



25-2714

TITLE: Conduct a Public Hearing to Consider/Discuss/Act on a Request by the City of McKinney for TIRZ Funding for the McKinney National Airport Project AI2250, McKinney National Airport Eastside Infrastructure Project; and Accompanying Resolution

COUNCIL GOAL: Maximize the Development of McKinney National Airport
3A: Implement initiatives and strategies, including public-private partnerships, to attract and expand corporate and commercial aviation including the viability of passenger service.
3B: Identify and implement land use regulations and policies that preserve and expand long-term operational excellence

MEETING DATE: May 6, 2025

DEPARTMENT: Airport

CONTACT: Barry Shelton, Assistant City Manager
Kenneth Carley, A.A.E., Airport Director

RECOMMENDED CITY COUNCIL ACTION:

- Staff recommends approval of the proposed request.

ITEM SUMMARY:

- The City is requesting \$8,000,000 in TIRZ funds for the McKinney National Airport Project AI2250, McKinney National Airport Eastside Infrastructure.
- Companion agenda items are on the May 6, 2025 City Council agenda to amend the Capital Improvements Projects budget to transfer funds to the project

BACKGROUND INFORMATION:

- 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 on and around McKinney National Airport, from US 380 to the southeastern city limits of McKinney.
- TIRZ has the authority under Section 311 and Chapter 380 of the Texas Local Government Code to make loans or grants of TIRZ funds for the purposes of promoting local economic development and stimulating businesses and commercial activity within the TIRZ.
- The City of McKinney TIRZ No. 2 is intended to support ongoing investment and development of the McKinney National Airport with the following mission and proposed improvements and uses of TIRZ funds:
 - Mission Statement: Develop the premier general aviation reliever airport in the D/FW Metroplex with future commercial service goals.
 - Proposed Improvements and Uses:
 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 purpose of TIRZ No. 2, also known as the Airport TIRZ, is to provide the infrastructure necessary to fulfill the aforesaid mission of the airport.
 - Specific costs associated with the proposed Project shall be eligible for funding from TIRZ No. 2, subject to review and approval by the TIRZ Board.
 - The proposed Project scope of work will include the construction of the McKinney National Airport Eastside Infrastructure Project, including water, sewer, underground fiberoptic cable, underground electrical, stormwater conveyance and detention, a 4 gate, 46,600 square foot terminal, parking, ramp space, fuel farm, and access drives.

FINANCIAL SUMMARY:

- The City is requesting \$8,000,000 in TIRZ funds for the McKinney National Airport Project AI2250, McKinney National Airport Eastside Infrastructure.
- TIRZ #2 Fund Balance
 - The TIRZ #2 Fund currently has an estimated FY25 fund balance of approximately \$12,000,000 at year-end.
 - If the request is approved, the TIRZ #2 Fund will have an estimated fund balance of \$4,000,000 at year-end.

- The total cost of the construction contract for the McKinney National Airport Terminal project is \$57,997,386, which includes a \$1,000,000 owner's contingency. In addition to the requested TIRZ funding, the project will utilize the following funds:
 - \$30 million in Sales Tax Revenue Bonds approved by the McKinney Community Development Corporation on March 18, 2025.
 - \$15 million of the \$22.4 million in Sales Tax Revenue Bonds approved by the McKinney Economic Development Corporation on March 18, 2025.
 - \$5 million in utility construction funds will be used to construct the underground water and wastewater infrastructure serving the project site as well as other properties on the east side of the airport.

SUPPORTING MATERIALS:

[Resolution](#)

[Presentation](#)