



19-0005M2

TITLE: Introduction to the 2018-2019 Impact Fee Update Process

COUNCIL GOAL: Direction for Strategic and Economic Growth
(1C: Provide a Strong City Economy by Facilitating a Balance between Industrial, Commercial, Residential, and Open Space)

MEETING DATE: August 5, 2019

DEPARTMENT: Development Services - Planning Department

CONTACT: Aaron Bloxham, Planning Manager
Jennifer Arnold, AICP, Director of Planning

RECOMMENDED CITY COUNCIL ACTION:

- Receive presentation on the 2018-2019 Impact Fee Update Process.

ITEM SUMMARY:

- The purpose of this Work Session item is to provide City Council with an overview of the impact fee update process.
- Per Chapter 395 of the Texas Local Government Code, municipalities that impose impact fees are required to review and update their impact fee ordinances at least five years. The City of McKinney last updated its impact fees in 2013. As such, staff has launched the five year update to remain in conformance with state law.
- Over the next several months, the project team will be carrying out the necessary steps to conduct and complete the impact fee update.

BACKGROUND INFORMATION:

- Chapter 395 of the Texas Local Government Code states that any political subdivision imposing an impact fee shall update the land use assumptions and capital improvements plan every five years.

- Updating impact fees involves 3 parts (as required by state law) and the entire process takes approximately 9 months:
 - Land Use Assumptions (underway)
The Land Use Assumptions contain growth projections on which an Impact Fee Ordinance is based. Projections for residential units and square footage of non-residential uses determine the infrastructure needed over the next ten years.

The updated Land Use Assumptions will be considered by the Capital Improvements Advisory Committee on August 27, 2019 and will be presented to City Council at the September 17, 2019 meeting.
 - Capital Improvements Planning (underway)
Capital Improvement Plans for Impact Fees identify the infrastructure that will need to be constructed or expanded to accommodate the additional demand generated by development over the next ten years.
 - Fee Setting / Adopting the Amended Ordinance
The final phase of the process will include policy discussions as the City Council considers the actual fee amounts to charge, the phase-in of any fee increases, improvements to the administration of the Ordinances, and how credits should be calculated.
- For reference, staff has created a handout answering “Frequently Asked Questions” regarding impact fees.
- Additional information about existing impact fees and the update process can be found at www.mckinneytexas.org/Impact-Fees.

SUPPORTING MATERIALS:

[Impact Fees-FAQs](#)
[Presentation](#)