

Fiscal Model Training

City Council Work Session

Agenda

- Comprehensive Plan
- Fiscal Model Outcomes
- Important Information
- New Staff Report Items
- Q&A

Comprehensive Plan: Guiding Principle

- Diversity [Supporting our Economy and People]

1. Diverse economic engines, such as the McKinney National Airport, McKinney Corporate Center, Southgate District, and business/entertainment corridors form the foundation of McKinney's strong economy. As such, the City encourages new businesses and developments that support these economic engines, broaden the tax base, and make the city's economy more adaptable and resilient.

Comprehensive Plan

■ Fiscal Health Strategy

- Promote a stable and resilient fiscal health strategy for McKinney by:
 1. Understanding the fiscal impacts of land use decisions;
 2. Encouraging a harmonious balance between revenue-producing and service cost-producing product types (or placetypes);
 3. Incorporating fiscal considerations into near- and long-term capital investment planning;
 4. Maintaining market awareness regarding the timing and absorption among land uses and the corresponding impact on city service costs; and
 5. Establishing policies and practices which support ongoing monitoring of, and refinements to, the city's fiscal model to ensure that it remains relevant in the context of changing market conditions.

Fiscal Model Outcomes

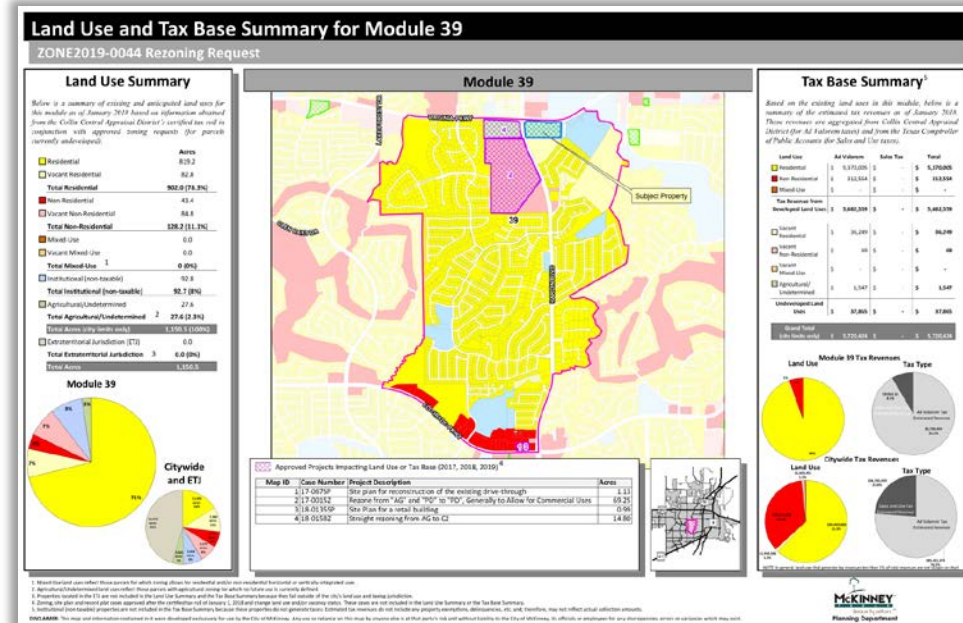
- Show the fiscal implications of land use decisions
- Maintaining market awareness

What's Changing?

- Updated Staff Report

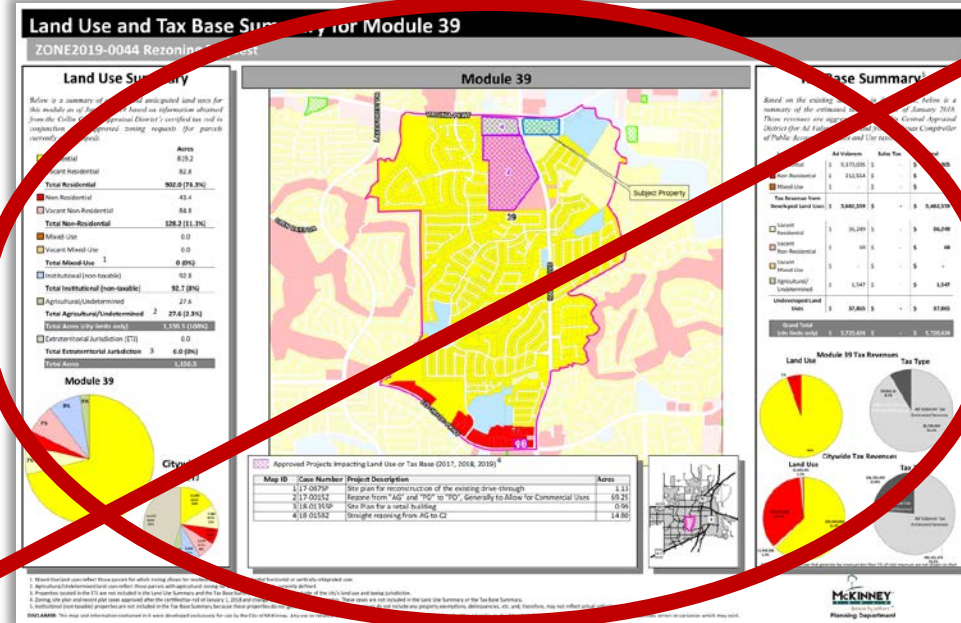
What's Changing?

- Updated Staff Report
- Land Use and Tax Base Summary



What's Changing?

- Updated Staff Report
- Land Use and Tax Base Summary



Fiscal Model Assumptions

1. Revenues and Expenditures are calculated on a per capita basis
2. Residential populations are based on averages household size for each type
3. Employment is based on average sq ft/employee by type (retail/service, office, and industrial)
4. All zoning districts are classified based on the intent of the district (Retail, Residential, Office, Industrial)
5. The placetype analysis uses the same ratios that created preferred scenario
6. The market conditions do not include the established community

City of McKinney
Fiscal Impact Model
Dashboard Summary

Site Analysis			
Annual Operating Summary	Proposed Zoning	Existing Zoning	2040 Plan Placetype
	PD - Planned Development (Res-High), RED-2 - Residential Estates	PD - Planned Development (Retail)	East Fork District: Commercial Center, Estate Residential
Annual Operating Revenues	\$255,194	\$577,771	\$491,106
Annual Operating Expenses	\$264,538	\$66,686	\$56,683
Net Surplus (Deficit)	(\$9,344)	\$511,086	\$434,423
Development Value			
	Proposed Zoning	Existing Zoning	2040 Plan Placetype
Total Residential Development Value	\$29,403,000	\$0	\$0
Residential Development Value (per unit)	\$135,000	\$0	\$0
Residential Development Value (per acre)	\$2,430,000	\$0	\$0
Total Nonresidential Development Value	\$0	\$23,718,420	\$20,160,657
Nonresidential Development Value (per square foot)	\$0	\$180	\$180
Nonresidential Development Value (per acre)	\$0	\$1,960,200	\$1,666,170
Projected Output			
Total Employment	0	329	280
Total Households	218	0	0
Projected Market Capture (Communitywide*)			
Market Share Analysis (Communitywide)	Proposed Zoning	Existing Zoning	2040 Plan Placetype
% Residential	0.6%	0.0%	0.0%
% Retail	0.0%	3.8%	3.2%
% Office	0.0%	0.0%	0.0%
% Industrial	0.0%	0.0%	0.0%
*Includes City and Extraterritorial Jurisdiction			
Projected Market Capture (Districtwide*)			
Market Share Analysis (Districtwide)	Proposed Zoning	Existing Zoning	2040 Plan Placetype
% Residential	14.3%	0.0%	0.0%
% Retail	0.0%	50.7%	43.1%
% Office	0.0%	0.0%	0.0%
% Industrial	0.0%	0.0%	0.0%
*ONE McKinney 2040 Comprehensive Plan			

Model Outputs

Fiscal Model Dashboard

City of McKinney
Fiscal Impact Model
Dashboard Summary

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Model Outputs

Fiscal Model Dashboard

Two Sections:

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Model Outputs

Fiscal Model Dashboard

Two Sections:

- Site Fiscal Implications

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Model Outputs

Fiscal Model Dashboard

Two Sections:

- Site Fiscal Implications
- Market Impacts

CONFORMANCE TO ONE MCKINNEY 2040: A key aspect of the ONE McKinney 2040 Comprehensive Plan is to provide direction related to the desired development patterns and to inform decisions related to the timing and phasing for future infrastructure investments in the City. To assist in guiding these decisions, the Preferred Scenario and Land Use Diagram establishes distinctive districts, each with a clear intent and market focus that are reinforced through character-defining placetypes. In conjunction with the Preferred Scenario, there will be a series of district diagrams which outline the desired development patterns for each unique area of McKinney. Per the Preferred Scenario, the subject property is located in the Established Neighborhood District. General placetypes included in this district are Suburban Living, Employment Mix, Commercial Center, Neighborhood Commercial, Urban Living, Warehousing and Manufacturing, Professional Campus, Aviation, and Mixed Use Center.

- Guiding Principles: The proposed rezoning request is generally in conformance with Guiding Principle of “Diversity (Supporting our Economy and People)” established by the Comprehensive Plan. In particular, the proposed request has the potential to provide “diverse economic engines... broaden the tax base, and make the City’s economy more adaptable and resilient”.
- Land Use Diagram Compatibility: In evaluating development requests, the City should determine that a project meets the majority of the established criteria to be considered compatible with the Land Use Diagram. The proposed rezoning request aligns with the Urban Living placetype of the Established Neighborhood District. Furthermore, the proposed request of “C2” – Local Commercial District should be compatible with the surrounding properties and placetypes, including Urban Living, Neighborhood Commercial and Commercial Center placetypes.
- Land Use and Tax Base Summary: Module 39 is currently comprised of approximately 78% residential uses and 22% non-residential uses (including institutional and agricultural uses). The proposed rezoning request will have no impact on the anticipated land uses in this module. Estimated tax revenues in Module 39 are comprised of approximately 95% from residential uses and 5% from non-residential uses (including agricultural uses). Estimated tax revenues by type in Module 39 are comprised of approximately 91.5% ad valorem taxes and 8.5% sales and use taxes.

Model Outputs

Updated Staff Report

Fiscal Model Analysis:

- Summary
- Key takeaways

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- Summary
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Q&A

