

CITY COUNCIL WORK SESSION

SEPTEMBER 6, 2022

The City Council of the City of McKinney, Texas met in work session in the City Hall Council Chambers, 222 N. Tennessee Street, McKinney, Texas on Tuesday, September 6, 2022, at 3:00 p.m.

Mayor Pro Tem Rainey Rogers called the meeting to order upon determining a quorum consisting of himself and the following members were present: Council Members Justin Beller, Geré Feltus, Rick Franklin, Charlie Philips, and Patrick Cloutier.

Mayor George Fuller was absent.

City of McKinney Staff Present: City Manager Paul Grimes, Assistant City Manager Kim Flom, Assistant City Manager Barry Shelton, Assistant City Manager Steve Tilton, City Attorney Mark Houser, City Secretary Empress Drane, Deputy City Secretary Joshua Stevenson, City Secretary Administrative Assistant Blenda Sims, City Secretary Administrative Accreditation & Reporting Specialist Edith Ruiz, Director of Strategic Services Trevor Minyard, Executive Director of Development Services Michael Quint, Director of Planning Jennifer Arnold, Principal Planner Aaron Bloxham, Downtown Development & Historic Preservation Planning Manager Paula Nasta, Director of Engineering Gary Graham, Facilities Construction Manager Patricia Jackson, Fire Chief Danny Kistner, Emergency Management Coordinator Karen Adkins, Assistant Emergency Management Coordinator Jeremy Cuddeback, Public Safety Staff Katherine Chavez, Chief Financial Officer Mark Holloway, Police Chief Greg Conley, Assistant Police Chief Joe Ellenburg, Police Financial Analyst Cammie Martin, Director of McKinney National Airport Kenneth Carley, Executive Director of Visit McKinney, and McKinney Economic Development Corporation President Peter Tokar III.

There were eight (8) members of the public in the audience, including Historic Preservation Advisory Board (HPAB) Chairwoman Betty Petkovsek and HPAB Member Thomas Pence.

The meeting was broadcast live on Spectrum Channel 16; AT&T U-Verse Channel 99; and online at <http://mckinney.legistar.com>. A video recording of this meeting is available from the City of McKinney meetings archive.

Mayor Pro Tem Rainey Rogers called for the Information Sharing item:

22-0828 Proclamation for National Preparedness Month

Staff representatives of the Emergency Management department stood with the Mayor Pro Tem for the reading of the proclamation and photographs.

Mayor Pro Tem Rainey Rogers called for Public Comments regarding agenda items, at which time there were no requests to address the Council.

Mayor Pro Tem Rainey Rogers called for Council discussion of agenda items of the City Council Regular Meeting scheduled to be held on Tuesday, September 6, 2022, at 6:00 p.m., at which time there was no discussion of the Regular Meeting items.

Mayor Pro Tem Rainey Rogers called for the Work Session agenda:

22-0829 Informational Presentation: Certificate of Appropriateness for Demolition -
Historic District Residential Area

The Council discussed concern that owners of Historic homes, buildings, landmarks, and other structures, might not be properly aware of regulations and potential costs associated with maintaining Historic properties. The Council requested for staff to research opportunities and methods to implement pre-sale notifications and buyer acknowledgements regarding properties designated as Historic and to provide an update at a future City Council work session.

22-0830 Update on the New Code McKinney Initiative (Development Regulations Update)

22-0831 Potential 2023 Bond Election Discussion

The Council expressed desire to establish a Bond Committee. Additional discussion on a Bond Election and naming Committee members will be conducted at a future meeting. The presentation for this item not included on the posted agenda is provided in these minutes as *Appendix A – Bond Election Presentation*.

Mayor Prop Tem Rainey Rogers called for Council Liaison Updates regarding various City Boards & Commissions, at which time there were no updates.

Mayor Pro Tem Rainey Rogers called for the Executive Session at 4:55 p.m., in accordance with the Texas Government Code:

A. Section 551.071(2) Consultations with Attorney on any Work Session, Special Session, or Regular Session agenda item requiring confidential attorney/client advice necessitated by the deliberation or discussion of said items (as needed)

B. Section 551.071 (A) Pending or contemplated litigation

- TXI Operations, LP, Plaintiff vs. City of McKinney, Texas, Defendant, Civil Action No. 4:20-CV-00353, United States District Court for the Eastern District of Texas

C. Section 551.072. Deliberations about Real Property

- Municipal Facilities

D. Section 551.074. Personnel Matters

E. Section 551.087. Deliberation Regarding Economic Development Matters

- H-E-B, LP

- Project Blue Sky

- Project 20-09 TUPPS Brewery & Entertainment Destination

Mayor Pro Tem Rainey Rogers reconvened the work session at 6:08 p.m. with the Council Members Justin Beller, Geré Feltus, Charlie Philips, and Patrick Cloutier present. Council Member Rick Franklin did not return.

Council Members present unanimously approved the motion by Council Member Patrick Cloutier, seconded by Council Member Charlie Philips, to amend Project Blue Sky as discussed in Executive Session.

Council Members present unanimously approved the motion by Council member Charlie Philips, seconded by Council Member Geré Feltus, to amend the H-E-B agreement at discussed in the Executive Session.

Mayor Pro Tem Rainey Rogers adjourned the Work Session at 6:09 p.m.

These minutes were approved by the City Council on September 20, 2022

SIGNED:

GEORGE C. FULLER, Mayor

ATTEST:

EMPRESS DRANE, City Secretary
JOSHUA STEVENSON, Deputy City Secretary

City of McKinney, Texas

Potential 2023 Bond Election Discussion

McKINNEY FIRST

CITY COUNCIL GOALS & STRATEGIES



DIRECTION FOR STRATEGIC & ECONOMIC GROWTH



FINANCIALLY SOUND GOVERNMENT



OPERATIONAL EXCELLENCE



ENHANCE THE QUALITY OF LIFE IN McKINNEY



MAXIMIZE THE DEVELOPMENT POTENTIAL OF THE McKINNEY NATIONAL AIRPORT



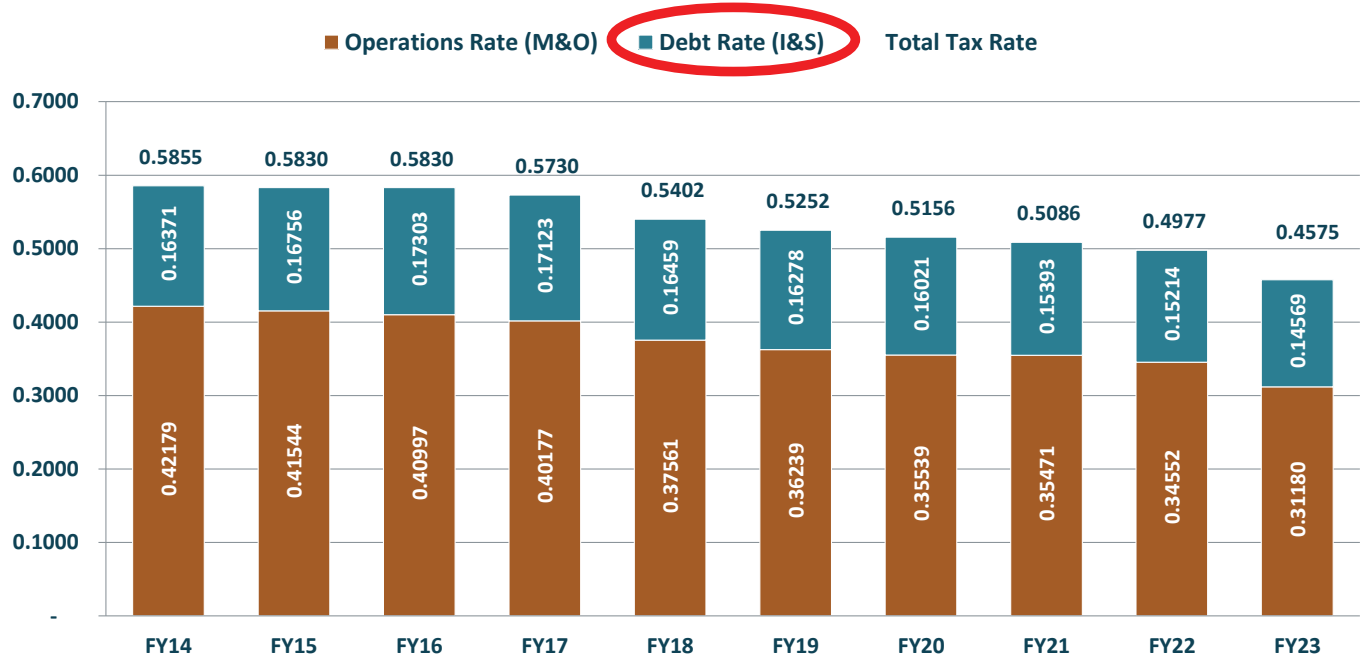
SAFE & SECURE COMMUNITY

Goals For Presentation

- Discuss Historical Long-Term Financial Plans
- Outline Current Debt Authorization Remaining
- Overview of Currently Identified Unfunded Projects
- Proposed Timeline & Next Steps
- Receive Feedback on Potential Bond Election & Next Steps

Tax Rate & Financial Plans

Property Tax Rate



Historic Long Term Planning Initiatives

- City has created 2 plans with a 10-year horizon
 - General Obligation Debt Service Plan
 - General Fund Plan
- General Obligation Debt Service Plan
 - Outlines total debt capacity
 - Generally maintains I&S rate

Current Authorization

8

2019 Voter Authorized Debt Remaining

- **Total Bond Package – \$350 Million**
 - \$75M – Public Safety Facilities
 - *\$14.75 million issued*
 - \$50M – Municipal Community Complex
 - *\$50 million issued*
 - \$91M – Parks and Recreation Facilities
 - *\$46.09 million issued*
 - \$34M – Public Works Facilities
 - *\$16.75 million issued*
 - \$100M – Street Improvements
 - *\$37.86 million issued*

- **Total Issued – \$165.45 Million**
 - *\$184.55 Million Remaining Issued By 2025*

Unfunded Project Areas & Bonding Capacity

10

Preliminary Unfunded Projects

Estimated Total Unfunded:

- **\$477,360,000**

Major Unfunded Projects:

- Airport Eastside Development & Infrastructure
- Parallel Taxi Way – East Side of RWY 18-36
- Taxi Lane A Realignment & Rehabilitation
- Municipal Court Facility – New Construction
- Future Fire Stations – Land Purchases and Construction
- \$130M+ in Streets

Current 10-Year Bonding Capacity

- ***\$687 million in debt capacity over 10 years***
 - Assumes no future debt issuance
 - Assumes maintained I&S rate

Bonding Capacity - After 2023 Authorization/Issuance

- ***Approximately \$512 million from FY24-FY32***
 - Assumes level I&S rate, unless full capacity or more used in a given future year
 - Assumes FY23 capacity fully expended (\$175M)

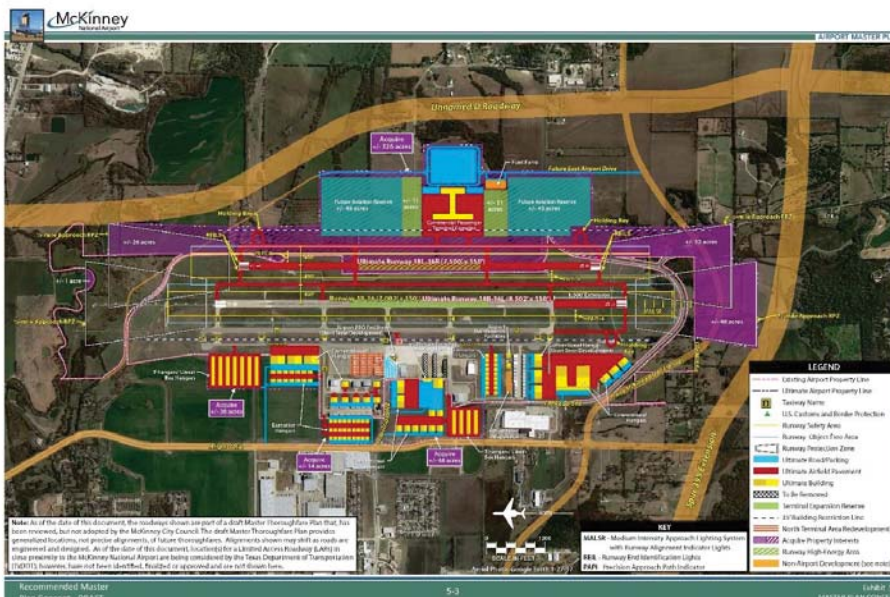
McKinney National Airport 2023 Bond Election



McKinney National Airport Master Plan

Airport Master Plan - 2019

- An airport master plan provides a road map for efficiently meeting aviation demand through the foreseeable future while preserving the flexibility necessary to respond to changing industry conditions. The master plan also provides guidelines for adhering to appropriate Federal Aviation Administration (FAA) and Texas Department of Transportation - Aviation Division (TxDOT) standards. The FAA recommends that airports updated their master plan every 7-10 years to address local changes.



City Council Strategic Plan

- *The City Council has made maximizing the development potential of McKinney Nation Airport one of the six pillars of the City Council Goals and Strategies.*

McKINNEY FIRST
FY22
CITY COUNCIL GOALS & STRATEGIES
(October 1, 2021 – September 30, 2022)

- DIRECTION FOR STRATEGIC & ECONOMIC GROWTH
- OPERATIONAL EXCELLENCE
- MAXIMIZE THE DEVELOPMENT POTENTIAL OF MCKINNEY NATIONAL AIRPORT
- FINANCIALLY SOUND GOVERNMENT
- ENHANCE THE QUALITY OF LIFE IN MCKINNEY
- SAFE & SECURE COMMUNITY

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City Council Strategic Plan

3A: Implement initiatives and strategies, including public-private partnerships, to attract and expand corporate and commercial aviation including the viability of passenger service

DEPARTMENT OBJECTIVES

McKINNEY NATIONAL AIRPORT

- Complete southern portion of runway extension project by September 2022.
- Complete design of a permanent General Aviation Federal Inspection Station (Customs) facility by September 2022.
- Attract 1 or more jet maintenance, repair, and overhaul (MRO) service providers by September 2022.
- Complete additional office space expansion for new and existing tenants by September 2022.
- Begin construction on additional hangar space expansion for new and existing tenants by September 2022
- Construct a permanent airfield maintenance building by September 2022.
- Complete environmental assessments and preliminary design for commercial air service terminal, and associated facilities by September 2022.



City Council Airport Guiding Principles

In December 2020, the City Council adopted the following “Airport Development Plan Guiding Principles” to guide the City of McKinney’s efforts in developing the airport:

1. Maximize the contribution of McKinney National Airport to the economic growth of the City and region.
2. Align the near- and long-term economic and commercial development of Airport infrastructure with City and regional economic growth by promoting the highest and best use of Airport property/assets.
3. Develop, maintain, and operate the Airport in a manner that exceeds minimum standards of safety and security, and is consistent with required regulations.
4. Ensure the Airport is financially sustainable and minimizes any operating subsidy from the City.
5. Provide development opportunities that are financially sustainable for all parties.
6. Use a competitive, fair, and transparent process for the provision of new services at the Airport consistent with established development standards.
7. Develop and offer aircraft support services at competitive pricing relative to the regional aviation market.



Garver Engineering Contract

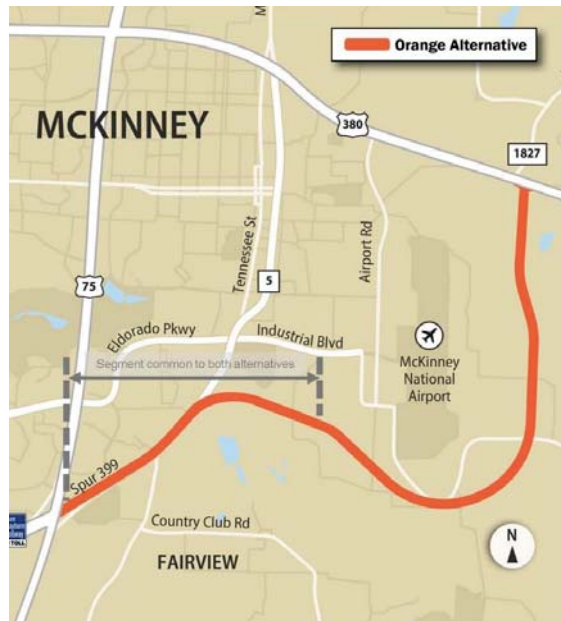
In January 2022 the city council approved a contract with Garver Engineering for eastside programming documents. This contract with Garver and subconsultants included the following:

- ***Assessment of eastside airport opportunities***
- ***Preliminary engineering design***
- ***Preliminary architectural design***
- ***Airport Demand and Profitability Analysis***
- ***Funding Analysis***
- ***Federal grants (FAA, DOT, etc.)***
- ***Federal loans (TIFIA)***
- ***General Obligation Bonds vs. Airport Revenue Bonds comparison***



Development Pressure on McKinney National Airport

- *TxDOT is undertaking public involvement, schematic design, and an in-depth environmental study for the Spur 399 Extension project from US 75 to US 380. The project provides for development of a freeway facility to improve north-south mobility and connectivity of travelers from eastern Collin County to destinations south of McKinney, including the Dallas Metroplex. The existing Spur 399 is approximately 0.5 miles long and serves as a transition between and SH 121/Sam Rayburn Tollway (SRT) and SH 5, south of McKinney.*



Development Pressure on McKinney National Airport

- *Property currently owned by the City*



Development Pressure on McKinney National Airport

Ongoing Airport Projects - Funded

1. Northern Runway Extension (1000')
2. Southern Runway Extension (500')
3. Taxiway A Relocation
4. FBO Terminal
5. Cirrus MRO Facility
6. US Customs Building
7. Maintenance Building
8. Corp 10 Hangar



Potential Airport Projects - Unfunded

- Eastside Taxiway, Eastside Ramp, Access Roads, Utilities, Hangars, Terminal Building, ARFF Station, ARFF Equipment, Fuel Tank Expansion



Development Opportunities at McKinney National Airport

Existing Airport Development Opportunities

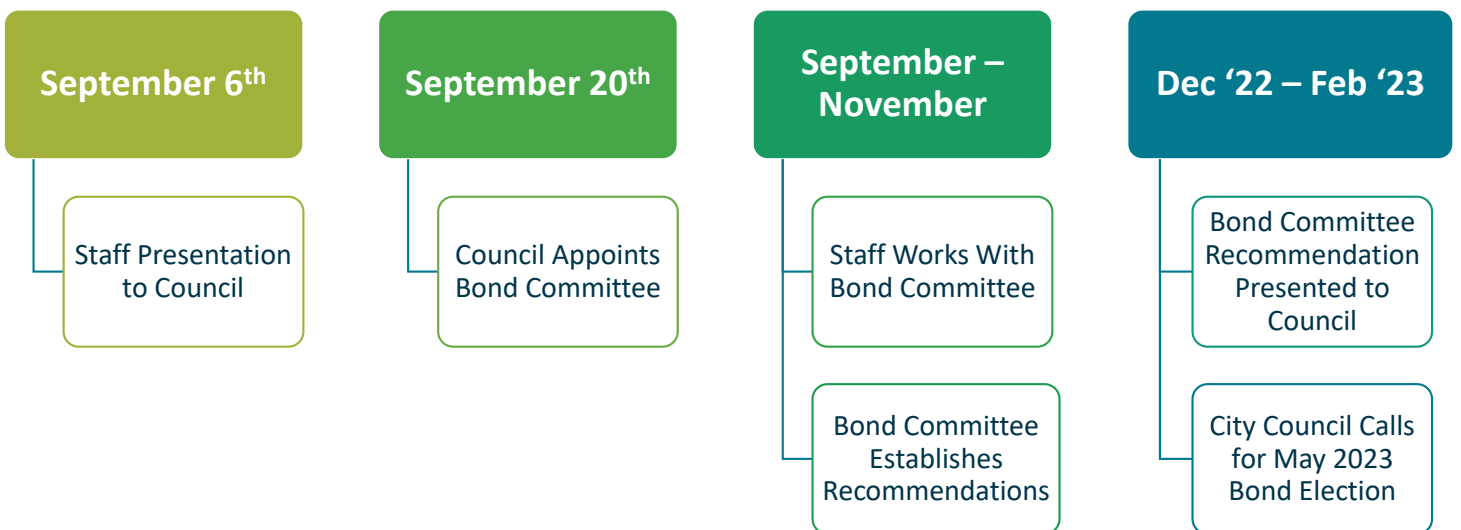
1. Potential Corp Hangars North of Cirrus MRO
2. Potential Corp Hangars North of Fuel Farm
3. Large Aviation Project Location at South End of Runway
4. Eastside Property



Proposed Timeline & Next Steps

24

Potential Bond Program Calendar



Establishment of Bond Committee

- City Council Appointed
- Committee Structure
 - E.g. “Airport” or “Finance” Sub-Committees
- Regularly Scheduled Working Meetings
 - Staff to Present Various Project Needs
 - Open to the Public

Bond Committee Reports to Council

- Bond Committee Gives Presentation of Recommendations to Council
- Council Discussion Regarding Recommendations
 - City Council Sets Final Slate of Projects
- Council Directs Staff to Prepare for Calling of Bond Election

Council Calls for Bond Election

- At Council's Direction, Staff Confers with Bond Counsel on Bond Proposition Language
- Structure of Election Ballot Propositions Developed by Bond Counsel
- Call for Bond Election Must Occur 60-Days Prior to Election

Community & City Involvement Prior to Election

- | | |
|--|---|
| <ul style="list-style-type: none">▪ Community Members<ul style="list-style-type: none">– Serve on Bond Committee– Support bond initiatives by:<ul style="list-style-type: none">▪ Developing Political Action Committees▪ Social and Traditional Media Campaigns▪ Presenting to Various Community Groups | <ul style="list-style-type: none">▪ City Staff<ul style="list-style-type: none">– Support and Present to Bond Committee– Provide Objective Information to Voters on Bond Proposal through:<ul style="list-style-type: none">▪ Video Media▪ Printed Media▪ Digital Media▪ Community Presentations |
|--|---|

Council Feedback & Direction

(END OF BOND ELECTION PRESENTION)