



TITLE: Consider/Discuss/Act on a Resolution to Accept and File the Semiannual Report with Respect to the Progress of the Capital Improvements Plan for Roadway and Utility Impact Fees

MEETING DATE: June 18, 2013 – Regular Meeting

DEPARTMENT: Development Services - Planning

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RECOMMENDED CITY COUNCIL ACTION:

- Staff recommends approval of the resolution.

ITEM SUMMARY:

- The Semiannual Report is required by Chapter 395 of the Texas Local Government Code and mandates that the Capital Improvements Advisory Committee review the progress of the Capital Improvements Plan for Roadway and Utility Impact Fees and report any perceived inequities in its implementation.
- This item was reviewed by the Planning and Zoning Commission (acting as the Capital Improvements Advisory Committee) on May 28, 2013. The Commission voted 6 to 0 to recommend filing of the Semiannual Report. The comments of the Planning and Zoning Commission are included in the Semiannual Report.
- The Semiannual Report includes the following:
 - Executive Summary
 - P&Z Commission Staff Report
 - P&Z Commission Meeting Minutes
 - P&Z Commission Meeting Presentation
 - CIP Roadway and Utility Improvements Project List FY 12-13
 - Appendix
- The Capital Improvements Plan used for this semiannual report was last adopted on October 21, 2008 as part of the 2007-2008 Impact Fee Update. **The Planning & Zoning Commission meeting report from the public hearing, its attachments and meeting minutes will be filed by City Council as the semiannual report.**

- The City of McKinney's Semiannual Report includes a summary of the total roadway and utility impact fee funds collected, transferred, and available for capital improvement projects. It also lists recently completed and ongoing capital improvement projects.
- During the 2007-2008 Impact Fee update, it was recommended that a review of construction cost indices and/or inflationary assumptions become a standard part of McKinney's semiannual reporting process for impact fees. As such, Staff has included a review of regional construction costs and national inflation rates.
- From March 2012 to March 2013, the Construction Cost Index in the Dallas area increased 0.4% as compared to the National Average, which increased 2.3% during the same period (Source: Construction Cost Index at www.enr.com).
- From March 2012 to March 2013, the Consumer Price Index (CPI) shows that annual inflation increased 1.5%. During the same period, the core CPI, which excludes volatile food and energy prices, also rose 1.5% (Source: US Department of Labor, Bureau of Labor Statistics).
- It is Staff's professional opinion that the impact fee levels are currently commensurate with trends in construction costs and inflation rates. However, as part of the 2012-2013 Impact Fee Update, Staff will be taking a closer look at impact fee levels as they relate to construction costs, inflation rates and impact levels for neighboring municipalities.

BACKGROUND INFORMATION:

- The Planning and Zoning Commission has been appointed as the Capital Improvements Advisory Committee for the City of McKinney. The advisory committee serves in an advisory capacity and is established to:
 - (1) Advise and assist the political subdivision in adopting land use assumptions;
 - (2) Review the capital improvements plan and file written comments;
 - (3) Monitor and evaluate implementation of the capital improvements plan;
 - (4) **File semiannual reports with respect to the progress of the capital improvements plan and report to the political subdivision any perceived inequities in implementing the plan or imposing the impact fee; and**
 - (5) Advise the political subdivision of the need to update or revise the land use assumptions, capital improvements plan and impact fee.

2013-2013 Impact Fee Update

- In late 2012, Staff began the process of updating the Roadway Impact Fee Ordinance and the Utility Fee Impact Ordinance (state law requires an update every 5 years). This process includes updates to the land use assumptions as well as updates to the Capital Improvements Plans.
- The Planning and Zoning Commission, serving as the Capital Improvements Advisory Committee reviewed and commented on the updated Land Use Assumptions on April 23, 2013. These comments were provided to the City Council in the form of meeting minutes on May 7, 2013 and were approved on June 4, 2013.
- As the process continues to move forward, Staff will coordinate with the Capital Improvements Advisory Committee and City Council to review updates to the Impact Fee Capital Improvement Plans (roadway and utility) at a Joint Session in July 2013. Following this, Staff will also coordinate with the Capital Improvements Advisory Committee and City Council on impact fee policy direction and ordinance adoption in late 2013.