



# CITY OF MCKINNEY, TEXAS

## Legislation Text

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File #: 23-0804, Version: 1

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Consider/Discuss/Act on a Resolution Authorizing the City Manager to Amend the Predevelopment Agreement and the Reimbursement Agreement with Griffin/Swinerton, LLC (Developer) for the Performance and Purchase of Phase 1 Services for Multiple Facilities at McKinney National Airport

**COUNCIL GOAL:** [Maximize the Development Potential of McKinney National Airport  
**3B: Identify and implement land use regulations and policies with preserve and expand long-term operational excellence.**

**MEETING DATE:** October 2, 2023

**DEPARTMENT:** Airport

**CONTACT:** Ken Carley, Airport Director

**RECOMMENDED CITY COUNCIL ACTION:** Approve the Resolution

**ITEM SUMMARY:**

- Authorizes the amendment of the Predevelopment Agreement and the Reimbursement Agreement for Phase 1 of a Design/Build/Finance project to expand the airport general aviation facilities to include construction of one corporate aircraft hangar and one Federal Inspection Station (FIS) for international arrivals requiring U.S. Customs Services (collectively the "Proposed Facilities"). Phase 1 services include the development of design documents and delivery of a Guaranteed Maximum Price (GMP).
- The amendment of the Predevelopment Agreement removes the Developer's obligation under the current agreement to establish a special purpose entity through which to obtain and provide financing for the design and construction of the Proposed Facilities in favor of the issuance of Certificate of Obligation debt by the City and extends the time period for completion of the Phase 1 services.
- The amendment of the Reimbursement Agreement aligns the timing for reimbursing the Developer for the costs associated with the Phase 1 services performed with the extension of the project schedule and completion of the Phase 1 services under the Predevelopment Agreement.

**BACKGROUND INFORMATION:**

- The developer was selected through a formal RFQ process that included evaluating each respondent's experience, technical competence, and capability to design and construct the project.

**FINANCIAL SUMMARY:**

- No immediate financial impact to the City. Under the Predevelopment Agreement and the Reimbursement Agreement, the Developer agreed to advance the funds to pay for Phase 1 services with both Parties' intent to repay the advanced funds from the project financing as part of Phase 2. If City does not move forward with the project (e.g., Phase 2 services), the City will be obligated to repay Developer up to \$3,586,076 for the Phase 1 services performed by Developer.

**BOARD OR COMMISSION RECOMMENDATION:**

- N/A