

# **BISNOW**

**(ALMOST) NEVER BORING**

## **Raytheon To Expand McKinney Divisional HQ By 200K SF, Add 500 Jobs**

August 22, 2019 Kerri Panchuk, Bisnow Dallas-Fort Worth

Defense firm Raytheon plans to construct a 200K SF facility, supporting 500 additional jobs, at its Space and Airborne Systems headquarters in McKinney.



*Bisnow Raytheon Space and Airborne Systems headquarters in McKinney, Texas.*

The McKinney Raytheon SAS facility focuses on intelligence, surveillance and reconnaissance systems, as well as laser systems, and is one part of the much larger defense contractor Raytheon. Construction on the 200K SF McKinney expansion is expected to be complete in late 2020.

The expansion is one of the largest projects McKinney has seen to date, McKinney Economic Development Corp. CEO Peter Tokar III said. He believes the deal reconfirms McKinney's place as "a relevant and prominent business location in the North Texas market for corporations and businesses to locate."

It also sets the course for future commercial real estate and corporate development in the community.

"The fact that they choose McKinney as their location for this new facility and expansion showcases the strength of our city and our position in the real estate market as a targeted location," Tokar said.

The company said its decision to expand its existing presence in the North Dallas suburb shows its commitment not only to McKinney, but to the high-tech labor pool available in Collin County.

Collin County is near several major DFW universities Raytheon can draw talent from, including the University of Texas at Dallas, the University of North Texas, Southern Methodist University and Texas Christian University.

"This is an investment in the talented McKinney workforce," Raytheon Space and Airborne Systems' Roy Azevedo said in a statement. "It shows we are serious about our presence in Texas and that we are here to stay."

The suburban expansion — McKinney's facility is 34 miles north of Downtown Dallas — fits in with a larger industry trend where defense companies remain viable long-term tenants for suburban cities as other industries chase deals in downtown urban centers in search of millennial talent. Raytheon's primary HQ is in a Boston suburb.

"All things being equal, defense contractors and their classified projects, if you will, like the suburban model compared to other companies," national site selection expert The Boyd Co. principal John Boyd told Bisnow earlier this year. "It's an especially attractive sector for suburban developers to target."

Raytheon is a major player in defense, civil government and cybersecurity offerings, reporting sales of \$27B in 2018 with an employee base of 67,000. Its SAS headquarters is already the top employer in McKinney with 3,000 Raytheon employees located in the suburb. Collin County property tax records indicate SAS has roughly 8M SF in McKinney, based on two property tax assessments on file for 2019.

"McKinney has always been proud to have the prominent presence of Raytheon as our largest employer and we are excited at the opportunity for new corporate expansion in McKinney," McKinney Mayor George Fuller said in a statement.

"We have worked hard to build strong business relationships and create an environment that not only allows these businesses to grow but provides their employees with an incredible place to call home."