

CAUSE NO. D-1-GN-26-003109

IN RE: THE CITY OF MCKINNEY, TEXAS, MCKINNEY COMMUNITY DEVELOPMENT CORPORATION, AND MCKINNEY COMMUNITY DEVELOPMENT COPORATION SALES TAX REVENUE REFUNDING BONDS, TAXABLE SERIES 2026 (TIFIA)	§ § § § § § §	IN THE DISTRICT COURT OF TRAVIS COUNTY, TEXAS 200th JUDICIAL DISTRICT
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**ORIGINAL ANSWER AND PLEA TO THE JURISDICTION
OF KEN PAXTON, ATTORNEY GENERAL OF TEXAS**

TO THE HONORABLE JUDGE OF SAID COURT:

NOW COMES Ken Paxton, Attorney General of Texas, a Party herein, and pursuant to Texas Government Code Chapter 1205 (the “EDJA Act”) files this Original Answer and Plea to the Jurisdiction in response to the Original Petition filed by the City of McKinney, Texas (the “City”), and the McKinney Community Development Corporation (“MCDC”), (collectively, the “Petitioners”), and would respectfully show the Court the following in opposition to the relief sought by Petitioners:

I. GENERAL DENIAL

The Attorney General asserts a general denial pursuant to Rule 92 of the Texas Rules of Civil Procedure.

II. SPECIFIC DEFENSES

A. Pursuant to section 1205.063(a)(1) of the Government Code, the Attorney General believes that the following paragraphs and declarations prayed for by Petitioners in the Original Petition are defective:

1. Petitioners state in the last sentence of the second full paragraph at page 1 of the Original Petition that the issuance “of the 2026 Refunding Bonds will save millions of dollars over the life of the bonds.” The attached minutes of the Joint Meeting of the McKinney City Council and MCDC provides at the top of page 3 that with “the low-interest TIFIA loan, the savings over 30 years will total approximately \$15 million.” See Exhibit A Minutes of March 3, 2026. <https://mckinney.legistar.com/View.ashx?M=M&ID=1396594&GUID=7006D500-D61C-43EE-923C-E7F7C322B227>. However, it is unclear how the refunding could accomplish this amount of savings when the 2025 bonds being refunded finally mature in 2032 and the 2026 Refunding Bonds finally mature in 2056, meaning that the 2026 Refunding Bonds extend the indebtedness by twenty-four years. Another schedule, attached as Exhibit B, reflects a net present value savings of \$1,049,253.35, but an aggregate gross loss of \$9,007,408.05.

2. Petitioners’ assertion in paragraph 3 that MCDC is an “issuer” as defined by Texas Government Code Section 1205.001(1) is defective because the definition of “issuer” does not include economic development corporations created under chapters 501 and 505 of the Local Gov’t Code (the “Development Corporation Act” or “Act”); the Act describes economic development corporations as private, nonprofit corporations. Tex. Loc. Gov’t Code §§ 501.053(a), 505.102; *see also Rosenberg Dev. Corp. v. Imperial Performing Arts, Inc.*, 571 S.W.3d 738, 745 (Tex. 2019) (describing the corporations as private entities). Tex. Loc. Gov’t Code § 501.053(a) directs that an economic development corporation is nonprofit and § 501.054(a) states that “[A] corporation has

the powers, privileges, and functions of a nonprofit corporation incorporated under the Texas Non-Profit Corporation Act...or formed under the Texas Nonprofit Corporation Law...”

3. Petitioners’ assertion in paragraph 4 that the City is “an issuer” as defined by Texas Government Code Section 1205.001(1) is also defective because although the City is a political subdivision included in the definition in subsection (1), the City is not the entity issuing the Bonds. The entity qualifying as an “issuer” under the EDJA must be the same entity that issues the bonds. *See* § 1205.021(1) (providing authority for an issuer to bring an action to obtain a declaratory judgment as to “the authority of the issuer *to issue* the public securities” (emphasis added)).

4. Because the defined term “issuer” in the EDJA does not include economic development corporations like MCDC and the City is not the entity issuing the Bonds sought to be validated, Petitioners’ declaration in paragraphs 2 and 42(a) that the Court has subject matter jurisdiction is also defective. *See* Plea to the Jurisdiction in Section IV below.

5. Subsections (d), (e), and (f) of paragraph 42 are overbroad because the Petitioners do not identify the public security authorizations sought to be validated.

6. Paragraph 35 is insufficient because it does not include the Default Rate as defined in section 1 of the TIFIA Loan Agreement, which means “an interest rate equal to the sum of the (a) the TIFIA Interest Rate plus (b) two percent (2.00%). *See* Exhibit K of Original Petition (the TIFIA Loan Agreement is Exhibit B to the MCDC Bond Resolution).

7. Paragraph 42(c) provides that “MCDC has the authority, *on the terms set out herein*, to issue the 2026 Refunding Bonds” (emphasis added); this statement is defective for one or more of the following reasons:

a. The TIFIA Loan Agreement, in its current form, contains provisions that do not comport with state law. The TIFIA Loan Agreement operates as the bond purchase agreement between MCDC and the U.S. Department of Transportation (the “Department”) and sets forth the terms of the loan and therefore the term of the Bonds. Provisions not comporting with state law include but are not limited to the provisions discussed in paragraph 8 of this Answer.

b. Petitioners have not provided evidence establishing that the Bonds would comply with the additional obligation parity requirements set forth in the Series 2015 Bonds, as defined in section 10 of the Bond Resolution (Exhibit K to Original Petition).

8. Pursuant to section 1205.063(a)(2), the Attorney General believes that in its current form, the TIFIA Loan Agreement – which operates as the bond purchase agreement for the Bonds – is or will be invalid or unauthorized. The reasons for its lack of validity or authorization include but are not limited to the following:

a. The City should not be a party to the TIFIA Loan Agreement because the Bonds are being issued by MCDC, not the City. The City’s statutory duty is limited to delivering the proceeds of the sales and use tax imposed under the Act and received from the Comptroller to MCDC. Tex. Loc. Gov’t Code § 505.301. The Bonds are not a debt of and do not give rise to a claim for payment against the City, other than simply

delivering the sales tax proceeds to MCDC upon receipt from the Comptroller. *Id.* § 505.104(b)(2). But by being a party to the TIFIA Loan Agreement, the City incurs additional obligations in violation of state law. For example, the City agrees to indemnify the TIFIA lender and incurs obligations directly with the TIFIA lender with respect to unspecified appropriations, the Pledged Revenues, the Collateral, the establishment and maintenance of Funds, and payment of TIFIA lender's fees and expenses. *See e.g.*, Exhibit K of Original Petition (TIFIA Agreement is Exhibit B to MCDC's Bond Resolution), §§ 15(l), 17, 28, and definitions of "Borrower Related Party", "Collateral", and "Sponsor". Moreover, the Agreement provides as a remedy for default the right of the Department to institute an action not just against MCDC, but also against the City as a "Borrower Related Party" to collect all sums due and unpaid under the agreement and to prosecute any such judgment against the City in the manner provided by law "out of the property of the Borrower Related Parties the moneys adjudged or decreed to be payable", with the term "property" undefined. *Id.* §19(e). Further, § 13(aa) of the Agreement broadly states that governmental immunity is not available to the City relating to the enforcement of or collection on its obligations incurred thereunder. The City cannot incur pecuniary obligations by contract that cannot be satisfied out of current revenues or some fund within its control unless at the same time it levies an ad valorem tax sufficient for its payment. Tex. Const. art. XI, § 5; *McNeill v. City of Waco*, 33 S.W. 322, 324 (Tex. 1895). But the Act prohibits the City from levying an ad valorem tax for any obligations arising out of MCDC's Bonds. Tex. Loc. Gov't Code § 505.104(b)(1). Moreover, the City's resolution adopted

pursuant to section 501.204 of the Act does not authorize the City to be a party to the TIFIA Loan Agreement; neither does it authorize the City to incur indebtedness; rather, the City Resolution simply affirms its agreement to comply with its statutory duty to promptly collect and remit to MCDC the Gross Sales Tax Revenues. *See* sections 2 and 3 of City Resolution, Exhibit L of Original Petition.

b. Although MCDC has authority to enter into a bond purchase agreement with the Department, the TIFIA Loan Agreement, in its current form, contains provisions that do not comport with state law. For example, in section 17 of the Agreement, MCDC agrees to indemnify the Department for the Department's own ordinary negligence. And section 19(e) provides the Department a remedy in the event of default to prosecute and collect on a judgment for any amounts owed under the Agreement "out of the property" of MCDC, without limiting the "property" to the Pledged Revenues. If there is other property MCDC seeks to pledge to the Bonds, this should be specified in section 11 of the Bond Resolution. Moreover, the governing law provision in section 30 must be revised so that state law governing the terms of the Bonds is not contravened.

III. RIGHT TO AMEND

The Attorney General reserves the right to contest all relief requested by the Petitioners upon further review, upon failure by the Petitioners to properly prove all allegations contained in the Petitioner's Original Petition, or in the event the Original Petition is amended.

IV. PLEA TO THE JURISDICTION

Statutory prerequisites to suit are jurisdictional requirements in suits against the government and must be decided forthwith. Tex. Gov't Code § 311.034; *City of Madisonville v. Sims*, 620 S.W.3d 375 (Tex 2020) (*per curiam*) (holding that when a statutory prerequisite to suit is not met, the suit may be properly dismissed for lack of jurisdiction). The Attorney General is a named statutory party to an EDJA action and has an affirmative duty to examine the petition and raise appropriate defenses if the Attorney General believes the petition is defective or the public securities or public security authorizations are or will be invalid. Tex. Gov't Code §§ 1205.042, .063(a). The judgment as to each adjudicated matter and each matter that could have been raised is binding and conclusive against the Attorney General. § 1205.151(b)(2). Therefore, in an action against a governmental entity, such as the Attorney General, his immunity is implicated when statutory prerequisites to suit are not met. § 311.034.

The City and MCDC brought this action under the EDJA, which is an *in rem* proceeding limited to a narrow set of declarations the trial court has jurisdiction to make. These declarations are set forth in section 1205.021 of the Texas Government Code and identify the qualifying *res* at the heart of an authorized EDJA action: the public securities, the issuer's authority to issue them, public security authorizations, and expenditures of money relating to the public securities. *City of Conroe v. San Jacinto River Auth.*, 602 S.W.3d 444, 458 (Tex. 2020) ("*SJRA I*"); Tex. Gov't Code § 1205.021(1)-(4). The trial court's jurisdiction is dependent upon its control over this *res*. *Id.* The statutory definition of "issuer" as the party with authority to bring an

EDJA suit is a necessary element of “public security authorization,” a term determined to be a jurisdictional prerequisite by the Texas Supreme Court in *SJRA I*.

The term “issuer” is defined in section 1205.001(1) of the EDJA to mean “an agency, authority, board, body politic, commission, department, district, instrumentality, municipality or other political subdivision, or public corporation of this state. The term includes a state-supported institution of higher education and any other type of political or governmental entity of the state.” The definition of “issuer” in the EDJA does not include a non-profit corporation created to act on behalf of a municipality, such as economic development corporations under the Development Corporation Act. Economic development corporations are described under the Act as private, nonprofit corporations. Tex. Loc. Gov’t Code §§ 501.053(a), 505.102; *see also Rosenberg Dev. Corp. v. Imperial Performing Arts, Inc.*, 571 S.W.3d 738, 745 (Tex. 2019) (describing the corporations as private entities).

On the other hand, the definition of “issuer” under the bond review and approval statute, Government Code Chapter 1202, is defined as: “(A) an agency, authority, board, body politic, department, district, instrumentality, municipal corporation, political subdivision, public corporation, or subdivision of this state; or (B) *a nonprofit corporation acting for or on behalf of an entity described by Paragraph (A).*” Tex. Gov’t Code § 1202.001(2) (emphasis added). Subsection (B) is not included in the definition of Issuer under the EDJA:

Issuer under the EDJA § 1205.001(1)	Issuer under the AG Bond Review and Approval Statute § 1202.001(2)
(1) “Issuer” means an agency, authority, board, body politic, commission, department, district, instrumentality, municipality or other political subdivision, or public corporation of this state. The term includes a state-supported institution of higher education and any other type of political or governmental entity of this state.	(2) “Issuer” means: (A) an agency, authority, board, body politic, department, district, instrumentality, municipal corporation, political subdivision, public corporation, or subdivision of this state; or <i>(B) a nonprofit corporation acting for or on behalf of an entity described by Paragraph (A).</i>

The Legislature specifically delineated and differentiated the list of “issuers” under the EDJA and AG Bond and Approval Statutes. A “nonprofit corporation acting for or on behalf of an entity,” the entity being an agency, authority, board, body politic, department, district, instrumentality, municipal corporation, political subdivision, public corporation, or subdivision of this state,” is not itself an issuer for an EDJA action.

Because MCDC is a non-profit corporation, it is not included in the narrower definition of “issuer” as defined in the EDJA; therefore, it does not fall within the subject matter jurisdiction of the EDJA. Neither does the definition of “issuer” include the City, because the City is not the entity proposing to issue the “public securities” in this action. §§ 1205.021(1), .024. Therefore, their EDJA action lacks subject matter jurisdiction.

V. PRAYER

WHEREFORE, PREMISES CONSIDERED, the Attorney General respectfully

prays that its Plea to the Jurisdiction be granted, and that the Court dismiss this lawsuit for lack of subject matter jurisdiction because Petitioners are not “Issuers” as defined under the EDJA. The Attorney General requests that the Court deny the relief requested by Petitioners. The Attorney General also requests that the Court award it any further relief to which it may be entitled.

Respectfully submitted.

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Counsel for Ken Paxton, Attorney General of Texas

CERTIFICATE OF SERVICE

I hereby certify that on May 15, 2026, a true and correct copy of the foregoing, *Original Answer and Plea to The Jurisdiction of Ken Paxton, Attorney General of Texas* was filed and served on the following attorney of record via EfileTexas.gov:

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Assistant Attorney General

**JOINT MEETING OF THE MCKINNEY CITY COUNCIL
AND MCKINNEY COMMUNITY DEVELOPMENT CORPORATION**

MARCH 3, 2026

The City Council of the City of McKinney, Texas and met in joint session with McKinney Community Development Corporation in the City Hall Council Chambers, 401 E. Virginia Street, McKinney, Texas, on Tuesday, March 3, 2025, at 3:00 p.m. The meeting was broadcast live online at <https://mckinneytx.new.swagit.com/views/130>.

Council Members Present: Mayor Bill Cox, Mayor Pro Tem Geré Feltus, Justin Beller, Patrick Cloutier, Rick Franklin, and Michael Jones.

Council Member Absent: Ernest Lynch

MCDC Board Members Present: Chair George Fuller, Vice Chair David Riche, Secretary Deborah Bradford, Treasurer Chris Wilkes, Board Members Angela Richardson-Woods, Joy Booth, and AJ Micheletto, and Board Alternate Markus Lloyd.

Staff Present: City Manager Paul Grimes, Assistant City Manager Jennifer Arnold, Assistant City Manager Barry Shelton, Assistant City Manager Trevor Minyard, Assistant City Manager Steve Tilton, City Attorney Mark Houser, City Secretary Empress Drane, Deputy City Secretary Tenitrus Parchman, City Secretary Administrative Assistant Sheridan Burns, City Secretary Accreditation & Reporting Specialist Edith Ruiz, City Secretary Permit Technician Katelyn Hardaway, Information Technology Audio / Video Technician Joshua Arias, McKinney Community Development Corporation (MCDC) President Cindy Schneible, MCDC Administrative and Marketing Coordinator Anahi Vega, MCDC Grant Program & Marketing Manager Linda Jones, Chief Financial Officer Mark Holloway, Director of Finance Trudy Mathis, Investment & Treasury Manager Kelvin Bryant, Assistant Director of Finance Chance Miller, Municipal Court Judge Candace Carlsen, Municipal Court Administrator April Morman, Director of Housing & Community Development Margaret Li, Director of Planning Lucas Raley, Director of Engineering Gary Graham, Police Chief Joe Ellenburg, Police Officer Ronald Westbrook, Grants Program Manager Elena Berg, Director of Parks, Recreation & Open Space (PROS) Amy Kinkade, Assistant Director of PROS Erica Lyght, Assistant Director of PROS Robert Gaylor, and Parks Planning & Development Manager Jenny Baker.

There were approximately twenty (20) members of the public present in the audience.

Mayor Cox on behalf of the McKinney City Council and Chair Fuller on behalf of the McKinney Community Development Corporation called the joint meeting to order at 3:08 PM after determining a quorum of their respective governing bodies were present.

Mayor Cox called for Public Comments on Non-Public Hearing agenda items.

Chuck Vanzandt, 5905 Shasta Dr, McKinney TX 75071, provided remarks on his concerns regarding the airport expansion project.

26-0153 Chair Fuller called for consideration/discussion/action on a Resolution Authorizing the Issuance of "McKinney Community Development Corporation Sales Tax Revenue Refunding Bonds, Taxable Series 2026 (TIFIA);" Pledging Certain "Pledged Revenues" of the Corporation Including "Gross Sales Tax Revenues", to the Payment of the Principal of and Interest on Said Bonds, Enacting Other Provisions Incident and Related to the Issuance, Payment, Security and Delivery of Said Bonds, Including the Approval of a Paying Agent/Registrar Agreement, and a TIFIA Loan Agreement; Resolving Other Matters Incident and Related to the Issuance and Sale of the Bonds and Providing an Effective Date. Chief Financial Officer Mark Holloway indicated there were three items on the agenda related to securing the TIFIA loan for the new commercial service terminal at McKinney National Airport. Dave Gordon, Senior Managing Director with Estrada Hinojosa, provided an overview of the financing structure. Mr. Gordon explained that the TIFIA loan will be issued as a sales tax revenue bond and will be structured as a taxable bond. He noted that the interim financing that was issued last year hasn't started to amortize yet. Once the TIFIA loan closes, the existing obligation on the interim bond will be paid off in full. Mr. Gordon reported that the loan amount is fixed at \$30 million. Approximately \$30.7 million in existing bonds will be redeemed, which includes a prepayment penalty of approximately 1.35 percent. He added that MCD's debt rating is currently AA. The anticipated date to redeem the

Series 2025 bonds is April 20. With the low-interest TIFIA loan, the savings over 30 years will total approximately \$15 million. The presentation from agenda item #26-0153 not posted on the agenda is included in this document as Exhibit A: City Council & MCDC Joint Meeting. Board members unanimously approved a motion by Vice Chair Riche, seconded by Board Member Booth, to approve this agenda item as presented.

26-0154 Mayor Cox called for consideration/discussion/action on a Resolution of the City Council of the City of McKinney, Texas, Relating to the "McKinney Community Development Corporation Sales Tax Revenue Refunding Bonds, Taxable Series 2026 (TIFIA)," including the Approval of the Resolution of the Board of Directors of the Corporation Authorizing the Issuance of Such Bonds; Resolving other Matters Incident and Related to the Issuance of Such Bonds; and Providing an Effective Date. Council unanimously approved the motion by Mayor Pro Tem Feltus, seconded by Councilman Jones, to approve the resolution as proposed.

26-0155 Chair Fuller called for consideration/discussion/action on Authorizing the Chairman, or Designee, to Accept a Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan from the U.S. Department of Transportation, Build America Bureau in the Amount of Thirty Million and No/100 Dollars (\$30,000,000.00) to Finance Improvements to the McKinney National Airport Including Construction of Passenger Terminal Facilities. Board members unanimously approved a motion by Vice Chair Riche, seconded by Board Member Micheletto, to approve the agenda item as proposed.

City Council unanimously approved the motion by Mayor Pro Tem Feltus, seconded by Councilman Cloutier to adjourn. MCDC Board members unanimously approved the motion by Vice Chair Riche, seconded by Treasurer Wilkes, to adjourn. Meeting was adjourned at 3:28 p.m.

These minutes were approved by the MCDC members on March 26, 2026.

These minutes were approved by the City Council on _____.

SIGNED:
**McKinney Community Development
Corporation**

GEORGE FULLER
Chair
DEBORAH BRADFORD
Secretary

McKinney City Council

BILL COX
Mayor
GERÉ FELTUS
Mayor Pro Tem

EMPRESS DRANE
City Secretary
TENITRUS PARCHMAN
Deputy City Secretary

*Exhibit A – 26-0153 City Council &
MCDC Joint Meeting.*

March 3, 2026

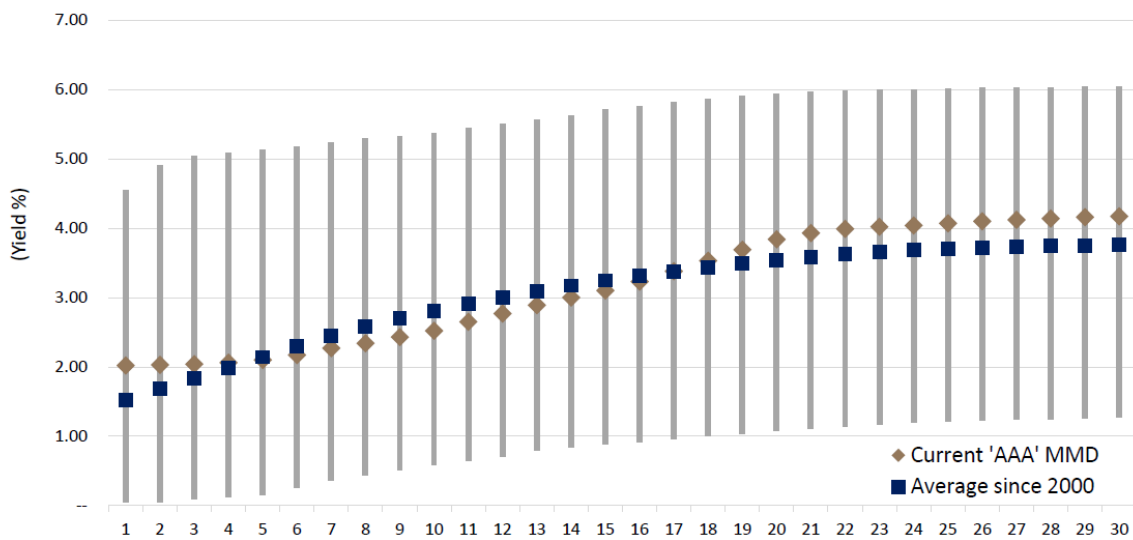


Sales Tax Revenue Bonds, Taxable Series 2026 (TIFIA)



Dallas • Austin • Chicago • Denver • Houston • New York • Rio Grande Valley • San Antonio

CURRENT MARKET 'AAA' MMD RATES



Maturity	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
% of time above Current MMD	33%	39%	42%	46%	49%	51%	53%	56%	58%	58%	57%	56%	55%	55%	54%	53%	51%	50%	48%	44%	43%	43%	43%	44%	44%	44%	44%	43%	42%	42%

(1) TM3 – Data as of February 27th



SERIES 2026 TIFIA LOAN – PRO FORMA

				Sales Tax Revenue Bonds, Taxable Series 2026 (TIFIA)						
				(C)	(D)	(E)-(C)+(D)	(F)-(B)+(E)	(G)-(A)/(F)	(H)-(A)-(F)	
FYE	(A) Projected Pledged	(B) Existing Debt	(C) Principal	(D) Interest	(E)-(C)+(D) Debt Service	(F)-(B)+(E) Total Debt Service	(G)-(A)/(F) Debt Service Coverage	(H)-(A)-(F) Remaining Revenue	FYE	
9/30	Revenues ⁽¹⁾	Growth	Service ⁽²⁾						9/30	
2026	\$ 24,617,454	0.0%	\$ 2,361,719	\$ -	\$ 304,521	\$ 304,521	2,666,239	9.23 X	\$ 21,951,215	2026
2027	24,617,454	0.0%	1,718,873	-	855,000	855,000	2,573,873	9.56 X	22,043,581	2027
2028	24,617,454	0.0%	1,717,015	680,248	845,359	1,525,608	3,242,623	7.59 X	21,374,832	2028
2029	24,617,454	0.0%	1,717,525	697,307	825,758	1,523,065	3,240,589	7.60 X	21,376,865	2029
2030	24,617,454	0.0%	1,720,140	718,331	805,588	1,523,919	3,244,059	7.59 X	21,373,396	2030
2031	24,617,454	0.0%	1,719,585	738,803	784,826	1,523,629	3,243,214	7.59 X	21,374,240	2031
2032	24,617,454	0.0%	1,721,657	760,926	763,427	1,524,353	3,246,010	7.58 X	21,371,445	2032
2033	24,617,454	0.0%	1,721,255	780,509	741,494	1,522,003	3,243,258	7.59 X	21,374,196	2033
2034	24,617,454	0.0%	1,718,379	803,790	718,921	1,522,711	3,241,090	7.60 X	21,376,365	2034
2035	24,617,454	0.0%	1,718,030	826,698	695,689	1,522,387	3,240,417	7.60 X	21,377,038	2035
2036	24,617,454	0.0%	-	851,201	671,748	1,522,949	1,522,949	16.16 X	23,094,505	2036
2037	24,617,454	0.0%	-	873,610	647,206	1,520,816	1,520,816	16.19 X	23,096,639	2037
2038	24,617,454	0.0%	-	899,416	621,943	1,521,359	1,521,359	16.18 X	23,096,095	2038
2039	24,617,454	0.0%	-	925,050	595,947	1,520,997	1,520,997	16.19 X	23,096,457	2039
2040	24,617,454	0.0%	-	952,216	569,162	1,521,378	1,521,378	16.18 X	23,096,076	2040
2041	24,617,454	0.0%	-	977,787	541,700	1,519,487	1,519,487	16.20 X	23,097,968	2041
2042	24,617,454	0.0%	-	1,006,419	513,428	1,519,847	1,519,847	16.20 X	23,097,607	2042
2043	24,617,454	0.0%	-	1,035,102	484,340	1,519,442	1,519,442	16.20 X	23,098,013	2043
2044	24,617,454	0.0%	-	1,065,249	454,372	1,519,620	1,519,620	16.20 X	23,097,834	2044
2045	24,617,454	0.0%	-	1,094,357	423,643	1,518,000	1,518,000	16.22 X	23,099,455	2045
2046	24,617,454	0.0%	-	1,126,151	392,004	1,518,155	1,518,155	16.22 X	23,099,299	2046
2047	24,617,454	0.0%	-	1,158,246	359,455	1,517,701	1,517,701	16.22 X	23,099,753	2047
2048	24,617,454	0.0%	-	1,191,728	325,925	1,517,654	1,517,654	16.22 X	23,099,801	2048
2049	24,617,454	0.0%	-	1,224,795	291,541	1,516,335	1,516,335	16.23 X	23,101,119	2049
2050	24,617,454	0.0%	-	1,260,127	256,135	1,516,262	1,516,262	16.24 X	23,101,193	2050
2051	24,617,454	0.0%	-	1,296,041	219,713	1,515,754	1,515,754	16.24 X	23,101,701	2051
2052	24,617,454	0.0%	-	1,333,255	182,198	1,515,453	1,515,453	16.24 X	23,102,002	2052
2053	24,617,454	0.0%	-	1,370,751	143,723	1,514,473	1,514,473	16.25 X	23,102,981	2053
2054	24,617,454	0.0%	-	1,410,042	104,101	1,514,143	1,514,143	16.26 X	23,103,312	2054
2055	24,617,454	0.0%	-	1,450,228	63,347	1,513,575	1,513,575	16.26 X	23,103,880	2055
2056	24,617,454	0.0%	-	1,491,618	21,372	1,512,990	1,512,990	16.27 X	23,104,465	2056
Total			\$ 17,834,177	\$ 30,000,000	\$ 15,223,585	\$ 45,223,585	\$ 63,057,762			Total



⁽¹⁾ FY25 revenues were \$24,617,454.46.
⁽²⁾ Assumes that Series 2025 bonds are paid off with the TIFIA loan.
⁽³⁾ Assumes half of current TIFIA rate plus 50 bps, 3/2/2026.
⁽⁴⁾ Maximum Annual Debt Service to be cash funded by the CDC. The CDC may also choose to purchase a surety policy to cover this requirement.
⁽⁵⁾ Estimate costs of issuance, including the prepayment penalty on the Series 2025 Bonds.



SERIES 2026 TIFIA LOAN – APPROXIMATE SOURCES AND USES OF FUNDS

Sources:

Bond Proceeds:	
Par Amount	30,000,000.00
Other Sources of Funds:	
CDC Contribution	1,148,424.34
	31,148,424.34

Uses:

Refunding Escrow Deposits:	
Cash Deposit	30,798,424.34
Delivery Date Expenses:	
Cost of Issuance	350,000.00
	31,148,424.34



SERIES 2026 TIFIA LOAN – SCHEDULE

JANUARY							FEBRUARY							MARCH							APRIL						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3	1	2	3	4	5	6	7	1	2	3	4	5	6	7				1	2	3	4
4	5	6	7	8	9	10	8	9	10	11	12	13	14	8	9	10	11	12	13	14	5	6	7	8	9	10	11
11	12	13	14	15	16	17	15	16	17	18	19	20	21	15	16	17	18	19	20	21	12	13	14	15	16	17	18
18	19	20	21	22	23	24	22	23	24	25	26	27	28	22	23	24	25	26	27	28	19	20	21	22	23	24	25
25	26	27	28	29	30	31								29	30	31					26	27	28	29	30		

Date	Day	Event	Responsibility
February 2, 2026	(Monday)	Request rating.	FA
February 23, 2026	(Monday)	Substantially final drafts received by this date for meeting posting requirements.	Working Group
March 3, 2026	(Tuesday)	Receive rating.	FA
March 3, 2026	(Tuesday)	Present plan of finance to CDC Board at a special meeting.	FA
March 3, 2026	(Tuesday)	CDC Board approves parameters resolution authorizing the sale of the Bonds.	CDC, City, BC, FA
March 3, 2026	(Tuesday)	City Council approves parameters resolution authorizing the sale of the Bonds.	City, BC, FA
March 4, 2026	(Wednesday)	Receive surety bids for the reserve fund.	FA
March 4, 2026	(Wednesday)	Submit conditional notice of intent to redeem the Series 2025 Bonds. [45 days]	BC
March 13, 2026	(Friday)	Finalize the agreement.	Working Group
March 20, 2026	(Friday)	Submit notice of redemption for the Series 2025 Bonds. [30 days]	Paying Agent
March 20, 2026	(Friday)	Set the rate. Pricing officer approves the sale of the Bonds.	CDC, City, BC, FA
March 20, 2026	(Friday)	Sign the loan agreement.	CDC, City, BC, FA
March 23, 2026	(Monday)	File with the Attorney General.	BC
April 1, 2026	(Wednesday)	Calculate the make-whole prepayment price.	Trust, FA
April 8, 2026	(Wednesday)	Receive AG approval on the Bonds / register Bonds with the Comptroller.	AG
April 15, 2026	(Wednesday)	Close the transaction.	Working Group
April 15, 2026	(Wednesday)	Draw the TIFIA loan and fund the escrow.	US, Paying Agent
April 15, 2026	(Wednesday)	Receive the CDC's contribution.	CDC, Paying Agent
April 20, 2026	(Monday)	Redeem the Series 2025 Bonds	Paying Agent



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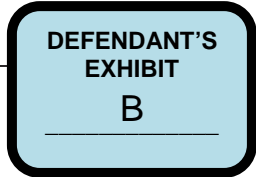
BOND SUMMARY STATISTICS

**City of McKinney Community Development Corporation (Sales Tax)
Sales Tax Revenue Bonds, Taxable Series 2026 (TIFIA)
-- Current Half TIFIA Loan Rates plus 50 bps, 2/09/2026 --**

Dated Date	04/10/2026
Delivery Date	04/10/2026
Last Maturity	02/15/2056
Arbitrage Yield	2.926063%
True Interest Cost (TIC)	2.926063%
Net Interest Cost (NIC)	2.925791%
All-In TIC	3.014925%
Average Coupon	2.925791%
Average Life (years)	17.871
Duration of Issue (years)	13.433
Par Amount	30,000,000.00
Bond Proceeds	30,000,000.00
Total Interest	15,685,742.05
Net Interest	15,685,742.05
Total Debt Service	45,685,742.05
Maximum Annual Debt Service	1,534,583.46
Average Annual Debt Service	1,530,653.06
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

<i>Bond Component</i>	<i>Par Value</i>	<i>Price</i>	<i>Average Coupon</i>	<i>Average Life</i>
Serial Component	30,000,000.00	100.000	2.92579098%	17.871
	30,000,000.00			17.871

	<u>TIC</u>	<u>All-In TIC</u>	<u>Arbitrage Yield</u>
Par Value	30,000,000.00	30,000,000.00	30,000,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-350,000.00	
- Other Amounts			
Target Value	30,000,000.00	29,650,000.00	30,000,000.00
Target Date	04/10/2026	04/10/2026	04/10/2026
Yield	2.926063%	3.014925%	2.926063%



SOURCES AND USES OF FUNDS

**City of McKinney Community Development Corporation (Sales Tax)
Sales Tax Revenue Bonds, Taxable Series 2026 (TIFIA)
-- Current Half TIFIA Loan Rates plus 50 bps, 2/09/2026 --**

Sources:

Bond Proceeds:	
Par Amount	30,000,000.00
Other Sources of Funds:	
CDC Contribution	1,148,424.34
	<hr/>
	31,148,424.34

Uses:

Refunding Escrow Deposits:	
Cash Deposit	30,798,424.34
Delivery Date Expenses:	
Cost of Issuance	350,000.00
	<hr/>
	31,148,424.34

BOND PRICING

**City of McKinney Community Development Corporation (Sales Tax)
Sales Tax Revenue Bonds, Taxable Series 2026 (TIFIA)
-- Current Half TIFIA Loan Rates plus 50 bps, 2/09/2026 --**

<i>Bond Component</i>	<i>Maturity Date</i>	<i>Amount</i>	<i>Rate</i>	<i>Yield</i>	<i>Price</i>
Serial Component:					
	02/15/2028	665,555.39	2.925%	2.925%	100.000
	02/15/2029	687,707.82	2.925%	2.925%	100.000
	02/15/2030	706,920.13	2.925%	2.925%	100.000
	02/15/2031	727,901.88	2.925%	2.925%	100.000
	02/15/2032	748,424.54	2.925%	2.925%	100.000
	02/15/2033	772,801.84	2.925%	2.925%	100.000
	02/15/2034	794,657.16	2.925%	2.925%	100.000
	02/15/2035	818,242.99	2.925%	2.925%	100.000
	02/15/2036	841,578.95	2.925%	2.925%	100.000
	02/15/2037	868,457.25	2.925%	2.925%	100.000
	02/15/2038	893,283.60	2.925%	2.925%	100.000
	02/15/2039	919,796.71	2.925%	2.925%	100.000
	02/15/2040	946,295.15	2.925%	2.925%	100.000
	02/15/2041	975,984.87	2.925%	2.925%	100.000
	02/15/2042	1,004,151.00	2.925%	2.925%	100.000
	02/15/2043	1,033,954.71	2.925%	2.925%	100.000
	02/15/2044	1,064,008.13	2.925%	2.925%	100.000
	02/15/2045	1,096,858.20	2.925%	2.925%	100.000
	02/15/2046	1,128,778.63	2.925%	2.925%	100.000
	02/15/2047	1,162,281.36	2.925%	2.925%	100.000
	02/15/2048	1,196,330.98	2.925%	2.925%	100.000
	02/15/2049	1,232,733.65	2.925%	2.925%	100.000
	02/15/2050	1,268,874.34	2.925%	2.925%	100.000
	02/15/2051	1,306,535.17	2.925%	2.925%	100.000
	02/15/2052	1,345,076.99	2.925%	2.925%	100.000
	02/15/2053	1,385,473.18	2.925%	2.925%	100.000
	02/15/2054	1,426,357.92	2.925%	2.925%	100.000
	02/15/2055	1,468,692.95	2.925%	2.925%	100.000
	02/15/2056	1,512,284.51	2.925%	2.925%	100.000
		30,000,000.00			

Dated Date	04/10/2026	
Delivery Date	04/10/2026	
First Coupon	08/15/2026	
Par Amount	30,000,000.00	
Original Issue Discount		
Production	30,000,000.00	100.000000%
Underwriter's Discount		
Purchase Price	30,000,000.00	100.000000%
Accrued Interest		
Net Proceeds	30,000,000.00	

SUMMARY OF BONDS REFUNDED

**City of McKinney Community Development Corporation (Sales Tax)
Sales Tax Revenue Bonds, Taxable Series 2026 (TIFIA)
-- Current Half TIFIA Loan Rates plus 50 bps, 2/09/2026 --**

<i>Bond</i>	<i>Maturity Date</i>	<i>Interest Rate</i>	<i>Par Amount</i>	<i>Call Date</i>	<i>Call Price</i>
Sales Revenue Bonds, Taxable Series 2025, 2025, TERM2032:					
	08/15/2029	4.270%	7,080,000	04/13/2026	101.395
	08/15/2030	4.270%	7,375,000	04/13/2026	101.395
	08/15/2031	4.270%	7,695,000	04/13/2026	101.395
	08/15/2032	4.270%	8,020,000	04/13/2026	101.395
			30,170,000		

SUMMARY OF REFUNDING RESULTS

**City of McKinney Community Development Corporation (Sales Tax)
Sales Tax Revenue Bonds, Taxable Series 2026 (TIFIA)
-- Current Half TIFIA Loan Rates plus 50 bps, 2/09/2026 --**

Dated Date	04/10/2026
Delivery Date	04/10/2026
Arbitrage yield	2.926063%
Escrow yield	0.000000%
Value of Negative Arbitrage	
Bond Par Amount	30,000,000.00
True Interest Cost	2.926063%
Net Interest Cost	2.925791%
Average Coupon	2.925791%
Average Life	17.871
Par amount of refunded bonds	30,170,000.00
Average coupon of refunded bonds	4.270000%
Average life of refunded bonds	4.899
PV of prior debt to 04/10/2026 @ 2.926063%	32,197,677.69
Net PV Savings	1,049,253.35
Percentage savings of refunded bonds	3.477804%
Percentage savings of refunding bonds	3.497511%

SAVINGS

**City of McKinney Community Development Corporation (Sales Tax)
Sales Tax Revenue Bonds, Taxable Series 2026 (TIFIA)
-- Current Half TIFIA Loan Rates plus 50 bps, 2/09/2026 --**

<i>Date</i>	<i>Prior Debt Service</i>	<i>Refunding Debt Service</i>	<i>Savings</i>	<i>Present Value to 04/10/2026 @ 2.9260631%</i>
09/30/2026	644,129.50	305,321.92	338,807.58	335,407.43
09/30/2027	1,288,259.00	877,500.00	410,759.00	397,833.15
09/30/2028	1,288,259.00	1,534,583.45	-246,324.45	-236,426.99
09/30/2029	8,368,259.00	1,534,583.45	6,833,675.55	6,194,198.14
09/30/2030	8,360,943.00	1,534,583.45	6,826,359.55	6,008,323.90
09/30/2031	8,366,030.50	1,534,583.45	6,831,447.05	5,838,551.93
09/30/2032	8,362,454.00	1,534,583.44	6,827,870.56	5,666,297.29
09/30/2033		1,534,583.45	-1,534,583.45	-1,253,386.22
09/30/2034		1,534,583.46	-1,534,583.46	-1,217,633.11
09/30/2035		1,534,583.46	-1,534,583.46	-1,182,903.66
09/30/2036		1,534,583.46	-1,534,583.46	-1,149,158.28
09/30/2037		1,534,583.45	-1,534,583.45	-1,116,399.35
09/30/2038		1,534,583.45	-1,534,583.45	-1,084,568.38
09/30/2039		1,534,583.45	-1,534,583.45	-1,053,648.78
09/30/2040		1,534,583.45	-1,534,583.45	-1,023,606.73
09/30/2041		1,534,583.45	-1,534,583.45	-994,440.08
09/30/2042		1,534,583.45	-1,534,583.45	-966,101.00
09/30/2043		1,534,583.45	-1,534,583.45	-938,573.33
09/30/2044		1,534,583.45	-1,534,583.45	-911,828.37
09/30/2045		1,534,583.45	-1,534,583.45	-885,859.91
09/30/2046		1,534,583.45	-1,534,583.45	-860,629.67
09/30/2047		1,534,583.46	-1,534,583.46	-836,121.84
09/30/2048		1,534,583.45	-1,534,583.45	-812,312.28
09/30/2049		1,534,583.45	-1,534,583.45	-789,191.17
09/30/2050		1,534,583.46	-1,534,583.46	-766,728.76
09/30/2051		1,534,583.45	-1,534,583.45	-744,909.47
09/30/2052		1,534,583.46	-1,534,583.46	-723,713.32
09/30/2053		1,534,583.45	-1,534,583.45	-703,127.22
09/30/2054		1,534,583.46	-1,534,583.46	-683,128.99
09/30/2055		1,534,583.46	-1,534,583.46	-663,703.34
09/30/2056		1,534,583.46	-1,534,583.46	-644,833.90
	36,678,334.00	45,685,742.05	-9,007,408.05	2,197,677.69

Savings Summary

PV of savings from cash flow	2,197,677.69
Less: Prior funds on hand	-1,148,424.34
Net PV Savings	1,049,253.35

BOND DEBT SERVICE

**City of McKinney Community Development Corporation (Sales Tax)
Sales Tax Revenue Bonds, Taxable Series 2026 (TIFIA)
-- Current Half TIFIA Loan Rates plus 50 bps, 2/09/2026 --**

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>
09/30/2026			305,321.92	305,321.92
09/30/2027			877,500.00	877,500.00
09/30/2028	665,555.39	2.925%	869,028.06	1,534,583.45
09/30/2029	687,707.82	2.925%	846,875.63	1,534,583.45
09/30/2030	706,920.13	2.925%	827,663.32	1,534,583.45
09/30/2031	727,901.88	2.925%	806,681.57	1,534,583.45
09/30/2032	748,424.54	2.925%	786,158.90	1,534,583.44
09/30/2033	772,801.84	2.925%	761,781.61	1,534,583.45
09/30/2034	794,657.16	2.925%	739,926.30	1,534,583.46
09/30/2035	818,242.99	2.925%	716,340.47	1,534,583.46
09/30/2036	841,578.95	2.925%	693,004.51	1,534,583.46
09/30/2037	868,457.25	2.925%	666,126.20	1,534,583.45
09/30/2038	893,283.60	2.925%	641,299.85	1,534,583.45
09/30/2039	919,796.71	2.925%	614,786.74	1,534,583.45
09/30/2040	946,295.15	2.925%	588,288.30	1,534,583.45
09/30/2041	975,984.87	2.925%	558,598.58	1,534,583.45
09/30/2042	1,004,151.00	2.925%	530,432.45	1,534,583.45
09/30/2043	1,033,954.71	2.925%	500,628.74	1,534,583.45
09/30/2044	1,064,008.13	2.925%	470,575.32	1,534,583.45
09/30/2045	1,096,858.20	2.925%	437,725.25	1,534,583.45
09/30/2046	1,128,778.63	2.925%	405,804.82	1,534,583.45
09/30/2047	1,162,281.36	2.925%	372,302.10	1,534,583.46
09/30/2048	1,196,330.98	2.925%	338,252.47	1,534,583.45
09/30/2049	1,232,733.65	2.925%	301,849.80	1,534,583.45
09/30/2050	1,268,874.34	2.925%	265,709.12	1,534,583.46
09/30/2051	1,306,535.17	2.925%	228,048.28	1,534,583.45
09/30/2052	1,345,076.99	2.925%	189,506.47	1,534,583.46
09/30/2053	1,385,473.18	2.925%	149,110.27	1,534,583.45
09/30/2054	1,426,357.92	2.925%	108,225.54	1,534,583.46
09/30/2055	1,468,692.95	2.925%	65,890.51	1,534,583.46
09/30/2056	1,512,284.51	2.925%	22,298.95	1,534,583.46
	30,000,000.00		15,685,742.05	45,685,742.05