committee, Real Estate Committee, Marketing Committee, and Innovation Fund Committee. Chairman Jones will appoint the Board members to a committee at the December Board meeting. Board members led a discussion with staff on the expectations of what is required in all Board packets at each meeting. The Board and staff agreed each project presentation will include a summary sheet with

an overview, applicant/company information, financials, incentive information, and a staff recommendation. All back up documentation will be available in soft copy in BOX and will not be in print form at the Board meetings. The Board and staff agreed the owner of the project will present the project in Executive Session to the Board. President Tokar led a discussion on the 2022 Key Performance Indicators, current and future staffing needs, and Budget considerations.

21-1064 Chairman Jones called for the consideration/discussion/action on the 2022 Key Performance Indicators. President Tokar will present the agreed upon Key Performance Indicators for final approval at the December 21, 2021, MEDC Board meeting.

Board members unanimously approved a motion by Board member Helsley, seconded by Board member Sipiora, to adjourn.

Chairman Jones adjourned the meeting at 12:29 p.m.

These minutes approved by the MEDC members on January 18, 2021.

MICHAEL JONES
Chairman

KURT KUEHN
Secretary / Treasurer

Exhibit A – 21-0063 Strategic Planning Session / 2022 Key Performance Indicators



WELCOME: Today's Agenda

- Board & Staff Discussion: Board Expectations
- KPI Review 2021
- KPI Objectives 2022
- Targeted Industry Review & Strategic Goals
- MEDC Organizational Review
- General Discussion



Board Expectations: MEDC Committee's

| COMMITTEE | MEMBERS | FREQUENCY |
|-------------|--------------------|---------------------------------|
| Finance | Michael, Ken, Kurt | As needed |
| Real Estate | Thad, Joe, Michael | 2 nd Wednesday, Noon |
| Marketing | Kurt, Brian, Joe | 1 st Friday, Noon |
| Innovation | Thad, Michael, Ken | Email Reviews, As needed |

- Discussion:
- Members
 - Cancellation
 - Objectives

Notes:



Board Expectations: Board Packets

| OVERVIEW | COMPANY INFO | FINANCIALS | INCENTIVE | RECOMMENDATION |
|----------|--------------|------------|-----------|----------------|
| Notes: | Notes: | Notes: | Notes: | Notes: |



Board Expectations: Executive Session Attendance

- Board Member Alternate
 - Yes or No
- MEDC Staff
 - Currently: Executive Leadership Team (Pres, EVP, SVP)
 - Alternate: Have project team members come in to present their projects and or have Office Manager sit in to take notes on Executive action.

Notes:



Board Expectations: General Discussion

Notes:

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Key Performance Indicators 2021 to 2022

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KPI – Recommended Changes



2020-21

Business Attraction
Marketing/Social Media/Web
Business Intelligence
Lead Generation & Outreach
Infrastructure Development
Increase Commercial Tax Base
Business Retention & Expansion

2021-22

Business Attraction
Marketing
Research & Development
Lead Generation
Community Outreach
Commercial Investment
Business Retention & Expansion

*Proposed Addition: Innovation & Technology

Council Strategic Priorities (2021-2022)

- a. Complete at least 2 wireless infrastructure plans by 2022.
- b. Participate in a minimum of at least 5 Industry /Trade Shows
- c. Deploy at least 4 quarterly newsletters.
- d. Develop broader joint marketing strategy with EDC/CDC/CoC. (TKI Airport Goal)



KPI 1:
Business
Attraction

| <u>2020-2021</u> | <u>2021-22 Proposed</u> |
|---|---|
| Maintain Active Project Pipeline of 20 projects, no more than 40% being Innovation Fund Projects. | Maintain Active Project Pipeline of 20 projects. |
| Host at least 2 FAM Tours Annually | Host at least 2 Fam Tours and 2 Site Visits Annually |
| Participate in a minimum of 5 industry trade shows and missions | Participate in a minimum of 5 Industry Trade Shows & 1 Trade Missions |



KPI 2:
Marketing

| <u>2020-2021</u> | <u>2021-22 Proposed</u> |
|--|-------------------------|
| Launch 5 Targeted Marketing Campaigns | TBD |
| Maintain a 40% open rate for all marketing automation campaigns | TBD |
| Launch at least 5 targeted industry newsletters | TBD |
| Increase consumer organic engagement on marketing platforms by 5% over national industry average | TBD |

Our new marketing manager is still in flux, their anticipated start date is Jan 2022. We would recommend the new manager and the marketing committee meet to discuss the new KPI’s for the New Year based on their recommendations for the organization and industry standards on reporting.



Part I: Business Intelligence

KPI 3:
Research &
Development

| <u>2020 -2021</u> | <u>2021 -22 Proposed</u> |
|--|--|
| Complete a full business inventory for the City of McKinney. | Complete workforce inventory for the City of McKinney & Collin County |
| Complete two comparative analysis studies with targeted markets* | |
| Complete two competitive market studies* | |
| Upload refined “Fast Facts” sheets on website by end of first quarter. | Upload updated “Fast Facts” and demographics on the website. |

Formerly Business Intelligence: The focus of this KPI was formerly on all reporting and data analytics. We have since combined the B.I role with the Technology Infrastructure role. The metrics for these categories will be redefined and combined.



KPI 4: Lead
Generation

| <u>2020 -2021</u> | <u>2021 -22 Proposed</u> |
|--|--|
| Generate at least 10 national and International project leads | *Generate at least 25 project leads from national and international sources |
| Send out 4 quarterly newsletter to brokers and site selectors | Send out quarterly newsletters to brokers and site selectors |
| **Participate in a minimum of 5 local broker or site selectors events | Participate in a minimum of 4 National Site Selector Events |

*International Leads largely depends on the future of travel regulations.
**We are going to separate National Site selector events from Local Broker and Real Estate Events.



New Key Performance Indicator for 2022

| <div>KPI 5: Community Outreach</div> | <u>2020 -2021</u> | <u>2021 -22 Proposed</u> |
|--|-------------------|---|
| | N/A | Host two community forums annually |
| | N/A | Participate in at least 10 local brokerage / real estate organization events annually |
| | N/A | Deploy quarterly community newsletters annually |

This new KPI will address all the MEDC local community outreach for both internal communityoriented outreach and attraction and expansion-oriented outreach. This will better define our outreach efforts within the community and within the professional business & development community.



Formerly "Increase Capital Investment,,

| <div>KPI 6: Community Investment</div> | <u>2020 -2021</u> | <u>2021 -22 Proposed</u> |
|--|---|---|
| | Have an active investment pipeline of \$200M from MEDC projects annually (Calendar Year) | Have an active investment pipeline of \$200M from MEDC projects annually (Calendar Year) |
| | Increase Cap-X of at least 20% vs. prior year of contracted projects (\$253M). (FY20 Goal \$211M) | *Needs Discussion – Would be \$304M |
| | | Was the Ratio of commercial to residential tax base increased by all development in the city? |

*We will reach a point, especially after delivering a major development project, that a 20% year over year increase will become unsustainable. We need to discuss an alternate option for measuring overall capital investment performance.



We have removed the community engagement elements from BRE to the new Community Outreach KPI. We focused BRE efforts into business engagement and business growth.

KPI 7:
Business
Retention &
Expansion

| <u>2020 -2021</u> | <u>2021 -22 Proposed</u> |
|---|---|
| *Visit at least 100 McKinney businesses annually. | Engage at least 60 McKinney businesses for visitation. |
| **Engage the top 10 employers at least 3 times per year. | Catalog and report the top 10 employers on the website annually. Reach out to T10 employers at least 1 time per year. |
| Host two community forums annually (Moved to Community Outreach) | Launch Local business assistance landing page on the website |
| Deploy quarterly community newsletters annually (Moved to Community Outreach) | Host 2 Local Business events and roundtables. |

*Through our business inventory research, we determined there are only 95 local businesses that fall into our targeted and no legacy industry businesses that would qualify for corporate visitation.

**Within the BRE best practices and standards, it is not typical to engage local employers multiple times per year by the req company. Many employers do not even want annual engagement and responsive to our outreach efforts.



Proposed New KPI

KPI 8:
Innovation &
Technology

| <u>2020 -2021</u> | <u>2021 -22 Proposed</u> |
|-------------------|--|
| N/A | Have at least 10 New Innovation Fund Projects Annually |
| N/A | Participate in 2 conferences aimed at start-up's and entrepreneurship |
| N/A | Develop framework for independent Tech Support Organization for implementation |

The proposed KPI would track performance and impact of our efforts in innovation and technology programs. Specifically, Innovation Fund performance and efforts in building our innovation economy.

Targeted Industry Review / Strategic Development Goals

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Ecosystem Building



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Prioritized Investments for Target Industries

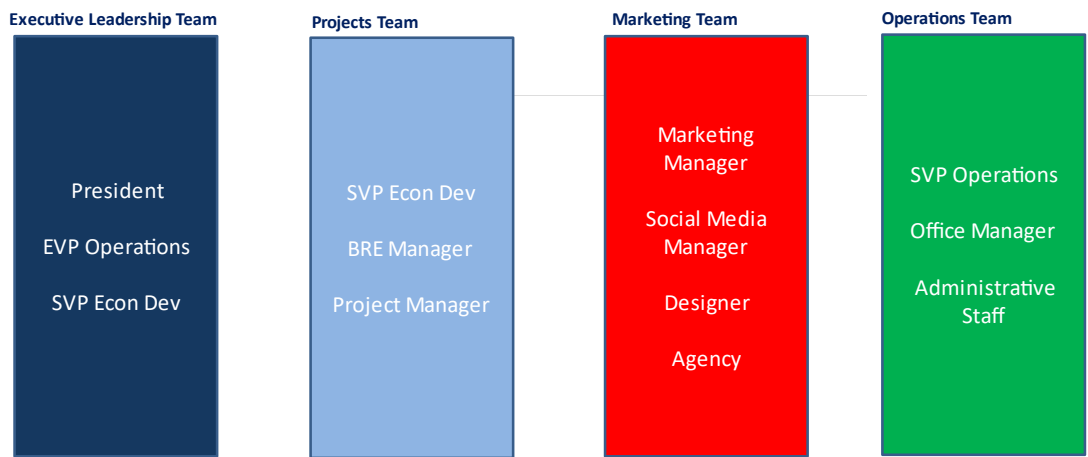


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MEDC Organizational Review: Current & Future Staffing

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Staff Structure



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MEDC Organizational Review: Budget Considerations

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Sales Tax ¼ Cent for Roadway Improvements

- Requires Citywide Election to Reduce Type A and/or Type B sales tax and Reauthorize it for Roadway Maintenance
 - Election – May or November
- If passed, requires subsequent Voter Reauthorization
 - First, 4 years after election
 - Second, 10 years after first reauthorization

| Description | Current | Alternative |
|----------------------------|---------|-------------|
| General McKinney Sales Tax | 1.0% | 1.0% |
| Type A – (MEDC) | 0.5% | 0.375% |
| Type B – (MCDC) | 0.5% | 0.375% |
| Roadway Maintenance | | 0.25% |
| Total | 2.0% | 2.0% |

If passed it would take 6 years for the EDC and CDC to get back to our 2022 proposed budget amount

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City of McKinney Annual Budget Performance: 5-Year

| City of McKinney 5 Year Revenue Trend | | | | | | | | | | | | |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|--------------|--------------|--------------|-----------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 Proposed | 2023 | 2024 | 2025 | 2026 | |
| Sales Tax | | | | | | | | | | | | |
| Com Sales Tax | \$ 22,936,066 | \$ 25,073,380 | \$ 26,801,626 | \$ 28,012,408 | \$ 31,663,984 | \$ 35,776,512 | \$ 38,101,985 | \$40,578,614 | \$43,216,224 | \$46,025,279 | \$49,016,922 | |
| MEDC | \$ 11,468,033 | \$ 12,536,690 | \$ 13,400,813 | \$ 14,006,204 | \$ 15,831,992 | \$ 17,888,256 | \$ 19,050,993 | \$20,289,307 | \$21,608,112 | \$23,012,639 | \$24,508,461 | |
| MCDC | \$ 11,468,033 | \$ 12,536,690 | \$ 13,400,813 | \$ 14,006,204 | \$ 15,831,992 | \$ 17,888,256 | \$ 19,050,993 | \$20,289,307 | \$21,608,112 | \$23,012,639 | \$24,508,461 | |
| % Change | | 9.3% | 6.9% | 4.5% | 13.0% | 13.0% | 6.5% | 6.5% | 6.5% | 6.5% | 6.5% | Projected |
| Revenue: | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 Proposed | | | | | |
| Property Tax | \$ 63,437,519 | \$ 69,881,667 | \$ 73,847,744 | \$ 78,827,663 | \$ 83,448,823 | \$ 88,784,838 | \$ 93,072,578 | | | | | |
| S&U Tax | \$ 22,172,572 | \$ 23,657,598 | \$ 25,213,079 | \$ 26,624,690 | \$ 30,625,603 | \$ 33,672,519 | \$ 35,333,645 | | | | | |
| Franchise Fee | \$ 14,162,263 | \$ 14,796,276 | \$ 16,167,036 | \$ 16,071,697 | \$ 15,992,927 | \$ 16,066,266 | \$ 16,664,198 | | | | | |
| Licenses Permits | \$ 11,484,965 | \$ 14,883,837 | \$ 11,495,904 | \$ 10,621,061 | \$ 10,280,327 | \$ 10,197,245 | \$ 10,525,245 | | | | | |
| Intergovernmental | \$ 818,258 | \$ 1,676,077 | \$ 997,924 | \$ 1,211,587 | \$ 5,190,085 | \$ 1,349,609 | \$ 1,449,389 | | | | | |
| Charges for services | \$ 6,406,978 | \$ 8,726,651 | \$ 10,011,177 | \$ 13,286,467 | \$ 10,856,138 | \$ 6,829,675 | \$ 6,762,049 | | | | | |
| Fines and Forfeitures | \$ 1,912,878 | \$ 1,923,927 | \$ 1,981,919 | \$ 1,875,590 | \$ 895,134 | \$ 1,154,900 | \$ 1,208,900 | | | | | |
| Investment Income | \$ 435,565 | \$ 666,840 | \$ 921,791 | \$ 2,933,311 | \$ 1,532,887 | \$ 583,587 | \$ 575,000 | | | | | |
| Contributions | \$ 449,464 | \$ 452,614 | \$ 441,134 | \$ 479,138 | \$ 440,201 | \$ 119,801 | \$ 146,751 | | | | | |
| MISC | \$ 433,414 | \$ 9,527,638 | \$ 793,419 | \$ 460,907 | \$ 1,368,080 | \$ 4,257,100 | \$ 1,677,300 | | | | | |
| Total Revenue | \$ 121,713,876 | \$ 146,191,125 | \$ 141,871,127 | \$ 152,392,111 | \$ 160,630,205 | \$ 163,015,540 | \$ 167,415,055 | | | | | |
| % Chang YOY | | 20.1% | -3.0% | 7.4% | 5.4% | 1.5% | 2.7% | | | | | |
| Avg % Change YOY | | | | 6.83% | | | | | | | | |
| General Fund Balance | \$ 52,517,123 | \$ 64,652,372 | \$ 60,710,585 | \$ 69,136,409 | \$ 60,710,858 | \$ 69,136,409 | | | | | | |
| | | 23% | -6% | 14% | -12% | 14% | | | | | | |
| AVG % Change YOY | | | | 6.52% | | | | | | | | |

- QUESTIONS:
- The conservative budgeting by the city finance department projects a moderate 4% Annual Increase. The actual Increase in recent years has been +13%. To the EDC in 2021, this provided an excess of roughly \$3M at the end of the year that hits our fund balance. This would mean the city had an annual overage of +\$6M in collections over the budgeted amount. WHERE DO THESE FUNDS GO?
 - Why is ¼ percent not be contributed by the City of McKinney Sales Tax Funds?

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City of McKinney Annual Budget Performance: 5-Year

| | | | | | | | | | | | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| McKinney EDC Analysis of McKinney Roadway Funding Proposal | | | | | | | | | | | | | | | | |
| General Funds | \$ 2,800,000 | | | | | | | | | | | | | | | |
| Capital Improvements | \$ 6,500,000 | | | | | | | | | | | | | | | |
| Total | \$ 9,300,000 | | | | | | | | | | | | | | | |
| City of McKinney | Actual FY 2016 | Actual FY 2017 | Actual FY 2018 | Actual FY 2019 | Actual FY 2020 | Actual/ Projected FY 2021 | Projected FY 2021 | Projected FY 2022 | Projected FY 2023 | Projected FY 2024 | Projected FY 2025 | Projected FY 2026 | Projected FY 2027 | Projected FY 2028 | Projected FY 2029 | Projected FY 2030 |
| City of McKinney | \$ 22,936,066 | \$ 25,073,380 | \$26,801,626 | \$ 28,012,408 | \$ 31,663,984 | \$ 35,776,512 | \$ 38,101,985 | \$ 40,578,614 | \$ 43,216,224 | \$ 46,025,279 | \$ 49,016,922 | \$ 52,063,022 | \$ 55,566,218 | \$ 59,209,972 | \$ 63,056,621 | \$ 67,157,431 |
| MEDC | \$ 11,468,033 | \$ 12,536,690 | \$13,400,813 | \$ 14,006,204 | \$ 15,831,992 | \$ 17,888,256 | \$ 19,050,993 | \$ 20,289,307 | \$ 21,608,112 | \$ 23,012,639 | \$ 24,508,461 | \$ 26,101,511 | \$ 27,798,109 | \$ 29,604,986 | \$ 31,526,310 | \$ 33,578,714 |
| MCDC | \$ 11,468,033 | \$ 12,536,690 | \$13,400,813 | \$ 14,006,204 | \$ 15,831,992 | \$ 17,888,256 | \$ 19,050,993 | \$ 20,289,307 | \$ 21,608,112 | \$ 23,012,639 | \$ 24,508,461 | \$ 26,101,511 | \$ 27,798,109 | \$ 29,604,986 | \$ 31,526,310 | \$ 33,578,714 |
| % Increase vs PY | | 9.4% | 8.9% | 4.5% | 13.0% | 13.0% | 6.5% | 6.5% | 6.5% | 6.5% | 6.5% | 6.5% | 6.5% | 6.5% | 6.5% | 6.5% |
| City Tax Revenue | | | | | | | | | | | | | | | | |
| M&O Tax Revenue | | | | \$ 76,827,664 | \$ 81,448,823 | \$ 88,784,838 | \$ 93,072,578 | | | | | | | | | |
| Sales & Use Tax Revenue | | | | \$ 26,624,690 | \$ 30,625,603 | \$ 33,672,519 | \$ 35,333,645 | | | | | | | | | |
| Total Tax Revenue | | | | \$ 103,452,354 | \$ 114,674,426 | \$122,457,357 | \$ 128,406,223 | \$ 134,696,128 | \$ 141,298,336 | \$148,221,555 | \$ 155,494,830 | \$ 163,103,587 | \$ 171,025,063 | \$ 179,479,330 | \$ 188,273,839 | \$ 197,495,257 |
| % Increase Tax Revenue | | | | 8.2% | 7.3% | 4.9% | 4.9% | 4.9% | 4.9% | 4.9% | 4.9% | 4.9% | 4.9% | 4.9% | 4.9% | 4.9% |
| Roadway Funding | | | | | | | | | | | | | | | | |
| Street & Traffic Control | | | | \$ 8,888,381 | \$ 8,597,802 | \$ 9,806,093 | \$ 10,538,320 | \$ 11,073,779 | \$ 11,818,419 | \$ 12,187,721 | \$ 12,794,920 | \$ 13,411,381 | \$ 14,068,339 | \$ 14,777,897 | \$ 15,481,094 | \$ 16,239,904 |
| % Increase | | | | 3.6% | 9.0% | 7.6% | 4.9% | 4.9% | 4.9% | 4.9% | 4.9% | 4.9% | 4.9% | 4.9% | 4.9% | 4.9% |
| Road Funding @ \$9.3M | | | | | | | | \$ 9,300,000 | \$ 9,300,000 | \$ 9,300,000 | \$ 9,300,000 | \$ 9,300,000 | \$ 9,300,000 | \$ 9,300,000 | \$ 9,300,000 | \$ 9,300,000 |
| Road Budget % Tax Revenue | | | | 8.2% | 7.9% | 8.0% | 8.2% | 6.9% | 6.6% | 6.3% | 6.0% | 5.7% | 5.4% | 5.2% | 4.9% | 4.7% |

- QUESTIONS:
- The City budgets \$9.3M for Roads Maintenance, why can this fund not fund the debt service of a bond?
 - As the projected revenues for the City of McKinney continue to grow, the percentage of the funds budgeted for roadway maintenance shrinks. Why is the roadway maintenance fund a flat allocation and not a percentage based of the CIP to grow as revenue grows?

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City of McKinney: \$.01 Sales Tax Use

QUESTIONS:

- 1. For Roadways in the TIRZ, existing TIRZ money could be contributed to fixing roads within these special designated areas.
- 2. TIRZ has the ability to Bond for Infrastructure, additional funds for roads within the TIRZ could be bonded.

| Sales and Use Tax Breakdown City Side | | | | | |
|---------------------------------------|------------------|-----------------|-----------------|------------------|----------|
| FY | General Fund | TIRZ | Hotel Fund | Total | % Change |
| 15-16 | \$ 22,172,572.00 | \$ 1,632,898.00 | \$ 1,554,794.00 | \$ 25,360,264.00 | |
| 16-17 | \$ 23,657,598.00 | \$ 1,950,968.00 | \$ 1,711,718.00 | \$ 27,320,284.00 | 7.73% |
| 17-18 | \$ 25,213,079.00 | \$ 2,175,398.00 | \$ 1,690,070.00 | \$ 29,078,547.00 | 6.44% |
| 18-19 | \$ 26,624,690.00 | \$ 2,401,652.00 | \$ 1,697,673.00 | \$ 30,724,015.00 | 5.66% |
| 19-20 | \$ 26,580,458.00 | \$ 2,305,586.00 | \$ 1,100,000.00 | \$ 29,986,044.00 | -2.40% |
| 20-21 | \$ 27,550,000.00 | \$ 2,401,652.00 | \$ 1,300,000.00 | \$ 31,251,652.00 | 4.22% |

| TIRZ 1 Budgets | Revenue | Expenses | Balance | % |
|----------------|-----------------|-------------------|-----------------|---------|
| 2016 | \$ 1,560,753.00 | \$ (35,500.00) | \$ 5,037,198.00 | |
| 2017 | \$ 1,740,723.00 | \$ (139,000.00) | \$ 6,638,921.00 | 31.80% |
| 2018 | \$ 2,618,351.00 | \$ (55,826.00) | \$ 9,201,446.00 | 38.60% |
| 2019 | \$ 3,029,685.00 | \$ (3,999,128.00) | \$ 8,232,003.00 | -10.54% |
| 2020 | \$ 2,971,502.00 | \$ (4,401,153.00) | \$ 6,802,352.00 | -17.37% |

| TIRZ 2 Budgets | Revenue | Expenses | Balance | % |
|----------------|-----------------|-------------------|-----------------|---------|
| 2016 | \$ 605,011.00 | \$ (4,500.00) | \$ 2,213,892.00 | |
| 2017 | \$ 1,063,737.00 | \$ (25,000.00) | \$ 3,252,629.00 | 46.92% |
| 2018 | \$ 927,904.00 | \$ (3,025,000.00) | \$ 1,155,532.00 | -64.47% |
| 2019 | \$ 1,176,808.00 | \$ (22,000.00) | \$ 2,310,340.00 | 99.94% |
| 2020 | \$ 1,144,523.00 | \$ (22,000.00) | \$ 3,432,863.00 | 48.59% |

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MEDC Annual Budget: 5-Year Outlook – 25% taken from Projects Budget

| Year | Budget | Projects Budget | Less 25% | Balance | Obligations | NET Remaining |
|------|--------------|-----------------|-------------|-------------|-------------|---------------|
| 2022 | \$17,763,025 | \$11,000,000 | \$4,440,756 | \$6,559,243 | \$2,000,000 | \$4,559,243 |
| 2023 | \$18,562,361 | \$11,000,000 | \$4,640,590 | \$6,359,409 | \$2,600,000 | \$3,759,409 |
| 2024 | \$19,397,667 | \$11,000,000 | \$4,849,416 | \$5,150,583 | \$3,000,000 | \$2,150,583 |
| 2025 | \$20,270,562 | \$11,000,000 | \$5,067,640 | \$5,932,359 | \$2,000,000 | \$3,932,359 |
| 2026 | \$21,182,737 | \$11,000,000 | \$5,295,684 | \$5,704,315 | \$2,000,000 | \$3,704,315 |

*Does Not Include Project BlueSky

TOTALS \$24,294,086 x 2 = \$48,588,172 in First 5 years

Assumptions to Operating Budget:

- Annual increase to the budget is a fixed 4.5%
- Projects Budget remains flat at \$11,000,000
- Operations increase in rent is up \$150K
- Factor in recent subsidy to the Chamber of Commerce
- Increased Staffing budget for additional 2 positions.

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