



17-0001M

TITLE: Consider/Discuss/Act on a Resolution to Accept and File the Semiannual Impact Fee Report with Respect to the Progress of the Capital Improvements Plan for Roadway and Utility Impact Fees

COUNCIL GOAL: Financially Sound Government

MEETING DATE: January 16, 2018

DEPARTMENT: Development Services - Planning Department

CONTACT: Jennifer Arnold, Planning Manager
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Brian Lockley, AICP, CPM, Director of Planning

RECOMMENDED CITY COUNCIL ACTION:

- Staff recommends approval of the resolution.

ITEM SUMMARY:

- The Semiannual Report is required by Chapter 395 of the Texas Local Government Code which 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.
- The item was reviewed by the Planning and Zoning Commission (acting as the Capital Improvements Advisory Committee) on December 12, 2017. The Commission voted 6-0-0 to recommend filing of the Semiannual Report. The comments of the Planning and Zoning Commission are included in the Semiannual Report.
- The Capital Improvements Plan uses for this semiannual report were last adopted on November 18, 2013 as part of the 2012-2013 Impact Fee Update and amended in February 2017 (Utility CIP only).
- **The Planning and Zoning Commission meeting report from the public hearing, its attachments and meeting minutes will be filed by City Council as 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 16-17
 - Appendix
- 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 2016 to October 2017, the Construction Cost Index in the Dallas area increased 3.9% as compared to the National Average, which increased 3.7% during the same period. (Source: Construction Cost Index at www.enr.com).
- From October 2016 to October 2017, the Consumer Price Index (CPI) rose 2.0%. During the same period, the core CPI, which excludes volatile food and energy prices, rose 1.8% (Source: US Department of Labor, Bureau of Labor Statistics).
- Staff feels that the impact fee schedule currently in place is commensurate with trends in construction costs and inflation rates.
- In July 2015, the City launched a major update of the Comprehensive Plan, which is a policy document that establishes the City's future land use plan and master thoroughfare plan, among other items. The updated Comprehensive Plan is anticipated to be approved in 2018. Because the future land use plan and master thoroughfare plan play a significant role in determining impact fees, staff will begin a major update to the impact fee program immediately following adoption of the ONE McKinney 2040 Comprehensive Plan.

BACKGROUND INFORMATION: The Planning and Zoning Commission has been appointed as the Capital Improvements Advisory Committee for the City of McKinney. Per state law, 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.

BOARD OR COMMISSION RECOMMENDATION: On December 12, 2017, the Planning and Zoning Commission voted 6-0-0 to recommend filing of the Semiannual Impact Fee Report.

SUPPORTING MATERIALS:

[Resolution](#)
[Exhibit A \(Semiannual Report\)](#)
[Semiannual Report Appendix](#)