



## The Importance of Business to Frisco

By Mike Simpson

**I AM PLEASED** to write this first of many articles for *Frisco STYLE Magazine*. The name Insights was chosen because as Frisco's former Mayor for the past six years, I hope to be able to share some "insights" with you that will be informative and also share my perspective on what is going on in our city.

Why is it important for Frisco or any city to attract businesses to their community? The first response of new job opportunities for our citizens is correct, however, there are many other benefits to consider. Increased tax base, quality of life, air quality, commute times, contributions to non-profit organizations and revenues to support the city and school district are just a few. The positive impact on our sales tax and hotel/motel taxes from business meetings and conventions brought to our city adds to the importance.

In 2008, the Frisco city tax base will be approximately \$13.5 billion, an increase of \$1.1 billion over 2007 and the fifth year in the last six that the base has increased by more than \$1 billion. Consider the amount of commercial property in our tax base. Currently 23 percent of our tax base is from businesses and the remaining 77 percent from residential. In previous years the City Council set a long-term goal to get the ratio to 35 percent business and 65 percent residential. Every year we grow

our commercial base we place less of a burden on our citizens.

New businesses mean more local jobs. Frisco led the entire United States in percentage of new jobs from 2000-2005 according to the U.S. Census and, in *Money Magazine's* Top 100 Places to live issue; Frisco had an increase in jobs from 2000-2007 of 116.6 percent compared to the average of all Top 100 cities of 18.7 percent. Think of the number of businesses that have made Frisco their new home. Consider just the larger companies that have added 100 or more jobs and the list includes IKEA, IntegraSys, ThyssenKrupp Elevator, Centennial Medical Center, Technisource, Inc.; Sanyo Energy, Ignite Technologies, Inc.; Baylor Medical Center at Frisco, DebtXS, Tenet Texas Regional Office, T-Mobile and AmerisourceBergen. This does not include other large retailers that have opened stores here that create big job opportunities like Wal-Mart, Super Target and the major anchor stores at Stonebriar Centre. With more than 5.5 million square feet of retail in and around the mall, there have been thousands of jobs created. Add companies like Mario Sinicola and Sons Excavating Inc., Rodman Companies and two of Frisco's largest hotels; the Westin Stonebriar Resort and the Embassy Suites, and you add hundreds more job opportunities.

I have not even touched on the jobs created and revenue impact of our sports and entertainment venues, and yes, the Frisco RoughRiders, Texas Tornado, Dallas Stars, Frisco Thunder and FC Dallas teams are businesses. They not only attract more than three million visitors to Frisco that help fill our hotels and restaurants; they generate hotel/motel tax and sales tax revenues that contribute greatly to our city's revenue base.

A case in point is the Jimmy Buffet concert last spring, which generated more than \$2.9 million in ticket sales and ranked as the number one concert in the U.S. in April by *Billboard*. The 27,438 attendees, who ate in restaurants, stayed in hotels, shopped and bought gas while in Frisco generated \$7 million in direct and indirect revenues from one concert adding \$140,000 in sales/hotel tax to the city. According to Bill Rhoda, a Frisco resident and principal of CSL International, who does economic impact analysis of sports and entertainment venues, these numbers are representative of what you see nationally. With 750,000 attending our RoughRider games and events at the Dr Pepper Ballpark, another 610,000 attending hockey games and events at the Dr Pepper StarCenter and 1.5 million attending soccer games and other sports and entertainment venues at Pizza Hut



*Mario Senacola & Sons Excavating, Warren Clock, IKEA, Central Park Longhorn, IntegraSys, Frisco Water Tower, Centennial Medical Center, T-Mobile  
photo collage by Chris Fritchie*

Park, you see the impact on our city's revenues.

Frisco currently ranks 15<sup>th</sup> in the top 20 Texas cities in sales tax generated. Last year approximately \$19 million in sales tax were earned by the city with another \$19 million split between our Economic Development Corporation (EDC) and Community Development Corporation (CDC). The EDC uses these funds to attract new businesses, while the CDC uses their portion to acquire land and help build new parks and trail facilities. Jim Gandy, president of the EDC stated the funds from sales tax they use to attract businesses to Frisco must meet state guidelines on what can be offered to prospective companies. The EDC also has local guidelines and each proposal is considered based on average salaries of jobs generated, tax base, spending power, future expansion, re-investment in the community and the Return on Investment (ROI) to the city. Fees for water, sewer and other city charges all help to justify incentives for new companies.

Hall Office Park is one of our first and is the largest office park in Frisco. Donald Braun, president of Hall Financial Group states that more than 7,500 employees work in the 15 buildings that now comprise Hall Office Park. He points out that to measure the total impact new businesses mean to Frisco, you have to also consider what happens when hundreds of new

families move to the city. They purchase homes and the tax base increases, which supports the city, Frisco Independent School District (FISD), Collin College and either Denton or Collin County. These families shop, eat, attend sports venues, volunteer for city, school and non-profit positions and become the city's best sales people on why others should move here.

The master plan for Hall Office Park shows two more high-rise office buildings totaling more than 700,000 square feet that when completed could generate 2,500 more jobs. Hall feels it is important to have the visual appeal to attract and keep their tenants and has developed a park full of art, attractive buildings and well-landscaped facilities.

AmerisourceBergen Specialty Group (ABSG), a \$12 billion division of the \$66 billion AmerisourceBergen Corporation, could become Frisco's largest private employer. Mike Mullen, president, Distribution Services stated that his company has more than 560 associates in the Frisco office and by 2012 expects that number could double to 1,200. ABSG is a great example of what new companies mean to Frisco service organizations with their support of Frisco Family Services Center, The Miracle League of Frisco, Frisco Education Foundation and the Boys & Girls Clubs of Collin County. The firm provides distribution and other services to the specialty pharmaceutical market.

So far, 15 percent of their employees are Frisco residents with the number growing. Frisco's location and proximity to airports, the reverse commute for many workers, number of restaurants, hotels and meeting spaces along with the aggressive approach by our EDC were all factors in their relocation.

As Frisco continues to grow, there will be more development along the Dallas North Tollway and numerous other business clusters. We are poised to take advantage of businesses looking for a new home or present businesses looking to expand. Our location, low tax rate, employee base, education level, quality of life, city services and excellent schools are key reasons more businesses will move to Frisco. When they do, the bottom line will be more local jobs but also the development of corporate citizens that are steak holders in creating a sustainable community.

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