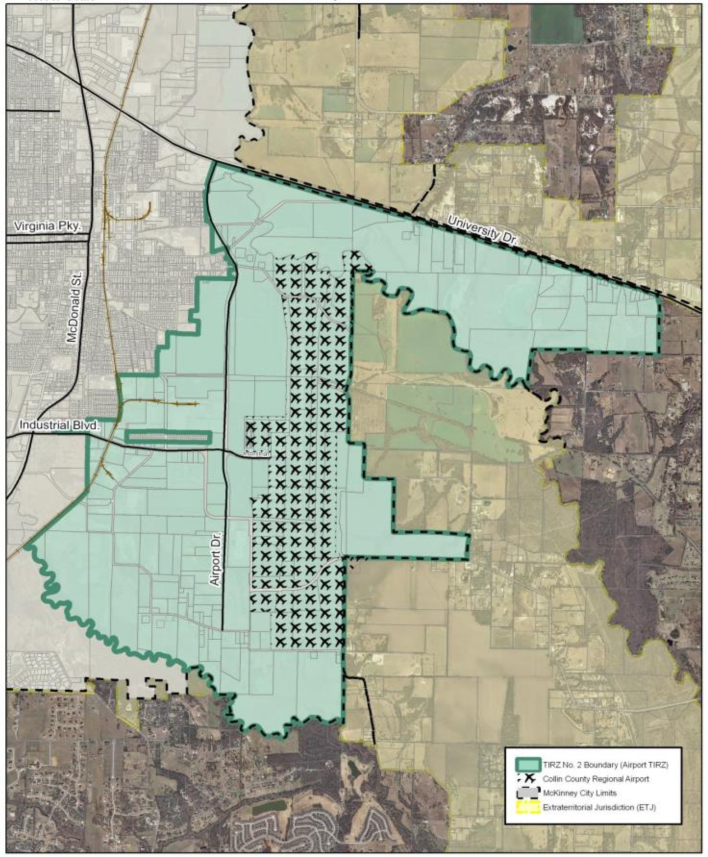

EXHIBIT A

Tax Increment Reinvestment Zone No. 2 (Airport)

First Amended Project Plan[1]

McKINNEY TEXAS
Unique by nature.

[1] As amended by Resolution No. ______ of the Tax Increment Reinvestment Zone No. 1, and approved to be effective on the ____ day of ________________, 2018 by Ordinance No. ______ of the City Council of the City of McKinney, Texas.

Existing Conditions and Uses

The Airport is located east of the Town Center in a primarily undeveloped area. The Airport itself is zoned for aeronautical uses. The area including and around the Airport is primarily designated as a general aviation business service airport that is an integral part of an industrial park. The primary zoning districts within TIRZ No. 2 are light manufacturing and agricultural.

Proposed Improvements and Uses

The following initiatives are included in the current plan for the Airport:

1. Focus on Business Aviation Activity
2. Continue to Assess Perimeter Access Control and Airport Security
3. Continue to Prepare for Commercial Passenger Service

The key to these initiatives will be the investment in airport related projects (i.e., airport facilities & related services, public infrastructure, and land acquisition) and roadway infrastructure necessary to access the Airport, i.e., the perimeter north/south roadway along the eastern side of the Airport and FM 546. The cost estimated for those catalyst projects is $40,000,000.

TIRZ #2 Overview

TKI

TIRZ Explained: Project Types

Catalyst

- "Unnamed" north/south Perimeter Road and FM 546
  - *This item is no longer a priority with the Spur 399 project in design*
- Airport related projects (i.e., Airport Facilities & Related Services, Public Infrastructure, Land Acquisition)

Administration

- Administrative costs, including reasonable charges for the time spent by City of McKinney employees, MADC employees and/or employees associated with any non-profit groups established to assist with implementation within TIRZ No. 2

TKI

TIRZ #2 Use of Funds

- The TIRZ #2 Board has approved the following expenditures since creation of the TIRZ in 2010.
  - February 2, 2018 - **$3,000,000** for acquisition of the 190 acres of land
  - January 4, 2022 - **$2,000,000** for creation of Eastside Planning Documents
  - November 7, 2023 - **$2,864,000** for construction of Taxiway A4
  - May 6, 2025 - **$8,000,000** for construction of the commercial terminal

TKI

TIRZ #2 FY26 Financial Position

Beginning Fund Balance: <u>$4.1 M</u>

\+ Budgeted Revenues: <u>$4.3M</u>

\- Budgeted Expenses: <u>$0.05M</u>

Projected Ending Fund Balance: $8.4M

Air Service Incentive Program (ASIP) Overview

McKinney National Airport (TKI)

McKINNEY
NATIONAL AIRPORT

Air Service Incentive Program (ASIP) Overview

- The ASIP is a marketing incentive program to help launch and sustain commercial airline service at TKI
- Targets both year-round and seasonal nonstop markets not served within the prior 12 months
- Designed to expand connectivity for North Texas passengers and strengthen TKI's regional position

Total 5-Year Program Funding	Annual Incentive Cap	Annual Per-Airline Limit
$2M–$5M	**$1.0M**	**$750K**
Program range	All airlines combined	Any 12-month period

TKI

How the Program Works

Effective June 1, 2026	First-Come, First-Served Basis (One incentive per Market)	Marketing Only (No Rent Deferrals)

1 Confirm Eligibility

New nonstop market, not served in the prior 12 months

2 Execute Agreement

Individual airline agreement up to 24 months, first-come first-served up to $750k annually

3 Run Marketing

Airport-supported marketing campaign during route launch period

4 Service Begins

Year-round (up to 24 months) or seasonal (one season), route must be in service for at least 3 months

5 Report Performance

Monthly operation metrics plus marketing campaign reporting

Year-Round Marketing Incentives

- Routes must operate for at least three consecutive months. If the service ends earlier, the airline will either forfeit reimbursement or be required to repay any funds already issued
- Airlines that meet required performance criteria in their first year of service may qualify for additional marketing funds in Year 2 to help sustain and promote the route
- Seasonal marketing incentives are discounted and apply only during the first year of service

Service Level	Year 1	Year 2*	Total Potential
2x Weekly	$50,000	$25,000	$75,000
3x Weekly	$75,000	$37,500	$112,500
4x Weekly	$100,000	$50,000	$150,000
5x Weekly	$125,000	$62,500	$187,500
1x Daily	$175,000	$87,500	$262,500
2x+ Daily	$200,000	$100,000	$300,000

*Year 2 requires maintaining frequency for at least 7 months in Year 1.

Marketing Administration

- Airline can select if the marketing campaign will be managed by either the airport or airline
- Majority of the agreements will be Option A

Option A

Airline-managed campaign

(Reimbursable to airline)

- Airline contracts vendors, incurs costs, then requests reimbursement
- Required Steps:
  1. Written airport approval of the media plan and all creative before any costs are incurred
  2. Third-party invoices and proof of payment
  3. Documentation suitable for FAA compliance review

Option B

Airport-managed campaign

(Airport pays vendors directly)

- Airport contracts vendors and pays invoices directly
- Airline supports planning and approves messaging and creative

ASIP Marketing Summary

Purpose

- Marketing incentive program to help launch and sustain new commercial airline service at TKI
- Targets year-round and seasonal nonstop routes unserved in the past 12 months
- Expands connectivity for North Texas and strengthens TKI's regional position

Program Requirements

- New unserved markets awarded on a first-come, first-served basis
- Minimum 3 consecutive months of service; early termination requires forfeiture/repayment
- Seasonal incentives apply only in Year 1 at discounted levels

Incentive Structure

- $1M in annual ASIP funds; airlines eligible for $15K–$300K per route based on service level
- Maximum airline support: up to $750K per year
- Year 1 performance may qualify airlines for additional Year 2 marketing funds

TKI's program aligns with industry standards, as similar air service marketing agreements exist across the country

TKI

Air Service Development Funding

- **$300,000 – SCASDP Match (One-Time)**
  - Supports $1.9M Small Community Air Service Development Program grant application
  - Funds used only if grant is awarded
- ***SCASDP Proposed Allocation***
  - *$1,000,000 – Revenue Guarantees (2 × $500,000) if route underperforms*
  - *$600,000 – Airline-specific marketing (2 × $300,000)*
  - *$300,000 – General airport marketing*

- **$1,000,000 – Air Service Incentive Program (ASIP), Year 1**
  - Incentives to launch/sustain new nonstop service (year-round or seasonal)
  - Annual program cap: $1,000,000
  - Per-airline cap: $750,000
- **$300,000 – General Airport Marketing**
  - Website, print, advertising, misc. support

TKI

Total funding under TIRZ 2 Resolution

Air Service Marketing Funding Needs			
Program	**Amount**	**Term**	**Beginning**
SCASDP	$300,000	One-Time	FY 2026
Air Service Incentive Program	$1,000,000	Year 1	FY 2026
General Marketing	$300,000	Year 1	FY 2026

Total: $1,600,000

- TIRZ 2 balance at the end of FY25: **$4.1M**
- Projected accrual in FY26: **$4.3M**
  - *Total end balance of* ***$8,433,818 million***
- If approved, the total TIRZ 2 ending fund balance will be **$6,833,818**

Questions?

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McKINNEY NATIONAL AIRPORT

Appendix

Parked Slides

How Airlines Get Reimbursed

1. Airline launches eligible new service and runs the approved route marketing campaign
2. Airline submits invoices and proof of marketing spend, along with required reports
3. Airport reviews for eligibility, documentation, and compliance with caps and agreement terms
4. Reimbursement issued up to the incentive tier cap and available program funding

Eligible expenses

- Route launch marketing and demand stimulation activities
- Media plans, creative materials, and performance metrics reported during the campaign
- Support is structured by service level and program type (year-round or seasonal)

Documentation and limits

- Monthly operations reporting: Passengers, load factor, departures, and schedule/aircraft changes
- Program caps apply: $1.0M annual cap and $750K per airline per 12 months
- Reimbursement mechanics and eligible costs are defined in each agreement.

TKI

Seasonal New Market Service

- Applies to new nonstop seasonal routes
- Seasonal defined as up to three consecutive months
- One-season marketing support only
- First carrier to initiate service in market qualifies
- Designed for leisure and peak-demand markets

Seasonal New Market Incentives

- 2x Weekly: $15,000
- 3x Weekly: $25,000
- 4x Weekly: $35,000
- 5x Weekly: $45,000
- 1x Daily: $75,000
- 2x+ Daily: $100,000

Monthly Reporting Requirements

- Total passengers enplaned and deplaned
- Average load factor
- Scheduled and completed departures
- Notice of material schedule or aircraft changes (minimum 30 days prior)

Marketing & Campaign Reporting

- Reporting Cadence
  - Weekly beginning three weeks after campaign launch
  - Continues through campaign duration or four weeks after inaugural flight
- Scope
  - Media plans outlining channel allocation and funding
  - Advance sharing of creative materials
  - Airport-funded metrics:
    - CPM, CTR, CPC, conversion rate, video completion rate
  - Route-level indicators:
    - Load factor trends, revenue performance, local vs. connecting mix, point-of-sale distribution