



Tax Increment Reinvestment Zone Number Two

Annual Report 2015

With a copy to the State of Texas Comptroller's Office, Collin County, McKinney Independent School District and Collin College District

City of McKinney, Texas

City Officials

City Council

Mayor	Brian Loughmiller
At Large	Randall Pogue
At Large	Tracy Rath
District 1	Don Day
District 2	Rainey Rogers
District 3	Travis Ussery, Mayor Pro-Tem
District 4	Chuck Branch

City Staff

Interim City Manager	Tom Muehlenbeck
Deputy City Manager	Jose Madrigal
Assistant City Manager	Vacant
Assistant City Manager	Barry Shelton
Chief Financial Officer	Rodney Rhoades
Senior Financial Analyst	Trevor Minyard

TIRZ No.2

City of McKinney, Texas

Board of Directors

Travis Ussery, Chairman City Council District 3, Mayor Pro-Tem	
Randall Pogue City Council At Large	Brian Loughmiller Mayor
Don Day City Council District 1	Roger Harris McKinney Airport Designee
Tracy Rath City Council At Large	Chuck Branch City Council District 4
Rainey Rogers City Council District 2	Keith Self Collin County Judge

Note: Collin College District and McKinney Independent School District have waived their rights to appoint members to the Board of Directors for TIRZ No.2

Purpose: To make recommendations to City Council concerning administration of the TIRZ No.2 (Airport TIRZ).

Duties & Responsibilities: The Board of Directors has been granted authority and duties related to the reinvestment zone project plan and financing plan. An annual budget will be adopted by the Board, which has the authority to enter into contracts and agreements within the fiscal year budget allocation.

Membership: TIRZ No.2 is comprised of nine board members, each serving a staggered two-year term. Each year, the City Council shall designate one Board of Directors member to serve as chairman for a one-year term that begins on January 1 of the following year. The Council shall endeavor to appoint a member from the McKinney Airport Development Corporation (MADC).

Description of Zone

In accordance with the Tax Increment Financing Act (Texas Tax Code Chapter 311), Reinvestment Zone Number Two, McKinney, Texas (TIRZ No.2) was established by Ordinance 2010-09-035 of the McKinney City Council on September 21, 2010.

TIRZ No.2 consists of approximately 3,617 acres generally in and around the Collin County Regional Airport from US 380 to the southeastern city limits of McKinney.

An illustrative site plan of the TIRZ No.2 boundaries is found on page 6 (*Figure 1*).

Purpose of Zone

The mission of McKinney National Airport is to develop as a premier general aviation reliever airport in North Texas with future commercial service goals.

The purpose of TIRZ No.2, also known as the Airport TIRZ, is to provide the infrastructure support necessary to fulfill the aforesaid mission of the airport.



***Airport TIRZ
(McKinney National Airport)***

Photo Credit: Alba Dorsch

Financial State of Zone

Chapter 311.016 (a)(1) of the Texas Tax Code requires an annual status report be filed with the chief officer of each taxing unit that levies property taxes in a reinvestment zone and the state comptroller.

During the 2013 TIRZ 2 board of directors meeting, a motion was passed to transition the TIRZ 2 tax increment reporting period from a calendar year (January 1st – December 31st) to the City of McKinney’s fiscal year (October 1st – September 30th). **Therefore, the 2015 report now reflects a reporting period of October 1st, 2014 through September 30th, 2015.**

1. Amount and source of revenue:

\$356,655.54 from Ad Valorem and Sales & Use Taxes^a

2. Amount and purpose of expenditures:

The TIRZ 2 fund had one expenditure for General & Administrative expenses in the amount of \$4,500.

3. Amount of Principal and Interest due on outstanding indebtedness:

\$ 0 - TIRZ No. 2 has not incurred any indebtedness.

4. Tax Increment base and current captured appraised value retained:

Ad Valorem

Taxing Jurisdiction	Base Year Value (2010) ¹	Net Taxable Value (2014)	Captured Appraised Value (2014) ²
City of McKinney	\$117,424,971	\$125,522,528	\$8,097,557
Collin County	\$117,486,311	\$127,136,438	\$9,650,127

¹ *Base Year Value* is the total appraised value of all real property in the zone taxable as of January 1, 2010 (per the final Certified Totals reports prepared by the Collin Central Appraisal District).

² *Captured Appraised Value* is the total appraised value of all real property in the zone taxable for the current reporting year LESS the *Base Year Value*.

^a In conjunction with the aforementioned reporting change, ad valorem revenue reported reflects totals included in the 2014 annual report. The recorded 2015 increment only includes sales tax.

5. Captured appraised value (ad valorem) shared by the municipality and other taxing units, the total amount of the tax increment (sales & use tax) received, and any additional information necessary to demonstrate compliance with the tax increment financing plan adopted by the governing body of the municipality.

Ad Valorem

Taxing Jurisdiction & Participation Rate	Captured Appraised Value (2014)	Tax Rate per \$100/Value (2014)	Amount of Increment (2014) ³
City of McKinney (100%)	\$8,097,557	0.583	\$47,208.76^a
Collin County (50%)	\$9,650,127	0.235	\$11,338.90^a

³ Amount of Increment (current reporting year) is equal to 100% of ad valorem taxes levied and collected in the zone by the City of McKinney and 50% of ad valorem taxes levied and collected in the zone by Collin County.

Sales & Use Tax

Taxing Jurisdiction & Participation Rate	Base Year Value (2010) ⁴	Collected Sales & Use Tax (2015) ⁵	Captured Sales & Use Tax Increment (2015) ⁶
City of McKinney (100%)	\$493,222	\$791,330	\$298,107.88

⁴ Base Year Value is the total sales and use taxes collected in the zone by the City of McKinney for the 2010 calendar year (January 1 - December 31).

⁵ Collected Sales & Use Tax only includes tax increment reporting for October 1st, 2014 through September 30th, 2015.

⁶ Captured Sales & Use Tax Value is the total value of all sales & use tax collected in the zone by the City of McKinney for the current reporting year LESS the Base Year Value.

Total 2015 Increment	\$356,655.54^a
-----------------------------	---------------------------------

^a In conjunction with the aforementioned reporting change, ad valorem revenue reported reflects totals included in the 2014 annual report. The recorded 2015 increment only includes sales tax.

Figure 1: TIRZ No. 2 Boundary (Airport TIRZ)

