



# **Tax Increment Reinvestment Zone Number Two**

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# **Annual Report 2013**

*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

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### City Council

Mayor	Brian Loughmiller
At Large	Randall Pogue
At Large	Roger Harris
District 1	Don Day
District 2	Geralyn Kever
District 3	Travis Ussery, Mayor Pro-Tem
District 4	Ray Ricchi

### City Staff

Deputy City Manager	Jose Madrigal
Deputy City Manager	Rob Daake
Chief Financial Officer	Rodney Rhoades
Financial Analyst	Trevor Minyard

# TIRZ No.2

## City of McKinney, Texas

### Board of Directors

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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

Fritz Mowery  
McKinney Airport Designee

Roger Harris  
City Council At Large

Ray Ricchi  
City Council District 4

Geralyn Kever  
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 Collin County Airport Development Corporation (CCADC).

# Description of Zone

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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

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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

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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 following report for 2013 only includes tax increment reporting for January 1<sup>st</sup>, 2013 through September 30<sup>th</sup>, 2013.

**1. Amount and source of revenue:**

\$160,607 from Ad Valorem and Sales & Use Taxes

**2. Amount and purpose of expenditures:**

The TIRZ 2 fund had one expenditure for G&A 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) <sup>1</sup>	Net Taxable Value (2013)	Captured Appraised Value (2013) <sup>2</sup>
City of McKinney	\$117,434,971	\$120,491,438	\$3,056,467
Collin County	\$117,560,491	\$120,787,945	\$3,227,454

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

<sup>2</sup> *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 (2013)	Tax Rate per \$100/Value (2013)	Amount of Increment (2013) <sup>3</sup>
City of McKinney (100%)	\$3,056,467	0.5855	<b>\$17,896</b>
Collin County (50%)	\$3,227,454	0.2375	<b>\$3,833</b>

<sup>3</sup> 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) <sup>4</sup>	Collected Sales & Use Tax (2013) <sup>5</sup>	Captured Sales & Use Tax Increment (2013) <sup>6</sup>
City of McKinney (100%)	\$493,222	\$632,100	<b>\$138,878</b>

<sup>4</sup> 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).

<sup>5</sup> Collected Sales & Use Tax only includes tax increment reporting for January 1<sup>st</sup>, 2013 through September 30<sup>th</sup>, 2013.

<sup>6</sup> 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 Tax Increment**

**Received into the TIRZ Fund:**

**\$160,607**

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

