

## **CITY COUNCIL WORK SESSION**

**DECEMBER 5, 2023**

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, December 5, 2023 at 3:00 p.m.

The meeting was broadcast live on cable television Spectrum Channel 16 and AT&T U-Verse Channel 99; and online at <https://mckinneytx.new.swagit.com/views/130>. A video recording of the meeting is available to members of the public through the City of McKinney meeting archive.

Mayor George Fuller called the work session to order at 3:01 p.m. upon determining all Councilmembers were present: Mayor Pro Tem Charlie Philips, and Councilmembers Justin Beller, Patrick Cloutier, Geré Feltus, Rick Franklin, and Michael Jones.

These City of McKinney Staff members were present: City Manager, Paul Grimes; Assistant City Managers Kim Flom, Barry Shelton and Steve Tilson; Chief Financial Officer, Mark Holloway; Executive Director of Development Services, Michael Quint; Director of Organizational Development & Performance Management, Joe Mazzola; Director of Engineering, Gary Graham; City Attorney, Mark Houser; City Secretary, Empress Drane; MEDC President, Michael Kowski; Director of Public Works, Ryan Gillingham; Chief Communications & Marketing Officer, Coco Good; Fire Chief, Paul Dow; Deputy City Secretary, Tenitrus Bethel; Assistant Director of Parks and Recreation, Ryan Mullins; Human Resources Manager, Elliott Harper; Creative Services Manager, Michelle Feldker; Performance Manager, Saima Ali; Grants Program Manager, Elena Berg; Civil Engineer II, Brook Retta; Community Services Administrator, Shirletta Best; and Transit Service Coordinator, Jasmine Stillwell.

Mayor Fuller called for public comments on agenda items.  
improve meeting efficiency.

Dan Porzio, 550 McKinney Place Dr, spoke to agenda items related to the Lower 5 Plaza and McKinney National Airport.

Lee Moore, 1840 Hammerly Dr, spoke to agenda items related to the Lower 5 Plaza and McKinney National Airport.

Samuel Hall, 2605 Sundance Dr, spoke to the agenda item related to the McKinney National Airport.

Mayor Fuller called for discussion of agenda items for the City Council Regular Meeting to be held on Tuesday, December 5, 2023, at 6:00 p.m. There was no discussion of said items.

Mayor Fuller called for Work Session Item:

**23-0968** Lower 5 Plaza Update

**23-0969** Presentation on McKinney National Airport

The presentation for this item will be included in the appendix of these minutes as "*Appendix A: McKinney National Airport Presentation*".

Mayor Fuller called for Council Liaison Updates regarding various city Boards & Commissions. There were no updates at this time.

Mayor Fuller called for Executive Session at 5:27 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)

- Amendment of Boundary Agreement with the City of Princeton involving exchange of approximately 200 acres of land located at the terminus of Hickory Hill Lane and Oakfield Drive and within the Thomas A. Rhodes and David Cherry surveys with 200 acres of land located generally on FM 546 and within the Calvin Boles and W.

D. Thompson surveys

C. Section 551.072. Deliberations about Real Property

- Municipal Facilities

- Downtown City-Owned Property Redevelopment (23-38RFQ)

E. Section 551.087. Deliberation Regarding Economic Development Matters

- Chapter 380 Development Program and Agreement with Raytheon Company

- Craig Ranch Hotel, LLC

- Project Blue Sky

- Project Hemispheres

- Project Vibes

Mayor Fuller reconvened the public work session at 6:33 p.m. with the following members: Mayor Pro Tem Philips, Councilmembers Cloutier and Franklin and called for action from Executive Session.

Council unanimously approved the motion by Councilmember Cloutier, seconded by Councilmember Franklin to approve the amended agreement with Craig Ranch Hotel, LLC.

Council unanimously approved the motion by Councilmember Cloutier, seconded by Councilmember Franklin, to adjourn the work session at 6:34 p.m.

These minutes were approved by the City Council on January 2, 2024.

SIGNED:

\_\_\_\_\_  
GEORGE C. FULLER, Mayor  
CHARLIE PHILIPS, Mayor Pro Tem

ATTEST:

\_\_\_\_\_  
EMPRESS DRANE, City Secretary  
TENITRUS BETHEL, Deputy City Secretary

City of McKinney, Texas

# McKinney National Airport

City Council Work Session December 5, 2023



## Agenda

- Airport History
- Airport Budget Discussion
  - Revenues and Expenses
  - Airport Construction Fund
- Airport Planning and Council Strategic Plan
- FBO Purchase and Airport Construction Projects
  - Project Financing
  - Project Revenues
- Tax Increment Reinvestment Zone Number 2 (TIRZ No. 2)
- Property Tax Impacts
- Economic Impact
- Ongoing/Upcoming Projects
- FAQs

## Airport History – Groundbreaking June 24, 1977

**McKINNEY COURIER-GAZETTE** Weekend edition  
News and pictures about people you know in Collin County  
MCKINNEY, TEXAS SUNDAY, JUNE 26, 1977

### Groundbreaking held for McKinney airport

*Work to begin immediately*

By WOFFORD THOMPSON  
City Editor

"As a result of hard work, dreams and determination, we are taking a giant step today — breaking ground for the McKinney Municipal Airport."

Mayor B.J. Cope said Friday, which could be pivotal. "We are whittling away at the obstacles and finally get them to zero weight."

State Representative Bob Hiestand, who concluded saying "I believe the encouragement of a mayor, we probably would not have gotten here."

See (Groundbreaking) page 7

"It has reached the point in time where it is almost essential if you are going to have industry you need a municipal airport."

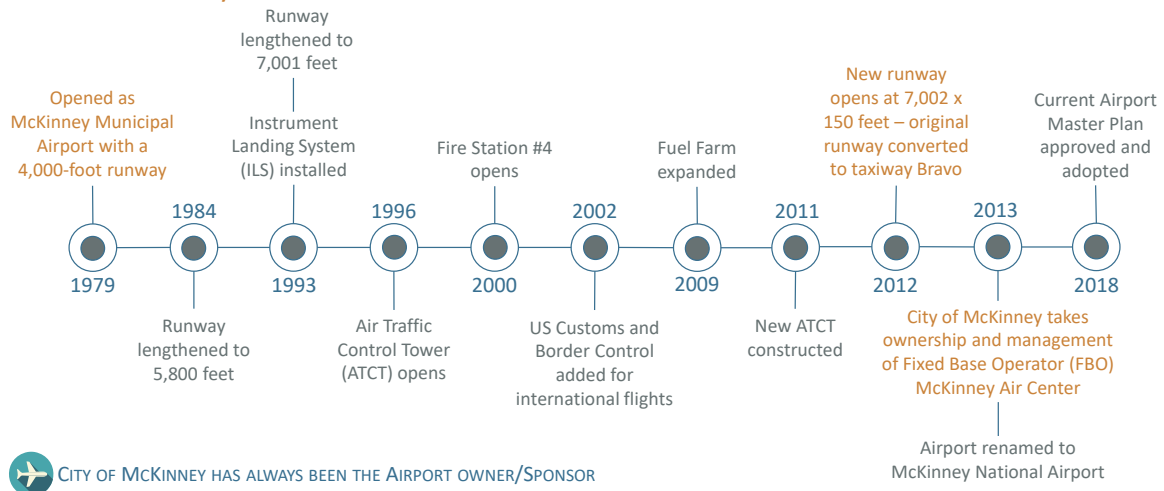
"The construction team now can do anything it wants to do. You have an opportunity to see that all of us working together can do that."

"There is already some \$300,000 federal money allocated and I think you will see this airport fly much faster than you anticipate."

Former Mayor and member of the airport committee Al Buschhaus said. "The obstacles that faced the committee in the beginning were not too deep — they were head high."

**PARTICIPATE IN GROUND BREAKING**  
The first step toward the construction of the new McKinney Municipal Airport was taken Friday at groundbreaking ceremonies. Among those participating were (L-R) Councilman W.J. Vattley, former Mayor Al Buschhaus, Alford, Councilman Lewis Miller, Congressman Ray Roberts, Mayor B.J. Cope, Councilman Bill Fischer, State Representative Bob Hiestand, Councilman Bill Christa, and former Councilman Doc Coughlin. (Staff photo by Wofford Thompson, Jr.)

## Airport History – growth and expansion to accommodate the needs of the community



## Operational Revenues and Expenses

Revenues	Expenses
<b>Airport FBO Fees</b> Fuel Sales, Ramp Fees, Line Service Fees, etc.	<b>Personnel</b> Salaries and benefits for all FBO and Airport employees
<b>Hangar and Other Leases</b> Leases of hangars, office suites, land and tie-downs	<b>Supplies</b> Office, chemical, flight line and maintenance supplies
<b>Interest Income</b>	<b>Maintenance</b> Building, fuel farm, airfield and fleet maintenance
<b>Intergovernmental</b> Grants received from FAA, TxDOT or others	<b>Services/Sundry</b> Travel and training, licenses, phones, rental equipment, fees, loan payments, cost of goods sold (fuel)
<b>Other Income</b> Refunds, Sale of Assets	<b>Capital</b> Various fleet and large equipment such as tugs and mowers
<b>Transfers from Other Funds</b>	<b>Transfers to Airport Construction Fund</b>

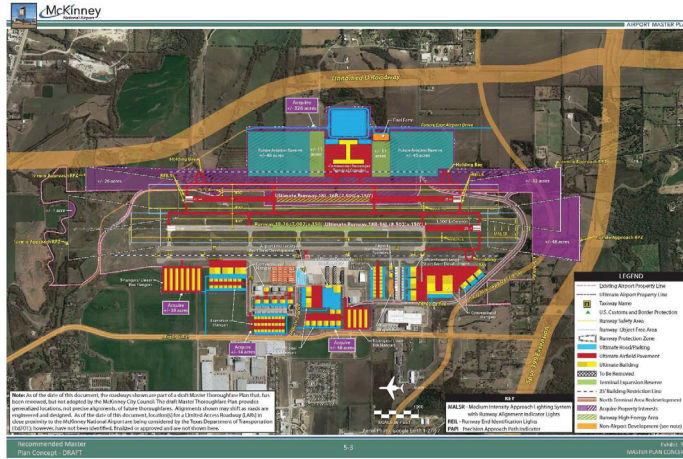
## Airport Construction Fund

- The Airport Construction Fund is used to fund Capital Improvement Projects (CIP) at the airport.
  - The Airport CIP includes the following types of projects
    - Long Range Planning, including the Airport Master Plan
    - Engineering and Architectural Design
    - Construction and/or reconstruction of runways and taxiways, including lighting, instruments and signage.
    - Construction, reconstruction or renovation of terminals, hangars, office suites, customs buildings, parking lots, and other vertical improvements at the airport.
    - Construction, reconstruction or renovation of airport security such as fences, gates and security cameras.
- The Airport Construction Fund is typically funded as part of the City's annual budget process and can include grants from state and federal programs and transfers from the Airport Operation Fund, the General Fund, TIRZ No. 2 and other funds as approved by the City Council.

# 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 Goals & 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**

**CITY OF MCKINNEY**  
[www.McKinneyTexas.org](http://www.McKinneyTexas.org)

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

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

### MCKINNEY NATIONAL AIRPORT

- Break ground on a permanent General Aviation Federal Inspection Station (Customs) facility by September 2023.
- Complete an additional 6,000-square-foot office space expansion for new and existing tenants by September 2023.
- Complete construction on an additional 40,000-square-foot hangar expansion for new and existing airport tenants by September 2023.
- Complete the southern portion of the McKinney National Airport’s runway extension by September 2023.
- Construct a permanent airfield maintenance building by September 2023.
- Secure one or more jet maintenance, repair, and overhaul (MRO) service providers by September 2023.
- Secure capital funding for commercial air service terminal and related infrastructure by September 2023.

## 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.

**September 2013**

- The City of McKinney purchased the Fixed Base Operator at McKinney National Airport, including:
  - Vertical assets, listed below
  - Assumption of fuel sales, services, maintenance, contracts, leases, subleases and agreements
- Cost of acquisition - \$25 million
- 2023 Revenues from lease, net fuel sales and services associated with facilities purchased
 

– TI Hangar (Corp 1) -	\$820,290
– HP Hangar (Corp 2) -	\$802,625
– Aerospace Hangar (Corp 3) -	\$531,246
– Tres Hangar (Corp 4) -	\$336,601
– Common Hangar (Corp 5) -	\$95,134
– Maintenance Hangar (Corp 6)	\$102,861
– T Hangars -	\$737,062
– Box Hangars -	\$145,774
– Office Building -	\$176,502

- Pre-acquisition Ground Leases
- 2023 revenues from lease, fuel sales and services
 

– MHOA -	\$55,184
– CCHOA -	\$390,291
– Hangar -	\$55,865

## McKinney National Airport Operations

### Airport Administration

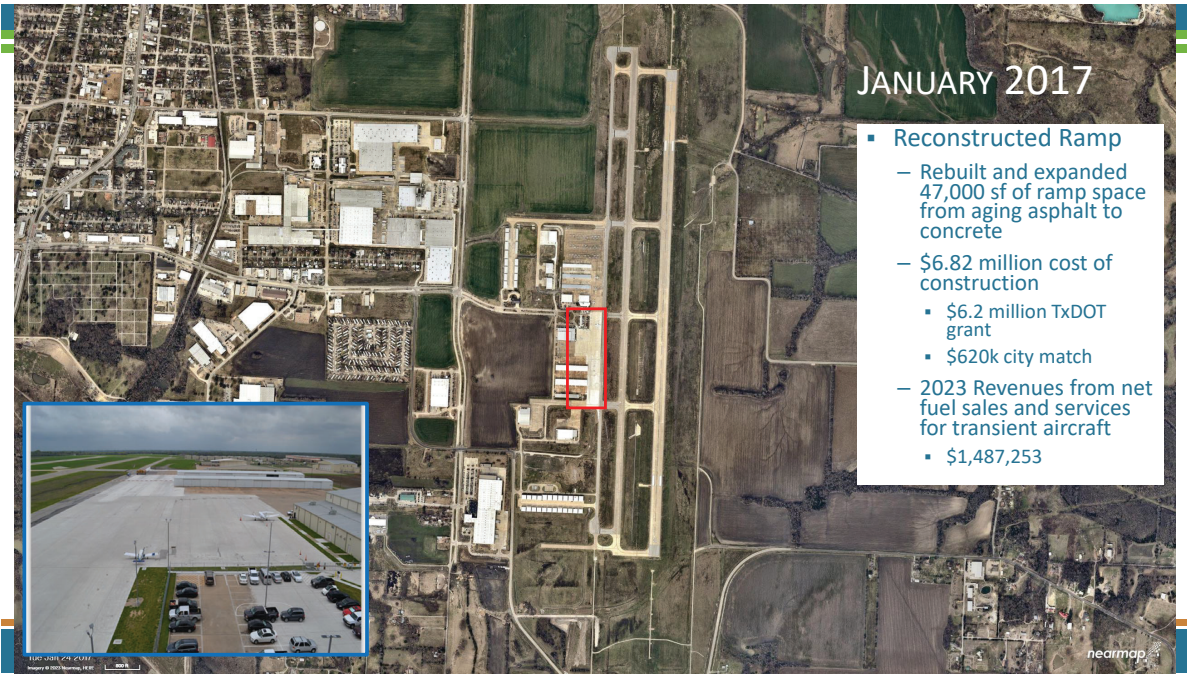
- McKinney National Airport - 1979
- Regulatory Compliance
  - FAA/TxDOT Regulations
  - Local Rules and Regulations
- Airport Development
  - Ground Leases
  - Land Use Planning
  - Airport Minimum Standards
- Airfield Maintenance
- Airport Infrastructure
  - Ramp/Taxiways
  - Runways
  - Security

### Fixed Base Operations

- McKinney Air Center – Nov. 2013
- Aircraft Fueling
- Facility Leasing
  - Hangars
  - Office Space
  - Storage
- Flight Line Services
- Concierge Services
  - Rental Cars
  - Catering
  - Lodging Accommodations

**JANUARY 2017**

- Constructed Corp 7 Hangar
  - Previously known as McKinney Air Center Hangar One or MACH1
  - 15,000 sf
  - \$1.7 million cost of construction
    - \$1.5 million grant from MCDC
    - \$200k from Airport Construction Fund
  - 2023 Revenues from lease, net fuel sales and services
    - \$332,815
    - Likely to increase fuel sales by nearly \$100k when Cirrus moves to their new facility



## JANUARY 2017

- Reconstructed Ramp
  - Rebuilt and expanded 47,000 sf of ramp space from aging asphalt to concrete
  - \$6.82 million cost of construction
    - \$6.2 million TxDOT grant
    - \$620k city match
  - 2023 Revenues from net fuel sales and services for transient aircraft
    - \$1,487,253



## JANUARY 2017

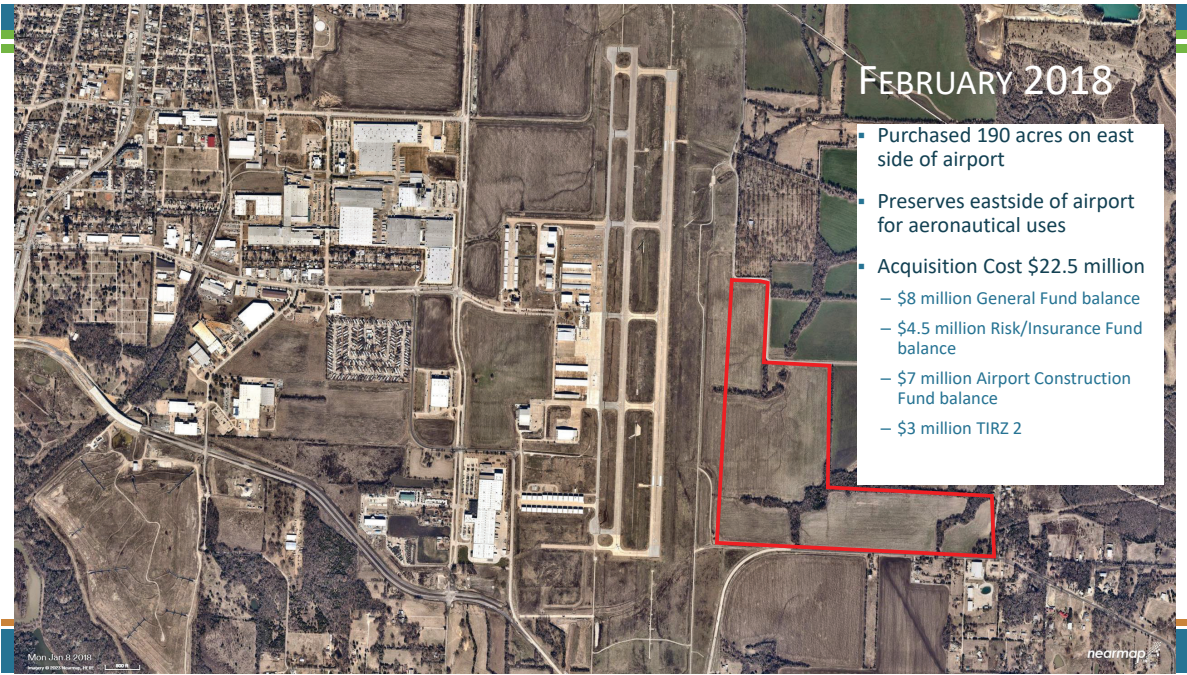
- Corporate Hangar Remodel/Expansion
  - Added additional office spaces, maintenance areas and covered parking
  - \$6.2 million cost of construction
    - \$5 million interfund loan
    - \$1.2 million from Airport Construction Fund
  - Lease extension to cover cost of improvements.
  - 2023 Revenues from lease, net fuel sales, and services
    - \$802,625



## JANUARY 2018

- Constructed Corp 8 Hangar
  - Previously known as McKinney Air Center Hangar Two or MACH2
  - 10,000 sf
  - \$1.225 million cost of construction
    - \$1.225 million from Airport Construction Fund
  - 2023 Revenues from lease, net fuel sales and services
    - \$95,727





## FEBRUARY 2018

- Purchased 190 acres on east side of airport
- Preserves eastside of airport for aeronautical uses
- Acquisition Cost \$22.5 million
  - \$8 million General Fund balance
  - \$4.5 million Risk/Insurance Fund balance
  - \$7 million Airport Construction Fund balance
  - \$3 million TIRZ 2



## MAY 2020

- Constructed Corp 9 Hangar
  - Initial partnership with Western LLC
  - Project included hangar, a new FBO terminal and rebuilding the parking lot near the FBO terminal
  - 17,000 sf FBO Executive Terminal Building
  - 40,000 sf of hangar space
  - 9,000 sf of shell office space
  - Enclosed garage spaces
  - Increased parking at mid-field by 88 spaces.
  - \$18 million total cost of construction (hangar and terminal)
    - \$4 million grant from MCDC
    - \$4 million grant from MEDC
    - \$2 million from Airport Construction Fund
    - \$6 million in Certificates of Obligation (CO's)
  - \$9.8 million cost of construction for hangar only
  - 2023 Revenues from lease, net fuel sales and services
    - \$1,021,964



## JANUARY 2023

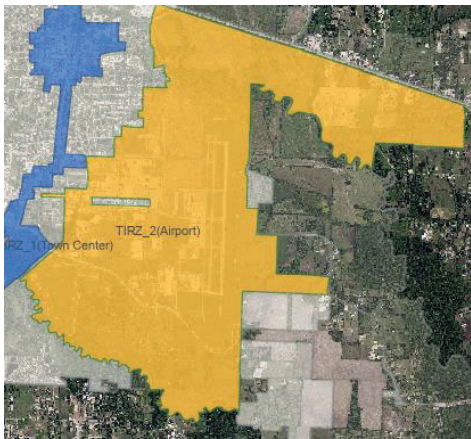
- CCHOA North Construction
  - Privately funded development
  - 10 private hangars
  - Ground Lease – 40 years
    - Ownership reverts to city at end of lease
  - 2023 Revenues from lease, net fuel sales and services
    - \$140,623



SEPTEMBER 2023

- Completion of FBO Terminal
- Airport Maintenance Building
  - Provides facility for upkeep and maintenance of the airport
  - \$5.5 million cost of construction
    - \$5.5 million from Airport Construction Fund
- Completed 500-foot extension to the runway and taxiway Bravo
  - \$14.25 million grant from TxDOT
  - \$1.5 million local match from Airport Construction Fund

TIRZ No. 2



- Tax Increment Reinvestment Zone Number 2
  - Established in 2010
  - Captures real property taxes (not BPP) and sales taxes generated within the designated zone, above what was generated in the base year, and reinvests those taxes into the district.
    - 100% of incremental City real property and sales taxes
      - Through 2055
    - 50% of incremental County property taxes
      - Through 2040
  - FY 22-23 Revenues - \$2,358,845
  - Funds collected by the TIRZ are to be spent according to the adopted TIRZ No. 2 Project Plan

TIRZ No. 2

Ad Valorem

Taxing Jurisdiction	Base Year Value (Tax Year 2010) <sup>1</sup>	Net Taxable Value (Tax Year 2021)	Captured Appraised Value (Tax Year 2021) <sup>2</sup>
City of McKinney	\$117,424,971	\$273,474,150	\$156,049,179
Collin County	\$117,486,311	\$273,884,333	\$156,398,022

<sup>1</sup> 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).

<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.

Sales & Use Tax

Taxing Jurisdiction & Participation Rate	Base Year Value (Calendar Year 2010)	Collected Sales & Use Tax (Fiscal Year 2022)	Captured Sales & Use Tax Increment (Fiscal Year 2022) <sup>4</sup>
City of McKinney (100%)	\$493,222	\$1,636,556	\$1,143,334

<sup>4</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.

## TIRZ No. 2 Project Plan – Adopted in 2010

- TIRZ No. 2 Mission Statement
  - Develop the premier general aviation reliever airport in the D/FW Metroplex with future commercial service goals.
- TIRZ No. 2 Vision
  - McKinney National Airport is an air transportation center and economic engine for the North Dallas Region, facilitating general aviation, business aviation and related services by an aggressive marketing program and aeronautical service, infrastructure and facility development program.
- Proposed Improvements and Uses
  - Focus on business aviation activity
  - Continue to assess perimeter access control and airport security
  - Continue to prepare for commercial passenger service

## TIRZ No. 2 Funded Projects

- February 6, 2018
  - Provide \$3 million for acquisition of approximately 190 acres on the east side of the airport
- January 4, 2022
  - Provide \$2 million for East Side Programming Documents
- November 7, 2023
  - Provide \$2,864,000 for construction of Access Taxiway A4

## Business Personal Property (BPP)

- Business Personal Property (BPP) is taxed at the same rate as real property.
- In 2023, Collin Central Appraisal District determined there to be over \$186 million in BPP at McKinney National.
  - BPP at McKinney National Airport pays the equivalent taxes of 400 average single-family homes.
- This included 39 based aircraft with a market value of \$1 million or more. Fourteen of these aircraft are valued at over \$5 million and four are valued at over \$10 million.
  - The most valuable single aircraft based at TKI in 2023 pays the same property taxes as 35 average single-family homes.
    - The average taxable value of a single-family home in McKinney in 2023 is \$466,175.

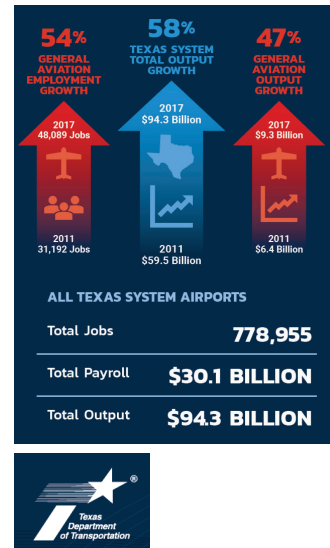
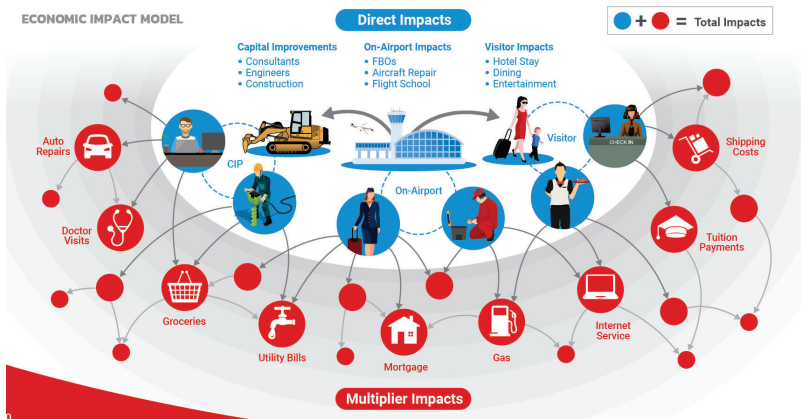
## Property Tax Revenue from McKinney National Airport

- 2013 taxable value
  - Approx. \$97.2 million
- 2023 taxable value
  - Approx. \$186.6 million

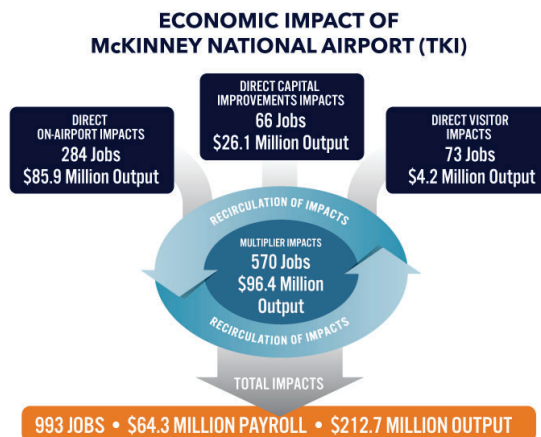
Annual Entity Tax Revenue from McKinney National Airport*						
Tax Year	Fiscal Year	City	MISD	County	College	TOTAL
2013	2014	\$539,536	\$1,538,898	\$218,855	\$77,077	\$2,374,366
2014	2015	\$461,010	\$1,320,561	\$185,827	\$64,810	\$2,032,208
2015	2016	\$396,687	\$1,136,308	\$153,095	\$55,768	\$1,741,859
2016	2017	\$409,201	\$1,156,905	\$148,823	\$58,004	\$1,772,933
2017	2018	\$537,476	\$1,611,835	\$191,277	\$79,408	\$2,419,996
2018	2019	\$501,874	\$1,519,470	\$172,766	\$77,619	\$2,271,729
2019	2020	\$679,965	\$1,962,812	\$230,723	\$107,114	\$2,980,613
2020	2021	\$580,721	\$1,683,667	\$196,979	\$92,731	\$2,554,099
2021	2022	\$688,647	\$1,905,056	\$232,596	\$112,394	\$2,938,693
2022	2023	\$797,699	\$2,317,325	\$265,809	\$141,620	\$3,522,452
Total Tax Revenue		\$5,592,817	\$16,152,837	\$1,996,750	\$866,544	\$24,608,947

\*Data Source: Collin County Appraisal District

## 2018 Texas Aviation Economic Impact Study



## 2018 TxDOT Texas Aviation Study



## 2018 Texas Aviation Economic Impact Study

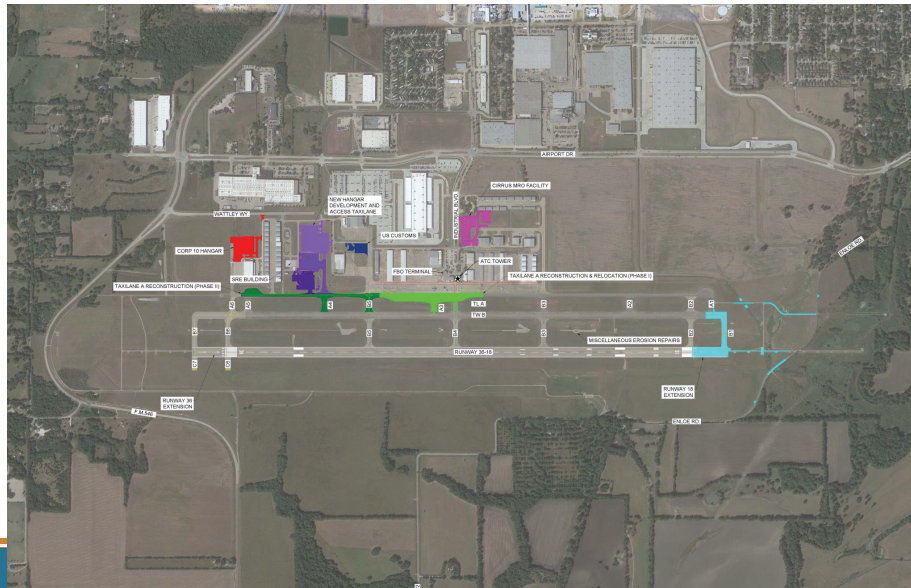
Airport Name	Total Employment	Total Payroll	Total Output
<b>McKinney National</b>	<b>993</b>	<b>\$64,272,000</b>	<b>\$212,717,000</b>
Addison	3,212	\$147,382,000	\$467,378,000
Dallas Executive	456	\$15,123,000	\$54,816,000
Denton Enterprise	1,435	\$45,840,000	\$156,338,000
Fort Worth Meacham	2,162	\$100,933,000	\$362,447,000
Fort Worth Alliance	3,410	\$148,928,000	\$519,006,000

Airport Name	Total Employment	Total Payroll	Total Output
DFW International	243,506	\$9,292,419,000	\$29,916,566,000
Dallas Love	60,595	\$1,920,556,000	\$6,106,367,000

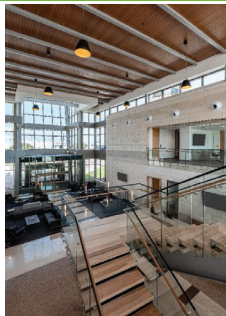
### Ongoing Projects

- FBO Terminal
- Runway Extension
- Airport Maintenance Building
- Taxiway Alpha rehab and relocation
- Corp 10 Hangar
- US Customs Building
- Cirrus Facility
- Taxiway A4 Buildout



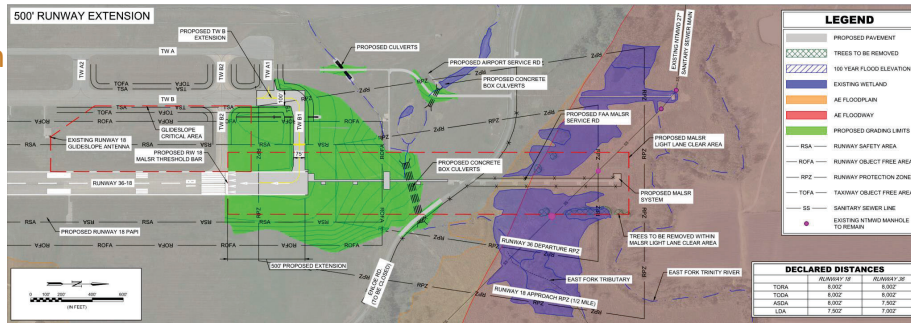
### FBO Terminal

- McKinney Air Center is McKinney's Fixed Base Operator (FBO)
- The new terminal has finally opened for business
- The FBO Terminal is the front door to McKinney and Collin County for corporate and charter passengers



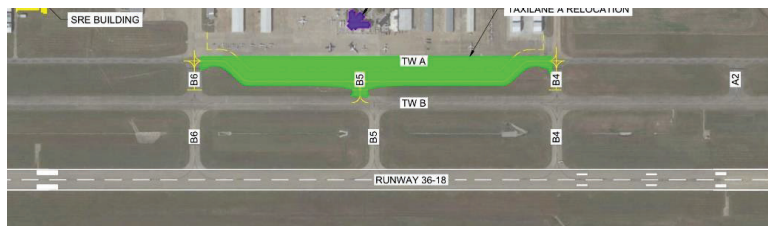
## Runway Extension

- The existing runway went into service in 2011
  - 7,002 feet long
  - 150 feet wide
  - 17-inch concrete
- South Extension
  - 500 feet
  - Opened for service 9/18/23
- North Extension
  - Collin County granted \$30 million to help fund the northern extension.
  - Allows the eastern alignment of the Spur 359 extension
  - Additional 500 feet
  - Breaking ground early 2024



## Taxiway Alpha Reconstruction and Relocation Phase 1

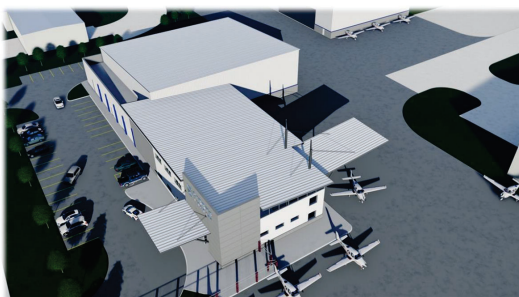
- Taxiway Alpha was originally completed in 1982
- The relocation of the taxiway will provide additional apron space and will allow for the parking of larger aircraft immediately adjacent to the new FBO terminal
- This project will also relocate the connector to meet current FAA design standards
- This project has been awarded:
  - \$6,429,923 in Federal AIP grant funds, and
  - \$2,207,017 in Federal IIIA grant funds.
- The City's portion of the project is \$959,690 and will come from the Airport Construction Fund.



AIP - Airport Improvement Program  
 IIIA - Infrastructure Investment and Jobs Act, AKA the Bipartisan Infrastructure Law of 2021

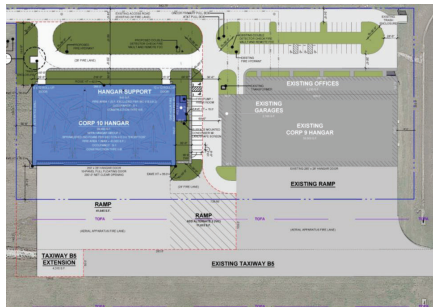
## Cirrus MRO Development

- Cirrus Aircraft to build a new Aircraft Maintenance and Repair Facility
  - Estimated \$14,500,000 in privately funded capital improvements (hangars, ramp, & administrative building)
  - Ground lease - 3.5 acres - Approximately \$85,000 1<sup>st</sup> year
  - 50+ FTE positions on airport now in temporary facility
  - Growing to 80 FTE positions with new facility



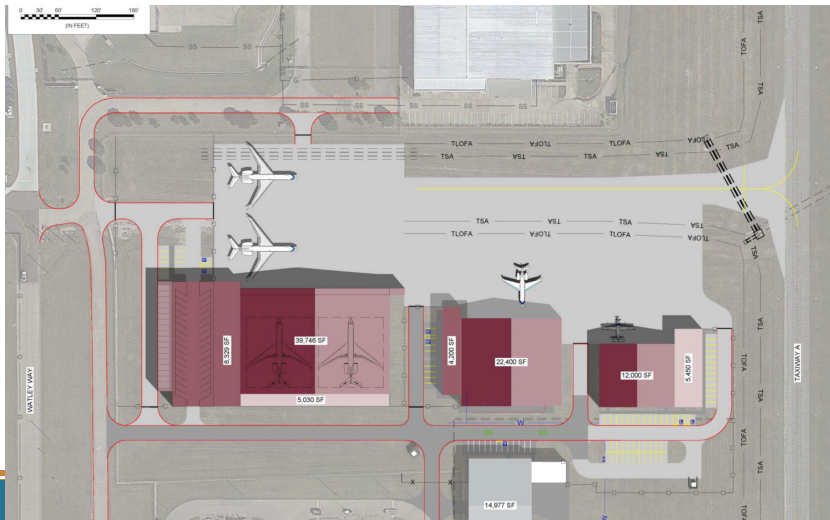
## Corp 10 Hangar and US Customs Building

- A new 39,000 sf hangar and 3,200 sf Customs Building are currently under design and nearing construction.
  - The estimated construction cost of the hangar is approximately \$12.5 million
    - Estimated first year revenue - \$1.1 million
  - The construction cost of the customs building is approximately \$5.2 million
    - Non-revenue producing
    - Necessary for international corporate and charter arrivals



## Access Taxilane A4 Buildout Diagram (Area C)

- TIRZ 2 funded \$2.864 million taxilane construction project
- This project will generate the following annual revenues:
  - Ground Lease – over \$180,000
  - Fuel Sales – approximately \$350,000 net revenue
- The total value of hangars and based aircraft is estimated to exceed \$200 million in taxable assets
- This project is eligible for federal grant programs but would not compete well for those funds.



## Available Lease Land



- The west side of the runway, or general aviation side has approximately 35.45 acres of land remaining for development
- Of the remaining available acreage, approximately 25 acres are currently under negotiation, design or construction
- As the westside of the airport approaches build out, development of eastside infrastructure becomes more important

2024 Airport Development



## Spur 399 Extension



- The Spur 399 extension will provide direct access from State Highway 121 (Sam Rayburn Tollway) and will loop around the south and east side of the airport and will connect to the 380 bypass.
  - Both roadways will be limited access freeways, improving vehicular transportation in and through Collin County.
- TxDOT has finalized the alignment of Spur 399 and is currently acquiring ROW.
- Completion of Spur 399 will provide direct access to the east side of the airport.
- This will also spur non-airport growth east of TKI.

## Frequently Asked Questions

- What is a ground lease?
  - The airport leases land for privately funded aeronautical improvements and the lessee pays rent on the ground for a defined period. At the end of the lease term (typically 40 years), the ownership of the improvements reverts to the city and those improvements are leased out.
- Do all airport revenues have to stay on the airport?
  - Yes. All airports that receive federal funds must adhere to a series of grant assurances. Grant Assurance 25 requires all revenues generated by the airport to be expended for capital or operating costs of the airport.



## Frequently Asked Questions

- Do all property taxes stay on the airport?
  - Property taxes paid by entities at the airport are not considered airport revenues and are not required to be spent on the airport.
    - Property taxes paid on real property (land and improvements) above what was paid in 2010 are captured by TIRZ No. 2 and reinvested in projects within the district. The district includes the airport, but also includes other properties around the airport.
    - Property taxes paid on Business Personal Property (BPP) are not captured by the TIRZ and are accrued to the City's General Fund.
- What projects are eligible for Federal Grant reimbursements?
  - Runway, taxiway, and apron construction or rehabilitation
  - Airfield lighting, signage, drainage, safety area improvements
  - Land acquisition
  - Navigational aids
  - Planning and environmental studies



## Frequently Asked Questions

- What revenue has been generated by the airport since the acquisition of the FBO?
  - The airport has generated over \$94 million since the acquisition of the FBO in 2013
  - The airport has incurred just under \$92 million in non-depreciation expenses in that same period
  - The year prior to the FBO acquisition, the airport generated \$1.2 million in revenue
  - In FY 23, the airport generated \$14.7 million in revenue



## Frequently Asked Questions

- What federal funding is available for the airport?
  - **Airport Improvement Program (AIP)** – The AIP airport grant program funds airport infrastructure projects such as runways, taxiways, airport signage, airport lighting, and airport markings. The grants are administered to public-use airports that are included in the National Plan of Integrated Airport Systems (NPIAS). The Federal Aviation Administration awarded over \$3.2 billion in FY 2023 AIP grants.
    - **Entitlement Funding** – Airports are entitled to a certain amount of AIP funding each year, based on passenger volume. Texas Department of Transportation (TxDOT) administers these entitlement funds to the state's general aviation airports as part of the State Block Grant Program.
      - Entitlement funding is calculated based on enplaned passengers.
      - As a non-primary general aviation airport, TKI typically receives \$150,000 per year in entitlement funding
        - One size fits all for GA airports
      - Additional funding has been provided by IJA for a five-year period
    - **Discretionary Funding** – Airports can apply for additional funding for capital projects if the needs for those projects exceed their available entitlement funds. These grant funds are competitive.
  - **Airport Terminals Program (ATP)** – The Bipartisan Infrastructure Law of 2021 allocated \$5 billion to provide competitive grants for airport terminal development projects that address the aging infrastructure of the nation's airports.
    - This program is only for five years, ending in 2026, and funds commercial passenger terminal projects.

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## Frequently Asked Questions

- If the City decided to “sell the airport”, what could we sell?
    - The City could sell the FBO. This would include:
      - Fuel sales, services, maintenance, contracts, leases, subleases and agreements
      - Vertical assets purchased in 2013 (hangars, office, etc.)
      - Vertical assets constructed since 2013 (hangars, office, FBO terminal, fuel farm, customs, etc.)
    - The FBO would revert to a ground lease agreement whereby the purchaser of the FBO would lease the land occupied by the vertical assets.
    - The FBO could choose to sell individual assets at the airport.
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