



**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:** December 4, 2012

**DEPARTMENT:** Development Services - Planning

**CONTACT:** Kevin Spath, AICP, CFM, Assistant Director of Planning  
Ross Altobelli, Planning Manager  
Samantha Gleinser, Planner

**RECOMMENDED CITY COUNCIL ACTION:**

- 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 November 13, 2012. The Commission voted unanimously 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 11-12
  - 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 October 2011 to October 2012, the Construction Cost Index in the Dallas area decreased 1.1% as compared to the National Average, which increased 2.5% during the same period. (Source: Construction Cost Index at [www.enr.com](http://www.enr.com)).
- From September 2011 to September 2012, the Consumer Price Index (CPI) shows that annual inflation increased 2.0%. During the same period, the core CPI, which excludes volatile food and energy prices, also rose 2.0%. (Source: US Department of Labor, Bureau of Labor Statistics).
- The first of three increases to the roadway impact fees occurred on April 1, 2009 as part of the phase-in schedule approved by City Council. The second increase occurred on October 1, 2010. The final increase occurred on April 1, 2012. Staff feels that the impact fee levels and the phase-in schedule are commensurate with trends in construction costs and inflation rates.

#### **UPCOMING ITEMS:**

- During the coming year, Staff will be undergoing a process to update the Roadway Impact Fee Ordinance and Utility Impact Fee Ordinance (state law requires an update every 5 years).
- The process will involve updates to the land use assumptions as well as updates to the Impact Fee Capital Improvement Plans (roadway and utility).
- Staff will also coordinate with the Capital Improvements Advisory Committee (the Planning and Zoning Commission) and with the City Council on impact fee policy direction.

#### **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.