



# CITY COUNCIL AGENDA ITEM

**SUBJECT:** Conduct a Public Hearing to Consider/Discuss/Act on the Amendment of Utility Impact Fees as Part of the 2012-2013 Impact Fee Update; and Accompanying Ordinance

**MEETING DATE:** November 19, 2013

**DEPARTMENT:** Development Services - Planning

**CONTACT:** Jennifer Arnold, Planning Manager  
Michael Quint, Director of Planning

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## **RECOMMENDED CITY COUNCIL ACTION:**

- Staff recommends approval of an update to the Utility Impact Fee Ordinance.

## **ITEM SUMMARY:**

- Chapter 395 of the Texas Local Government Code requires that a public hearing be held to consider the potential amendment of impact fees. As required by state law, a 30-day Legal Notice was posted in the McKinney Courier-Gazette. As well, the recommended fee amendments have been posted on the City's webpage for public review and comment since mid-September.
- The potential utility impact fee amendments were first presented and discussed at a Work Session of the City Council on September 16, 2013. Feedback received from Council regarding Staff's recommendation for fee amendments and ordinance improvements was generally supportive.
- As such, Staff is now presenting the final recommendations for the amendment of utility impact fees.

## **Final Staff Recommendations for Utility Impact Fees**

- Consistent with the framework of existing water and wastewater impact fees, Staff recommends that the City continue to charge the maximum assessable fee for all meter sizes and meter types.
- It is important to note that the maximum assessable fee has decreased in most cases, resulting in a decrease in the utility impact fees to be charged.

- A table depicting Staff's recommendation can be seen below.

Typical Land Use	Meter Size (inches)	Meter Type	Current Combined Utility Impact Fee Charged (2008 Ordinance)	Combined Maximum Assessable Utility Fees (2012-2013 Update)	Staff Recommendation (2012-2013 Update)
SF Residential	¾	Simple	\$1,833	\$1,592.19	\$1,592.19
SF Residential	1	Simple	\$3,116	\$2,653.65	\$2,653.65
SF Residential	1 ½	Simple	\$6,050	\$5,307.31	\$5,307.31
SF Residential	2	Simple	\$9,716	\$8,491.69	\$8,491.69
Commercial	2	Compound	\$9,716	\$8,491.69	\$8,491.69
Commercial and Irrigation	2	Turbine	\$12,282	\$16,983.38	\$16,983.38
Commercial and MF Residential	3	Compound	\$19,615	\$16,983.38	\$16,983.38
Commercial, MF Residential and Irrigation	3	Turbine	\$29,331	\$37,151.14	\$37,151.14
Commercial and MF Residential	4	Compound	\$30,614	\$26,536.53	\$26,536.53
Commercial, MF Residential and Irrigation	4	Turbine	\$51,330	\$68,994.97	\$68,994.97
Industrial	6	Compound	\$61,046	\$53,073.05	\$53,073.05
Industrial and Irrigation	6	Turbine	\$112,375	\$148,604.55	\$148,604.55
Industrial	8	Compound	\$97,710	\$84,916.89	\$84,916.89
Industrial and Irrigation	8	Turbine	\$195,602	\$254,750.66	\$254,750.66
Industrial	10	Turbine	\$305,595	\$371,511.38	\$371,511.38
Industrial and Irrigation	12	Turbine	\$403,304	\$467,042.87	\$467,042.87

- Staff has created a series of city comparison charts to illustrate how the current and recommended fee amounts compare to other cities in the region. This comparison is included as an attachment to this Agenda Item and titled “*City Comparisons – Utility Impact Fees.*”

## **BOARD OR COMMISSION RECOMMENDATION:**

- The Planning and Zoning Commission is serving as the Capital Improvements Advisory Committee (CIAC) and, as such, is required by state law to provide written comments to the City Council prior to Council action on the amendment of utility impact fees for the 2012-2013 Utility Impact Fee Update.
- On September 24, 2013, the Planning and Zoning Commission considered and commented on Staff's fee recommendations as part of the 2012-2013 Impact Fee Update. The approved minutes of the public hearing shall serve as the written comments and are included as an attachment to this staff report.

## **BACKGROUND INFORMATION:**

- 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 2007-2008. Accordingly, Staff initiated the 2012-2013 Impact Fee Update in late Fall of 2012.
- Updating impact fees involves 3 parts (as required by state law) and the entire process takes approximately 9 months:
  - Land Use Assumptions (completed)  
The updated Land Use Assumptions were considered by the Planning and Zoning Commission (serving as the Capital Improvements Advisory Committee) on April 23, 2013 and were approved by the City Council at the June 18, 2013 meeting.
  - Capital Improvements Planning  
Updates to the Capital Improvements Plan for Impact Fees were presented and discussed during a Joint Work Session of the City Council and Planning and Zoning Commission on July 29<sup>th</sup>.

In a related item on tonight's meeting agenda, Staff is seeking City Council approval for the amendment of the Capital Improvements Plan for Utility Impact Fees.

- Fee Setting / Adopting the Amended Ordinance  
Proposed fee amendments for the 2012-2013 Utility Impact Fee Update were first presented at a Work Session of the City Council on September 16, 2013.

Staff is currently seeking approval of the updated Utility Impact Fee Ordinance and associated fee amendments.