

CITY OF McKINNEY, TEXAS

Legislation Details (With Text)

File #: 17-947 **Name:** Project Grant #17-10
Type: Agenda Item **Status:** Approved
In control: McKinney Community Development Corporation
On agenda: 9/28/2017 **Final action:** 9/28/2017
Title: Consider/Discuss/Act on Project Grant #17-10, Submitted by the City of McKinney/McKinney Air Center in the Amount of Four Million Dollars (\$4,000,000) for Construction of a New Fixed Base Operator Terminal, Expanded Parking, Upgraded U.S. Customs Facility, 40,000 Square Foot Common Hangar. Amount Requested Represents 25% of Total Estimated Project Cost.

Indexes:

Attachments: 1. Application, 2. Business Plan, 3. Presentation

Date	Ver.	Action By	Action	Result
9/28/2017	1	McKinney Community Development Corporation	Approved	Pass

Consider/Discuss/Act on Project Grant #17-10, Submitted by the City of McKinney/McKinney Air Center in the Amount of Four Million Dollars (\$4,000,000) for Construction of a New Fixed Base Operator Terminal, Expanded Parking, Upgraded U.S. Customs Facility, 40,000 Square Foot Common Hangar. Amount Requested Represents 25% of Total Estimated Project Cost.

COUNCIL GOAL: Maximize the Development Potential of the McKinney National Airport Direction for Strategic and Economic Growth

MEETING DATE: September 28, 2017

DEPARTMENT: McKinney Community Development Corporation

CONTACT: Cindy Schneible, President

ITEM SUMMARY:

- The City of McKinney is requesting MCDCC to fund a project grant in support of construction costs associated with the McKinney National Airport that include:
 - New Fixed Based Operator Terminal
 - Expanded parking
 - Upgraded U.S. Customs Facility
 - New 40,000 square foot common hangar
- The funding requested is in the form of a project grant in the amount of \$4,000,000.

BACKGROUND INFORMATION:

- The City of McKinney has owned the McKinney National Airport (TKI) since 1979.
- In 2013, the City of McKinney purchased the vertical assets and fixed based operations of the McKinney National Airport
- Since the City of McKinney's 2013 purchase, the McKinney National Airport has had

approximately 26,000 more operations, and approximately 550,000 more gallons of fuel sold annually.

- Presently, the McKinney National Airport is at capacity and has received feedback from the 2017 Airport Business Solution's business plan that the current terminal is "rapidly becoming inadequate for the growing business at McKinney."

FINANCIAL SUMMARY:

- Project Cost established at \$16 million.
- In early spring, staff presented funding solutions of stacked grants from the MCDC and MEDC of \$8 million each. Informal feedback advised lowering grant requests and pursuing private sector investment.
- Current Funding Proposal;
 - Private Sector Investment - Western, LLC - \$8 Million Construction Financing and Construction
 - MCDC Grant - \$4 Million
 - MEDC Grant - \$4 Million
- McKinney National Airport will utilize new revenues from 40,000 square foot hangar to pay back Western, LLC's capital investment over a 20 year term.