

Impact Fee Update - Utility

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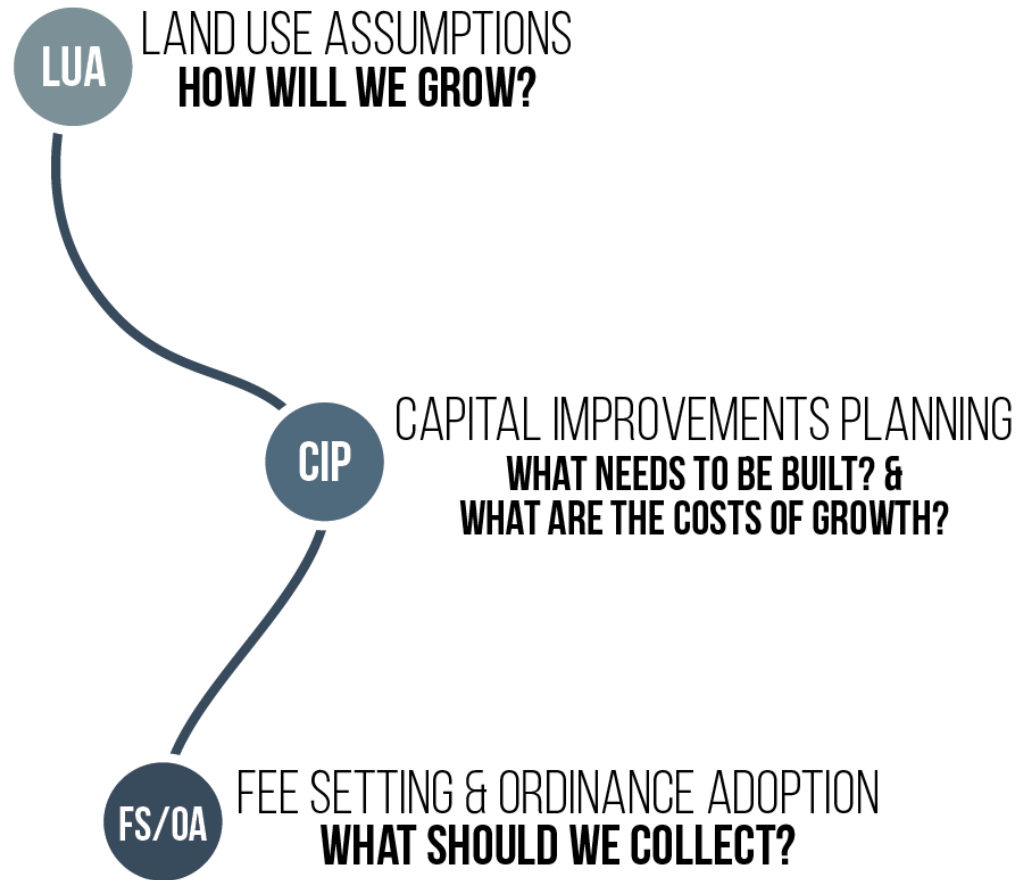
October 27, 2020

Introduction & Overview

- The purpose of today's presentation
 - Present the impact fee recommendations
 - Comments will be forwarded to CC public hearing on 12/1
- General outline of the presentation
 - Information Series Summary
 - Roadway Impact Fee Recommendation
 - Roadway Phase-In Recommendation
 - Utility Impact Fee Recommendation
 - Utility Phase-In Recommendation



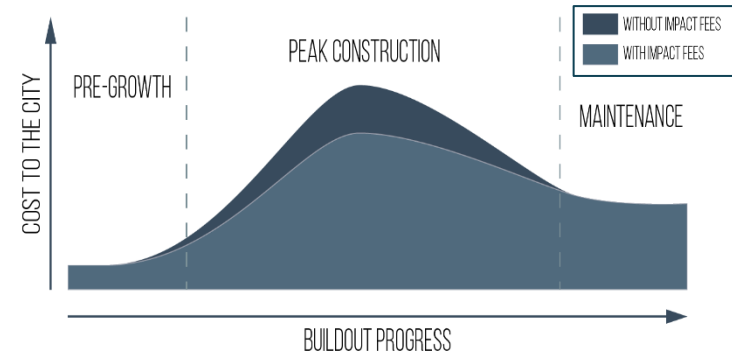
Impact Fee Update Process



Information Series Summary

Presentation 1 (Jul 28) : What, Why, and How

- Determination of impact fee based on growth and infrastructure needs and are unique for each municipality
- Assessment/Collection of impact fees is only feasible during periods of growth
- Due to growth rate and growth potential, McKinney's Infrastructure needs are greater than our sister cities



Presentation 2 (Sept 8): Maximum Assessable Fees and Recoverable Costs

- The process for determining the Maximum Assessable Impact Fee is regulated by State Law and is based on a series of formulas and calculations
- Staff desires to recommend a fee increase that balances the recovery of infrastructure costs and market competitiveness

Information Series Summary

Today, Presentation 3: What do we Charge?

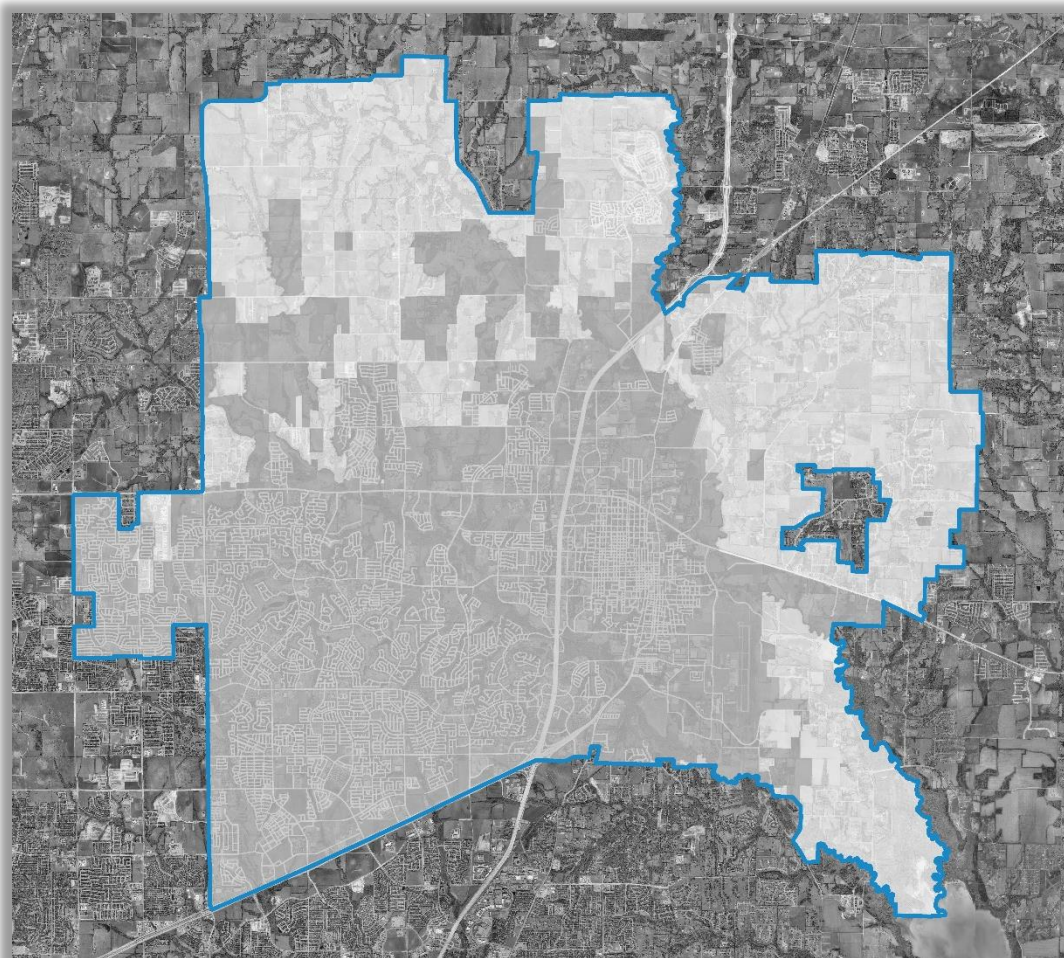
Utility Impact Fee Recommendation

- ✓ Increase current water fees to maximum assessable fee
- ✓ Increase current wastewater impact fees to include McKinney infrastructure costs and 50% of NTMWD costs
- ✓ 9 month grace period before new fees become effective*

** Fees that go down will become effective immediately*

Utility Impact Fee Recommendation

Utility Impact Fees



Utility Service Area Map

- Single service area
- Utility impact fees are assessable within city limits and ETJ
- Utility impact fees are based on meter size

Utility Impact Fee Recommendation

- ✓ Increase current water fees to maximum assessable fee
- ✓ Increase current wastewater impact fees to include McKinney infrastructure costs and 50% of NTMWD costs
- ✓ 9 month grace period before new fees become effective



FEE SETTING & ORDINANCE ADOPTION WHAT SHOULD WE COLLECT?

Water Impact Fee Comparison

	Current Collection Rate	Max Assessable Fee
Water Impact Fee (3/4" Meter)	\$1,294.70	\$1,754.00

Wastewater Impact Fee Comparison

	Current Collection Rate	Max Assessable Fee
Wastewater Impact Fee (3/4" Meter)	\$162.14	\$2,899.00*
<i>McKinney CIP Cost</i>	\$162.14	\$388
<i>NTMWD CIP Cost</i>	n/a	\$2,511

**includes NTMWD capital improvement costs*





FEE SETTING & ORDINANCE ADOPTION

WHAT SHOULD WE COLLECT?

Water Impact Fee Comparison			
	Current Collection Rate	Max Assessable Fee	Staff Recommendation
Water Impact Fee (3/4" Meter)	\$1,294.70	\$1,754.00	\$1,754.00

Wastewater Impact Fee Comparison			
	Current Collection Rate	Max Assessable Fee	Staff Recommendation
Wastewater Impact Fee (3/4" Meter)	\$162.14	\$2,899.00*	\$1,644.50
<i>McKinney CIP Cost</i>	\$162.14	\$388	\$388
<i>NTMWD CIP Cost</i>	n/a	\$2,511	\$1,255.50

*includes NTMWD capital improvement costs.



FEE SETTING & ORDINANCE ADOPTION

WHAT SHOULD WE COLLECT?

Combined Utility Impact Fee Comparison				
Typical Land Use	Meter Size	Current Collection Rate	Max Assessable Fee	Staff Recommendation
SF Res	3/4"	\$1,456.84	\$4,653.00	\$3,398.50
<i>SF Res</i>	1"	\$2,476.63	\$7,770.51	\$5,673.82
<i>SF Res</i>	1 1/2"	\$4,851.27	\$15,494.49	\$11,313.67
<i>SF Res/Commercial</i>	2"	\$12,091.77	\$38,759.49	\$28,301.17
<i>Commercial/MF Res</i>	3"	\$24,329.23	\$77,565.51	\$56,636.32
<i>Commercial/MF Res</i>	4"	\$48,512.77	\$155,084.49	\$113,238.67
<i>Industrial</i>	6"	\$77,649.57	\$248,144.49	\$181,188.67
<i>Industrial</i>	8"	\$135,923.17	\$434,264.49	\$317,088.67
<i>Industrial</i>	10-12"	\$267,038.77	\$853,034.49	\$622,863.67

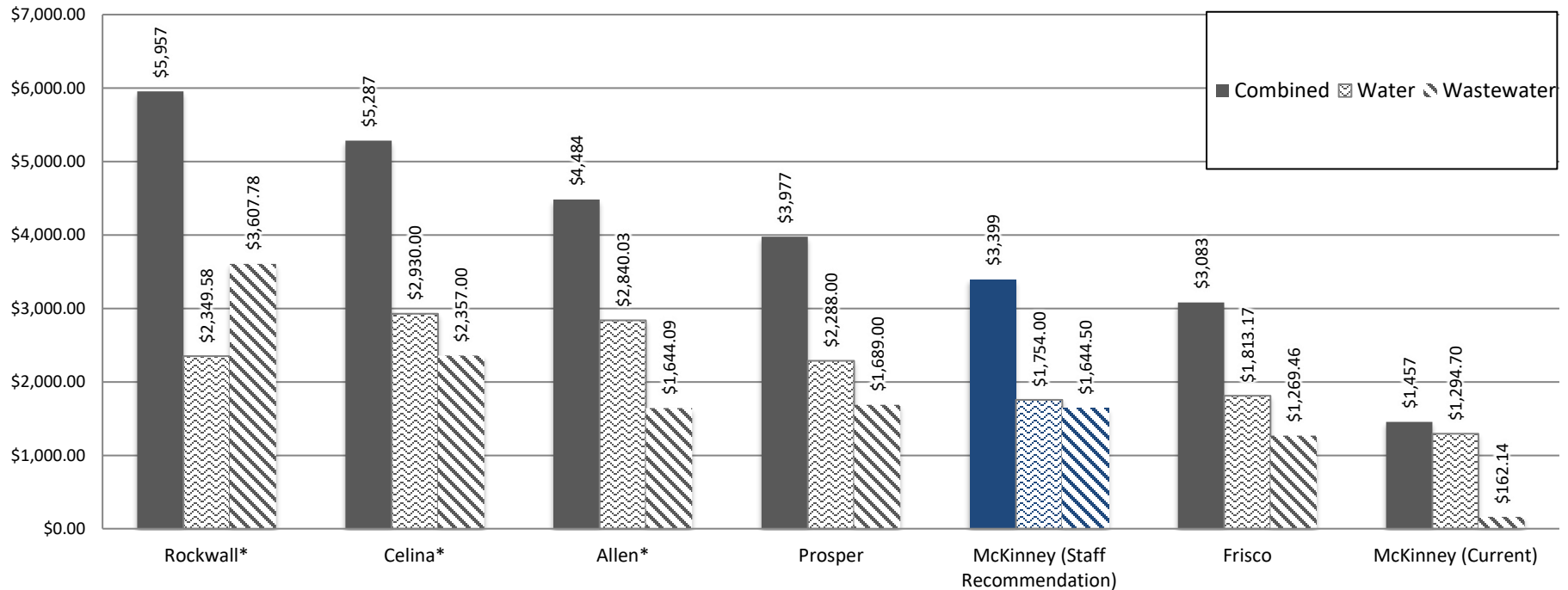


FEE SETTING & ORDINANCE ADOPTION

WHAT SHOULD WE COLLECT?

Utility Impact Fee Comparisons

UTILITY IMPACT FEE CITY COMPARISON
Scaled Fee: 3/4" meter



*includes NTMWD CIP costs

Phase-In Recommendation

Impact Fee: Phase-in Recommendation

- New Fees will become effective 9 months after amended Ordinance adoption.
- Fees that go down will become effective immediately.

Next Steps

Public Hearing and Adoption Process

- **December 1st**
 - Conduct public hearings and act on the amendments to the Capital Improvement Plans & Impact Fee Update

