

**AGENDA ITEM**

**TO:** Planning and Zoning Commission

**THROUGH:** Jennifer Arnold, Planning Manager

**FROM:** Neil Rose, Planner I

**SUBJECT:** Conduct a Public Hearing to Consider/Discuss/Act on the Semiannual Report with Respect to the Progress of the Capital Improvements Plan for Roadway and Utility Impact Fees

**APPROVAL PROCESS:** The recommendation of the Planning and Zoning Commission will be forwarded to the City Council on January 7, 2014.

---

**STAFF RECOMMENDATION:** Staff recommends filing of the semiannual report with respect to the progress of the Capital Improvements Plan for roadway and utility impact fees.

**ITEM SUMMARY:** Staff is presenting the semiannual report on the progress of the Capital Improvements Plan for roadway and utility impact fees as required by Chapter 395 of the Texas Local Government Code. Staff has established a schedule of presenting the semiannual report at the mid-point of the fiscal year as well as at the end of the fiscal year (the fiscal year being October to September). The mid-year report for the 2012-2013 fiscal year was presented at the Planning and Zoning Commission meeting on May 28, 2013 and accepted by City Council on June 18, 2013.

The Planning and Zoning Commission has been appointed as the Capital Improvements Advisory Committee for the City of McKinney. Per state law, 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.

## **Semiannual Report**

The Capital Improvements Plan used for this semiannual report was adopted on October 21, 2008 as part of the 2007-2008 Impact Fee Update. The semiannual report is required to report the progress of the Capital Improvements Plan and report any perceived inequities in the implementation of the CIP. **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 ongoing capital improvement projects partially funded by impact fee revenue.

## **2012-2013 Impact Fee Update**

Just a few weeks ago, the year-long process of updating roadway and utility impact fees was completed. The updated Land Use Assumptions were approved by City Council in June 2013 and the updated Capital Improvements Plan was approved in November 2013. On November 19, 2013, City Council approved an amendment to the Roadway and Utility Impact Fee Ordinances, setting new impact fees and providing for a 6-month grace period.

As part of the semiannual report, Staff typically includes a review of regional construction cost indices and/or inflationary assumptions to evaluate whether or not current fees are commensurate with regional trends in construction costs and inflation rates.

Because of the very recent updates to impact fee rates, Staff has not included a review of regional construction cost indices and/or inflationary assumptions in this report. However, Staff will continue to include a review of this information with the mid-year semiannual report in May 2014.

### Roadway Impact Fees Fund Activity (FY 12-13)

Service Area	Beginning LTD Balance	Fees Collected YTD	Transfers Out to/In from Projects/Refunds YTD	Balance (including interest) LTD	Allocated to Future Projects	Available Funds LTD
A	\$0	\$0	\$0	\$0	\$0	\$0
B	\$0	\$0	\$0	\$0	\$0	\$0
C	\$511,016	\$98,210	(\$25,000)	\$584,808	\$0	\$584,808
D	\$784,214	\$123,613	\$67,540	\$976,344	\$0	\$976,344
E	\$85,229	\$97,945	(\$25,000)	\$158,332	\$0	\$158,332
F	\$0	\$0	\$0	\$0	\$0	\$0
G	\$168,403	\$361,165	(\$154,453)	\$375,491	\$0	\$375,491
H	\$155,834	\$173,236	(\$231,183)	\$97,980	\$0	\$97,980
I	\$1,812,501	\$2,457,773	(\$1,357,885)	\$2,915,301	(\$2,100,000)	\$815,301
J	\$710,292	\$206,132	(\$42,700)	\$874,600	(\$600,000)	\$274,600
K	\$354,289	\$407,697	(\$47,138)	\$715,565	(\$410,000)	\$305,565
L	\$1	\$0	\$0	\$1	\$0	\$1
M	\$10,685	\$0	\$0	\$10,685	\$0	\$10,685
Unknown	\$0	\$0	\$0	\$0	(\$150,000)	(\$150,000)
<b>Total</b>	<b>\$4,592,463</b>	<b>\$3,925,770</b>	<b>(\$1,815,819)</b>	<b>\$6,709,107</b>	<b>(\$3,260,000)</b>	<b>\$3,449,107</b>

- YTD – Year to Date (includes funds for the fiscal year which is October 2012 to September 2013)
- LTD – Live to Date (includes balance funds from previous years)
- Allocated funds may exceed balance funds in cases where future fee revenue will fund a specific project
- “Unknown” is allocated to future projects whose specific locations and specific service areas have not yet been determined (such as signalization improvements)
- Totals as of 9/30/2013

### Utility Impact Fees Fund Activity (FY 12-13)

Utility Impact Fee Account	Beginning LTD Balance	Fees Collected YTD	Transfers Out to/In from Projects/ Refunds YTD	Interest YTD	Allocated to Future Projects	Available Funds LTD
Water	\$3,830,382	\$2,938,157	\$171,453	\$6,930	(\$3,785,000)	\$3,161,921
Wastewater	\$1,193,253	\$371,754	\$291,802	\$1,854	\$0	\$1,858,662
<b>Total</b>	<b>\$5,023,634</b>	<b>\$3,309,911</b>	<b>\$463,255</b>	<b>\$8,784</b>	<b>(\$3,785,000)</b>	<b>\$5,020,584</b>

- YTD – Year to Date (includes funds for the fiscal year which is October 2012 to September 2013)
- LTD – Live to Date (includes balance funds from previous years)
- As of February 2009, Water and Wastewater Impact Fees are received into separate accounts
- Totals as of 9/30/2013

### CIP PROJECT STATUS (FY 2012-2013)

The CIP Roadway and Utility Projects List is included as an attachment to this report and lists Capital Improvement Program roadway and utility projects for which impact fee funds have been allocated and/or spent during this fiscal year.

## SUMMARY OF PREVIOUS FISCAL YEARS

### Roadway Impact Fees Fund Activity (FY 11-12)

Service Area	Beginning LTD Balance	Fees Collected YTD	Transfers Out to/In from Projects/ Refunds YTD	Balance (including interest) LTD	Allocated to Future Projects	Available Funds LTD
A	\$0	\$0	\$0	\$0	\$0	\$0
B	\$0	\$0	\$0	\$0	\$0	\$0
C	\$998,082	\$119,979	(\$609,393)	\$511,016	(\$715,000)	(\$203,984)
D	\$902,872	\$63,148	(\$184,860)	\$784,214	(\$715,000)	\$69,214
E	\$42,265	\$27,033	\$15,639	\$85,229	(\$25,000)	\$60,229
F	\$0	\$0	\$0	\$0	\$0	\$0
G	\$560,861	\$260,382	(\$653,823)	\$168,403	\$0	\$168,403
H	\$69,710	\$765,756	(\$686,237)	\$155,834	(\$150,000)	\$5,834
I	\$783,117	\$1,034,052	(\$10,800)	\$1,812,501	(\$1,000,000)	\$812,501
J	\$531,074	\$216,339	(\$39,724)	\$710,292	(\$615,000)	\$95,292
K	\$130,002	\$247,874	(\$24,764)	\$354,289	(\$190,000)	\$164,289
L	\$50,727	\$0	(\$50,726)	\$1	\$0	\$1
M	\$0	\$0	\$0	\$0	\$0	\$0
Unknown	\$0	\$0	\$0	\$0	(\$600,000)	(\$600,000)
<b>TOTAL</b>	<b>\$4,074,410</b>	<b>\$2,734,563</b>	<b>(\$2,244,688)</b>	<b>\$4,581,778</b>	<b>(\$4,010,000)</b>	<b>\$571,778</b>

### Utility Impact Fees Fund Activity (FY 11-12)

Utility Impact Fee Account	Beginning LTD Balance	Fees Collected YTD	Transfers Out to/In from Projects/ Refunds YTD	Interest YTD	Allocated to Future Projects	Available Funds LTD
Water	\$1,767,328	\$2,103,531	(\$53,672)	\$13,194	(\$1,375,000)	\$2,455,382
Wastewater	\$936,797	\$264,236	(\$12,173)	\$4,393	\$0	\$1,193,253
<b>Total</b>	<b>\$2,704,125</b>	<b>\$2,367,766</b>	<b>(\$65,844)</b>	<b>\$17,587</b>	<b>(\$1,375,000)</b>	<b>\$3,648,634</b>

### Roadway Impact Fees Fund Activity (FY 10-11)

Service Area	Beginning LTD Balance	Fees Collected YTD	Transfers Out to/In from Projects/ Refunds YTD	Balance (including interest) LTD	Allocated to Future Projects	Available Funds LTD
A	\$0	\$0	\$0	\$0	\$0	\$0
B	\$0	\$0	\$0	\$0	\$0	\$0
C	\$239,903	\$754,953	\$0	\$998,082	\$0	\$998,082
D	\$898,915	\$89,621	(\$92,540)	\$902,871	\$0	\$902,871
E	\$24,024	\$17,988	\$0	\$42,265	\$0	\$42,265
F	\$0	\$0	\$0	\$0	\$0	\$0
G	\$209,975	\$348,276	\$0	\$560,861	\$0	\$560,861
H	(\$6,245)	\$81,421	\$0	\$75,409	\$0	\$75,409
I	\$216,692	\$459,172	\$104,200	\$783,117	\$0	\$783,117
J	\$378,208	\$149,639	\$0	\$531,073	\$0	\$531,073
K	\$37,362	\$105,865	(\$13,810)	\$130,002	\$0	\$130,002
L	\$53,039	(\$2,700)	\$0	\$50,727	\$0	\$50,727
M	\$0	\$0	\$0	\$0	\$0	\$0
Unknown	\$0	\$0	\$0	\$0	(\$600,000)	(\$600,000)
<b>TOTAL</b>	\$2,051,873	\$2,004,235	(\$2,150)	\$4,074,407	(\$600,000)	\$3,474,407

### Utility Impact Fees Fund Activity (FY 10-11)

Utility Impact Fee Account	Beginning LTD Balance	Fees Collected YTD	Transfers Out to/In from Projects/ Refunds YTD	Interest YTD	Available Funds LTD
Water	\$2,271,248	\$1,389,227	(\$1,911,101)	\$17,954	\$1,767,328
Wastewater	\$263,857	\$189,123	\$481,037	\$2,780	\$936,797
<b>Total</b>	\$2,535,105	\$1,578,350	(\$1,430,064)	\$20,734	\$2,704,125

### Roadway Impact Fees Fund Activity (FY 09-10)

Service Area	Beginning LTD Balance	Fees Collected YTD	Transfers Out to/In from Projects/ Refunds YTD	Balance (including interest) LTD	Allocated to Future Projects	Available Funds LTD
A	\$0	\$0	\$0	\$0	\$0	\$0
B	\$0	\$0	\$0	\$0	\$0	\$0
C	\$135,203	\$225,964	(\$123,070)	\$239,903	\$0	\$239,903
D	\$979,370	\$24,300	(\$109,179)	\$898,915	\$0	\$898,915
E	\$143,746	\$0	(\$120,000)	\$24,024	\$0	\$24,024
F	\$0	\$0	\$0	\$0	\$0	\$0
G	\$205,632	\$178,049	(\$175,416)	\$209,975	\$0	\$209,975
H	\$16,833	\$9,192	(\$32,298)	(\$6,245)	\$0	(\$6,245)
I	\$981,127	\$374,313	(\$1,139,600)	\$216,692	\$0	\$216,692
J	\$1,779,163	\$324,191	(\$1,727,819)	\$378,208	\$0	\$378,208
K	\$752,999	\$33,116	(\$749,127)	\$37,362	\$0	\$37,362
L	\$49,743	\$2,700	\$0	\$53,039	\$0	\$53,039
M	\$0	\$0	\$0	\$0	\$0	\$0
Unknown	\$0	\$0	\$0	\$0	(\$600,000)	(\$600,000)
<b>TOTAL</b>	\$5,043,816	\$1,171,825	(\$4,176,509)	\$2,051,873	(\$600,000)	\$1,451,873

### Utility Impact Fees Fund Activity (FY 09-10)

Utility Impact Fee Account	Beginning LTD Balance	Fees Collected YTD	Transfers Out to/In from Projects/ Refunds YTD	Interest YTD	Available Funds LTD
Water	\$1,600,798	\$1,487,019	(\$825,740)	\$9,172	\$2,271,249
Wastewater	\$482,330	\$189,493	(\$409,127)	\$1,161	\$263,857
<b>Total</b>	\$2,083,128	\$1,676,512	(\$1,234,867)	\$10,333	\$2,535,106

### Roadway Impact Fees Fund Activity (FY 08-09)

Service Area	Beginning LTD Balance	Fees Collected YTD	Transfers Out to/In from Projects/ Refunds YTD	Balance (including interest) LTD	Allocated to Future Projects	Available Funds LTD
A	\$0	\$0	\$0	\$0	\$0	\$0
B	\$0	\$0	\$0	\$0	\$0	\$0
C	\$100,107	\$33,827	\$0	\$135,203	(\$115,000)	\$20,203
D	\$838,283	\$162,585	(\$31,500)	\$979,370	(\$920,000)	\$59,370
E	\$419,339	\$30,010	(\$307,000)	\$143,746	(\$920,000)	(\$776,254)
F	\$0	\$0	\$0	\$0	\$0	\$0
G	\$58,121	\$145,726	\$0	\$205,632	(\$165,000)	\$40,632
H	\$1,552,510	\$763,721	(\$1,580,700)	\$740,525	\$0	\$740,525
I	\$1,126,973	\$347,425	(\$385,500)	\$1,100,835	(\$1,130,000)	(\$29,165)
J	\$1,464,616	\$796,256	(\$500,000)	\$1,779,163	(\$1,700,000)	\$79,163
K	\$706,614	\$39,650	(\$1,307)	\$752,999	\$0	\$752,999
L	\$49,205	\$0	\$0	\$49,743	\$0	\$49,743
M	\$0	\$0	\$0	\$0	\$0	\$0
Unknown	\$0	\$0	\$0	\$0	(\$900,000)	(\$900,000)
<b>TOTAL</b>	\$6,315,770	\$2,319,200	(\$2,806,007)	\$5,887,217	(\$5,850,000)	\$37,217

### Utility Impact Fees Fund Activity (FY 08-09)

Utility Impact Fee Account	Beginning LTD Balance	Fees Collected YTD	Transfers Out to/In from Projects/ Refunds YTD	Interest YTD	Available Funds LTD
Water	\$1,381,873	\$1,155,842	(\$945,000)	\$8,081	\$1,600,797
Wastewater	\$592,231	\$293,656	(\$406,606)	\$3,049	\$482,330
<b>Total</b>	\$1,974,104	\$1,449,498	(\$1,351,606)	\$11,130	\$2,083,127

### Roadway Impact Fees Fund Activity (FY 07-08)

Service Area	Beginning LTD Balance	Fees Collected YTD	Transfers Out to/In from Projects/ Refunds YTD	Balance (including interest) LTD	Allocated to Future Projects	Available Funds LTD
A	\$0	\$0	\$0	\$0	\$0	\$0
B	\$0	\$0	\$0	\$0	\$0	\$0
C	\$33,333	\$64,400	\$0	\$100,246	\$0	\$100,246
D	\$772,107	\$49,813	(\$400,000)	\$436,223	\$0	\$436,223
E	\$621,917	\$74,106	(\$570,000)	\$134,487	(\$1,012,828)	(\$878,341)
F	\$0	\$0	\$0	\$0	\$0	\$0
G	\$875,025	\$99,636	(\$930,000)	\$58,201	\$0	\$58,201
H	\$1,072,460	\$1,490,664	(\$1,051,231)	\$1,554,656	(\$1,400,000)	\$154,656
I	\$817,067	\$509,030	(\$222,641)	\$1,128,531	\$0	\$1,128,531
J	\$1,071,226	\$337,962	(\$375,000)	\$1,061,565	(\$500,000)	\$561,565
K	\$645,440	\$66,174	(\$25,000)	\$707,591	\$0	\$707,591
L	\$43,901	\$3,886	\$0	\$49,273	\$0	\$49,273
M	\$0	\$0	\$0	\$0	\$0	\$0
Unknown	\$0	\$0	\$0	\$0	(\$900,000)	(\$900,000)
<b>TOTAL</b>	\$5,952,477	\$2,695,671	(\$3,573,872)	\$5,230,774	(\$3,812,828)	\$1,417,946

### Utility Impact Fees Fund Activity (FY 07-08)

Beginning LTD Balance	Fees Collected YTD	Transfers Out to/In from Projects/ Refunds YTD	Interest YTD	Available Funds LTD
\$1,860,234	\$1,458,638	(\$1,358,800)	\$14,033	\$1,974,105