

**AGENDA ITEM**

**TO:** Planning and Zoning Commission

**THROUGH:** Jennifer Arnold, Planning Manager

**FROM:** Arrie Mitchell, Planner

**SUBJECT:** Conduct a Public Hearing to Consider/Discuss/Comment on the Land Use Assumptions for the 2012-2013 Impact Fee Update

**APPROVAL PROCESS:** The Planning and Zoning Commission serves as the Capital Improvements Advisory Committee (CIAC) and, as such, is required to provide written comments to the City Council prior to Council action on the Land Use Assumptions. The minutes of the Public Hearing will serve as the written comments and will be forwarded to the City Council on the May 7, 2013 meeting.

Upon delivery of the Land Use Assumption Report and meeting minutes to City Council, Council will be requested to set a Public Hearing to consider adoption of the updated Land Use Assumptions Report. Since a 30 day legal notice is required by State Law, the tentative Public Hearing date would be the June 18, 2013 City Council meeting.

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**STAFF RECOMMENDATION:** After closing the Public Hearing, Staff recommends that the Commission make a motion to forward the updated Land Use Assumptions Report and meeting minutes to the City Council.

**ITEM SUMMARY:**

- Chapter 395 of the Texas Local Government Code mandates that impact fees be reviewed and updated at least every 5 years. The City of McKinney last performed a review and update of impact fees in 2008. Accordingly, Staff initiated the 2012-2013 Impact Fee Update in the Fall of 2012.
- As required by State Law, updating impact fees involves 3 components:
  - Land Use Assumptions
  - Capital Improvements Plans (roadway and utility)
  - Fee Setting/Adopting the Ordinance
- The 2012-2013 Impact Fee Update is expected to take approximately 9 months.

### Land Use Assumptions:

- The Land Use Assumptions Report projects growth over the next 10 years. It projects population growth by using the number of housing units and non-residential growth by using building square footages. This data is then spatially allocated in to the designated service areas.
- It is important to note that there is no “one right way” to carrying out a land use assumptions study, but City Staff has been diligent in utilizing generally accepted forecasting techniques based on sound planning principles.
- The Land Use Assumptions report is divided into six sections that serve to satisfy the methodology requirements of State Law. They are:
  - I. **Study Process:** A description of the data types and basic study procedures used in the study.
  - II. **Service Area Maps:** The impact fee service areas for roadway facilities and utility facilities based on the data collection zones.
  - III. **Baseline Data:** Information on population, land use, and square feet of non-residential uses for McKinney as of 2012 for each service area.
  - IV. **Ultimate Projections:** Projections for population and square feet of non-residential uses which reflect a completely developed condition based on the city’s Future Land Use Plan and current land use patterns.
  - V. **10-Year Growth Assumptions:** Population and non-residential growth assumptions for the next ten years by service area.
  - VI. **Summary Tables:** Tabular summary of figures for baseline and 10-year projections by service area.

### Next Steps:

- At the May 7, 2013 City Council meeting, Council will officially receive the comments from the Planning and Zoning Commission and will be requested to set a public hearing for June 18, 2013 to consider adoption of the updated Land Use Assumptions.
- Staff is also working with a team of consultants on the second component of the process - the update of the Capital Improvements Plans for Roadway and Utility Impact Fees. The Capital Improvements Plans will identify transportation and utility infrastructure needed to accommodate the projected growth for the next ten years, along with those existing oversized facilities on which excess capacity is available. The probable costs of the projects will also be contained within the Capital

Improvements Plans. Adoption of the Capital Improvement Plans will involve a similar public hearing process as the Land Use Assumptions.

- Also during the update process, Staff will host an Impact Fee Workshop for the development community so builders, developers, etc. can learn more about the process, ask questions of Staff and the consultants, and offer input. Staff anticipates scheduling the workshop in July 2013.
- As part of the Capital Improvements Planning process, a maximum assessable impact fee per service unit for each service area will be calculated.
- With the final phase of the process, the majority of policy discussion will occur as City Council considers the actual fee amounts to charge, the phase-in of any fee increases, and how credits are calculated.

### **BACKGROUND INFORMATION:**

- Staff has created and attached a presentation describing the general process for the impact fee update and explaining the Land Use Assumptions.
- Staff has created and attached a handout and answering frequently asked questions and brochures regarding impact fees.
- As required by State Law, the Planning and Zoning Commission serves as the Capital Improvements Advisory Committee (CIAC). The 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.