



19-0004M2

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
(2B: Balance Available Resources to Accommodate the Growth and Maintenance Needs of the City)

MEETING DATE: August 20, 2019

DEPARTMENT: Development Services - Planning Department

CONTACT: Aaron Bloxham, Planning Manager
Mitchell Corona, Planner I

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 Capital Improvements Advisory Committee on July 23, 2019. The Commission voted 8-0-0 to recommend filing of the Semiannual Report. The comments of the Capital Improvements Advisory Committee are included in the Semiannual Report.
- The Capital Improvement Plans used 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 Capital Improvements Advisory Committee 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
 - Capital Improvements Advisory Committee Staff Report
 - Capital Improvements Advisory Committee Meeting Minutes
 - Capital Improvements Advisory Committee Meeting Presentation
 - CIP Roadway and Utility Improvements Project List FY 18-19
 - 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 March 2018 to March 2019, the Construction Cost Index in the Dallas area increased 0.8% as compared to the National Average, which increased 2.5% during the same period. (Source: Construction Cost Index at www.enr.com).
- From March 2018 to March 2019, the Consumer Price Index (CPI) rose 1.9%. During the same period, the core CPI, which excludes volatile food and energy prices, rose 2.0% (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.

2018-2019 Impact Fee Update

- In July 2015, the City launched a major update 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 was approved on October 2, 2018. Because the future land use plan and master thoroughfare plan play a significant role in determining impact fees, staff has initiated a major update to the impact fee program.

BACKGROUND INFORMATION: The Planning and Zoning Commission with the addition of an ETJ representative have 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 July 23, 2019, the Capital Improvements Advisory Committee voted 8-0-0 to recommend filing of the Semiannual Impact Fee Report.

SUPPORTING MATERIALS:

- [1. Resolution](#)
- [2. Exhibit A \(Semiannual Report\)](#)
- [3. Semiannual Report Appendix](#)