



CITY OF MCKINNEY, TEXAS

Agenda

Reinvestment Zone Number Two

Monday, January 23, 2017

4:45 PM

Council Chambers
222 N. Tennessee Street
McKinney, Texas 75069

CALL TO ORDER

17-087 [Oaths of Office](#)

17-088 [Election of Vice Chair](#)

CONSENT ITEMS

This portion of the agenda consists of non-controversial or "housekeeping" items required by law. Items may be considered individually by any Commission member making such request prior to a motion and vote on the Consent items.

17-089 [Minutes of the Reinvestment Zone Number Two Meeting of August 15, 2016](#)

Attachments: [Minutes](#)

REGULAR ITEMS

17-090 [Consider/Discuss/Act on the 2016 Annual Report for Tax Increment Reinvestment Zone Two \(TIRZ No. 2 / Airport\)](#)

Attachments: [Annual Report](#)
 [Presentation](#)

ADJOURN

Posted in accordance with the Texas Government Code, Chapter 551, on the 20th day of January, 2017 at or before 5:00 p.m.

Sandy Hart, TRMC, MMC
City Secretary

Accommodations and modifications for people with disabilities are available upon request. Requests should be made as far in advance as possible, but no less than 48 hours prior to the meeting. Call 972-547-2694 or email contact-adacompliance@mckinneytexas.org with questions or for accommodations.

17-087



TITLE: Oaths of Office

SUPPORTING MATERIALS:



17-088

TITLE: Election of Vice Chair

COUNCIL GOAL: Operational Excellence

MEETING DATE: January 23, 2017

DEPARTMENT: City Secretary

CONTACT: Sandy Hart, TRMC, MMC

RECOMMENDED CITY COUNCIL ACTION:

- Election of Vice Chairman of the Reinvestment Zone Number Two

ITEM SUMMARY:

- On September 21, 2010, the City Council of McKinney, Texas ("City"), approved Ordinance Number 2010-09-035 creating the Reinvestment Zone Number Two, City of McKinney and establishing a Board of Directors for such zone (the "Creating Ordinance"), (which Creating Ordinance was subsequently amended on October 19, 2010 by Ordinance Number 2010-10-041, on April 5, 2011 by Ordinance 2011-04-17, and on January 17, 2017 by Ordinance 2017-01-011.
- The Ordinance states:
 - "Each year the City Council shall annually designate one (1) member of the Board of Directors to serve as chairman for a one (1)-year term that begins on January 1 of the following year. The Board of Directors shall elect from its members a vice chairman to preside in the absence of the chairman or when there is a vacancy in the office of chairman."
- On December 6, 2016, the City Council reappointed Travis Ussery to serve a one year term as Chairman starting on January 1, 2017.
- Chuck Branch was elected as Vice Chairman of Reinvestment Zone Number Two on January 19, 2016.
- Current Board members:
 - Chuck Branch
 - Don Day

- Roger Harris
- Brian Loughmiller
- Randy P. Pogue
- Tracy Rath
- Rainey Rogers
- Keith Self
- Travis Ussery

BACKGROUND INFORMATION: N/A

FINANCIAL SUMMARY: N/A

BOARD OR COMMISSION RECOMMENDATION: N/A

SUPPORTING MATERIALS:

17-089



TITLE: Minutes of the Reinvestment Zone Number Two Meeting of August 15, 2016

SUPPORTING MATERIALS:

[Minutes](#)

REINVESTMENT ZONE NUMBER TWO

AUGUST 15, 2016

The Reinvestment Zone Number Two of the City of McKinney, Texas met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas on August 15, 2016 at 5:00 p.m.

Board members Present: Rainey Rogers, Chuck Branch, Don Day, Randy P. Pogue, Brian Loughmiller, Travis Ussery, Tracy Rath, and Keith Self. Board member Absent: Roger Harris.

Staff Present: City Manager Paul Grimes; Assistant City Manager Barry Shelton; City Attorney Mark Houser; City Secretary Sandy Hart; Planning Director Brian Lockley; Executive Director of Development Services Michael Quint; Senior Financial Analyst Trevor Minyard; Planning Manager Samantha Pickett.

There were three guests present.

Chairman Ussery called the meeting to order at 5:02 p.m. after determining a quorum present.

16-814 Minutes of the Tax Increment Reinvestment Zone Number Two Meeting of January 19, 2016. Board members unanimously approved the motion by Vice Chairman Branch, seconded by Board member Rogers, to approve the Minutes of the Tax Increment Reinvestment Zone Number Two Meeting of January 19, 2016.

16-815 Chairman Ussery called for Consideration/Discussion/Action on the Fiscal Year 2016-2017 Annual Budget for Tax Increment Reinvestment Zone Two (TIRZ No. 2 / Airport). Senior Financial Analyst Trevor Minyard stated that the proposed budget anticipates adding approximately half a million dollars in revenue to the fund balance this year. The only major item changing over last year is the General Administrative fee, which is increasing from \$4,500 to \$25,000. Mr. Minyard stated that the increase is due to the four to six week process of filing requirements to the State Comptroller's office, to account for any changes that may occur within the Zone, and reporting costs that have

not previously been captured. The cost also includes planning and developing grant reimbursements for grant applications that come from the Board. The original General Administrative fee was adopted in 2010 and has not changed since that time. The 2016 annual report will be coming up in December after we receive the sales tax information from the Comptroller's office in November. Mr. Minyard stated that on the project plan status pertaining to the roadway projects, there is \$40 million allocated to roadway projects. Staff will provide the Board with a breakdown of the roadway funds further to show the resources applied to specific projects such as FM546 and the unnamed airport roadway. Executive Director of Development Services Michael Quint stated that FM546 is being funded by TxDOT and any funds allocated for that roadway will remain in the fund for another future roadway project at the airport. The estimated end of year balance after sales tax is allocated is approximately \$2 million. Board members unanimously approved the motion by Vice Chairman Branch, seconded by Board member Pogue, to approve the Fiscal Year 2016-2017 Annual Budget for Tax Increment Reinvestment Zone Two (TIRZ No. 2 / Airport).

Board members unanimously approved the motion by Board member Pogue, seconded by Board member Rogers, to adjourn. Chairman Ussery adjourned the meeting at 5:11 p.m.

TRAVIS USSERY
Chairman

ATTEST:

Sandy Hart, TRMC, MMC
City Secretary

17-090



TITLE: Consider/Discuss/Act on the 2016 Annual Report for Tax Increment Reinvestment Zone Two (TIRZ No. 2 / Airport)

COUNCIL GOAL: Fiscally Sound Government

MEETING DATE: January 23, 2017

DEPARTMENT: Budget Department

CONTACT: Mark Holloway

RECOMMENDED CITY COUNCIL ACTION:

- Approval of 2016 Annual Report

ITEM SUMMARY:

- Amount and source of revenue:
 - \$515,916.93 from Ad Valorem and Sales & Use Taxes
- Amount and purpose of expenditures:
 - General and Administrative Expense
 - \$4,500

BACKGROUND INFORMATION:

- N/A

FINANCIAL SUMMARY:

- N/A

BOARD OR COMMISSION RECOMMENDATION:

- N/A

SUPPORTING MATERIALS:

[Annual Report](#)
[Presentation](#)



Tax Increment Reinvestment Zone Number Two

Annual Report 2016

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

City Staff

City Manager	Paul Grimes
Deputy City Manager	Jose Madrigal
Assistant City Manager	Vacant
Assistant City Manager	Barry Shelton
Chief Financial Officer	Mark Holloway
Senior Financial Analyst	Trevor Minyard

TIRZ No.2

City of McKinney, Texas

Board of Directors

Travis Ussery, Chairman City Council District 3	
Randall Pogue City Council At Large Mayor Pro-Tem	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)***

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 2016 report now reflects a reporting period of October 1st, 2015 through September 30th, 2016.**

1. Amount and source of revenue:

\$515,916.93 from Ad Valorem and Sales & Use Taxes

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 (2015)	Captured Appraised Value (2015) ²
City of McKinney	\$117,424,971	\$130,817,018	\$13,392,047
Collin County	\$117,486,311	\$132,489,826	\$15,003,515

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*.

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 (2015)	Tax Rate per \$100/Value (2015)	Amount of Increment (2015) ³
City of McKinney (100%)	\$13,392,047	0.583	\$78,075.63
Collin County (50%)	\$15,003,515	0.235	\$16,878.95

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 (2016) ⁵	Captured Sales & Use Tax Increment (2016) ⁶
City of McKinney (100%)	\$493,222	\$1,009,139	\$515,916.93

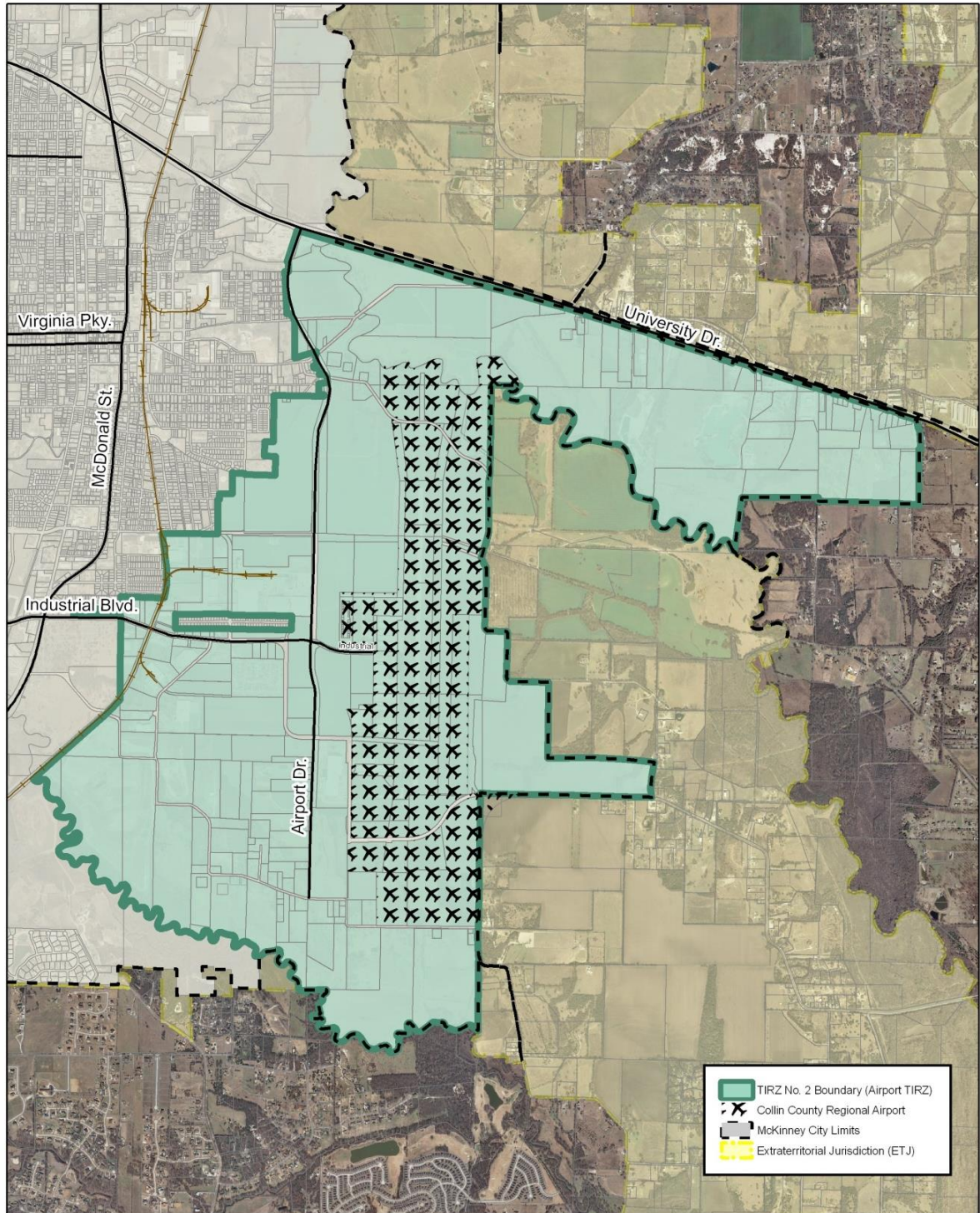
⁴ Base Year Value is the total sales and use taxes collected in the zone by the City of McKinney for the 2010 calendar year (January 1 - December 31).

⁵ Collected Sales & Use Tax only includes tax increment reporting for October 1st, 2015 through September 30th, 2016.

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 2016 Increment	\$ 610,871.52
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Figure 1: TIRZ No. 2 Boundary (Airport TIRZ)





TIRZ 2 Project & Fund
Balance Status
City of McKinney
Financial Services

TIRZ 2 Project Status



Project Plan Status				
<i>Allocation Type</i>	<i>Allocated Dollars</i>	<i>Dollars Spent</i>	<i>Allocation Remaining</i>	<i>Allocation % Remaining</i>
<i>Roadway Projects</i>	\$ 40,000,000.00	\$ -	\$ 40,000,000.00	100.00%
<i>Administration and Implementation</i>	1,000,000.00	18,000.00	982,000.00	98.20%
<i>Project Plan Total</i>	\$ 41,000,000.00	\$ 18,000.00	\$ 40,982,000.00	99.96%

TIRZ 2 Project History



- Catalyst Projects
 - N/A
- Administration
 - \$18,000 – G&A Fees



TIRZ 2 Fund Balance

- \$2,213,891.55