



Tax Increment Reinvestment Zone Number Two

Annual Report 2024

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

City Council

Mayor	George Fuller
At Large	Charlie Phillips
At Large	Michael Jones
District 1	Justin Beller
District 2	Patrick Cloutier
District 3	Geré Feltus, Mayor Pro Tem
District 4	Rick Franklin

City Staff

City Manager	Paul Grimes
Assistant City Manager	Kimberly Flom
Assistant City Manager	Steve Tilton
Assistant City Manager	Barry Shelton
Assistant City Manager	Trevor Minyard
Chief Financial Officer	Mark Holloway
Accounting Manager	Chance Miller
Planning Manager	Cassie Bumgarner
Senior Financial Analyst	Nicole Bradshaw

TIRZ No.2

City of McKinney, Texas

Board of Directors

Charlie Phillips, Chairman
City Council - At Large

Justin Beller
City Council District 1

Patrick Cloutier
City Council District 2

Geré Feltus
City Council District 3 Pro Tem

Rick Franklin
City Council District 4

George Fuller
Mayor

Michael Jones
City Council At Large

Cam McCall
McKinney Airport Designee

Darrell Hale
Collin County Commissioner

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 McKinney Airport Development Corporation (MADC).

Description of Zone

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

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

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 2024 report now reflects a reporting period of October 1st, 2023 through September 30th, 2024.**

1. Amount and source of revenue:

- \$3,099,414 from Ad Valorem and Sales & Use Taxes
- \$271,412 from Interest Income

2. Amount and purpose of expenditures:

The TIRZ 2 fund had two expenditures for Fiscal Year 2024 as follows:

- General and Administrative Expense
 - \$35,219
- Airport Construction Fund for Taxiway A4
 - \$2,864,000

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 (Tax Year 2010) ¹	Net Taxable Value (Tax Year 2023)	Captured Appraised Value (Tax Year 2023) ²
City of McKinney	\$117,424,971	\$407,486,703	\$290,061,732
Collin County	\$117,486,311	\$408,185,804	\$290,699,493

¹ *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).

² *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 ³	Captured Appraised Value (Tax Year 2023)	Tax Rate per \$100/Value (Tax Year 2023)	Amount of Increment (Fiscal Year 2024)
City of McKinney (100%)	\$290,061,732	0.428	\$1,240,052
Collin County (50%)	\$290,699,493	0.149	\$217,070

³ The *Participation Rate* is 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 (Calendar Year 2010)	Collected Sales & Use Tax (Fiscal Year 2024)	Captured Sales & Use Tax Increment (Fiscal Year 2024) ⁴
City of McKinney (100%)	\$493,222	\$2,135,477	\$1,642,255

⁴ *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 Fiscal Year 2024 Increment	\$3,099,376
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6. TIRZ 2 Fund Balance History:

Fiscal Year	2020	2021	2022	2023	2024
Revenues	1,144,523	1,504,503	2,077,293	2,848,260	3,370,827
Expenditures	(22,000)	(37,710)	(2,037,710)	(35,219)	(2,899,219)
Net Income (Loss)	1,122,523	1,466,793	39,583	2,813,041	471,608
Ending Fund Balance	3,432,864	4,899,657	4,939,240	7,752,281	8,223,889

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

