



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 18-472, **Version:** 1

Consider/Discuss/Act on the Assignment of a Roadway Impact Fee Credit Agreement from Stacy Joint Venture to MEDC

COUNCIL GOAL:

MEETING DATE: June 6, 2018

DEPARTMENT: MEDC

CONTACT: Abby Liu, Interim President

RECOMMENDED ACTION:

- Approval

ITEM SUMMARY:

- The MEDC recently purchased 26 acres of property at the NE corner of Alma Drive and the Sam Rayburn Tollway. The former Owner, Stacy Joint Venture, has a roadway impact fee credit agreement which did not transfer with the land. The Owner has offered the attendant credits to the MEDC at the stated value of its ultimate reimbursement from the City of McKinney, \$204,463.13. The MEDC can receive greater value for the impact fee credits in subsequent transactions, as explained in the Background Information below.

BACKGROUND INFORMATION:

- The roadway impact fee credit agreement at issue is personal to the Owner. Consequently, it does not run with the land, upon transfer of title. The Owner may seek reimbursement from the City-however, only after the property is fully-developed and only if the property develops solely in a commercial use. Moreover, the Owner can only receive the stated reimbursement amount: \$204,463.13. The Owner can only assign the agreement to a subsequent owner of the land, i.e. the MEDC. If acquired from the Owner, the MEDC can either utilize or assign the impact fee credits to end-users at a negotiated price. The MEDC's negotiated price can also be achieved in the form of an incentive to end-users, and in either case the value to the MEDC would be closer to the current roadway impact fee that would likely be assessed on the parcel at development, approximately \$500,000.00.

FINANCIAL SUMMARY:

- There are sufficient funds budgeted for obtaining the assignment from the Owner.