CITY OF McKINNEY · CITY COUNCIL WORK SESSION

Parkland Dedication Ordinance Discussion

July 21, 2026

Dakota Cryer — Parks Construction Project Coordinator

RECAP

Where we’ve been — and today’s discussion

Where we’ve been

December 16, 2025 — Council reviewed the ordinance and asked staff for options to address high parkland cash-in-lieu fees for Downtown infill.

April 21, 2026 — Staff presented Dr. John Crompton’s suggested options; Council asked staff to refine them.

Today’s discussion

- Discuss new recommendations for assessing parkland cash-in-lieu fees
- Evaluation of current park development fees
- Next steps

THE ORDINANCE

At a glance (effective October 1, 2022)

	Single-family	Multifamily
Parkland dedication	1 acre / 37 units	1 acre / 37 units
Park development fee — recommended rate	$1,993 / unit	$1,631 / unit
Discount schedule: 2022 & 2023 (−50%)	$1,000 / unit	$1,600 / unit
2024 & 2025 (−30%)	$1,400 / unit	$1,600 / unit
2026 & beyond	**$1,400 / unit**	**$1,600 / unit**

Keep in mind

Today's park development fees are already discounted from the recommended, cost-based rates — relevant as we discuss further reductions later.

Cash-in-lieu of dedication = acreage owed × the Collin CAD per-acre land value.

Fees are paid at plat recordation (single-family / duplex) or before any building permit (all other residential). A developer may instead build public park improvements under a development agreement, in lieu of the park development fees.

THE ORDINANCE

Credits & reductions by use

Use	Parkland dedication reduction	Park development fee credit
Single-family / multifamily	None	Up to 50% (on-site amenities)
Mixed-use residential	**25%**	Up to 50%
Senior / independent living	**50%**	Not required
Affordable housing	**50%**	Not required
Assisted living / memory care	Not required	Not required

Up to 50% of the park development fee may be reimbursed for on-site private amenities (Director approval). Senior/affordable projects can earn a further dedication reduction for amenity spending above their would-be fee.

THE ORDINANCE

Then vs. now

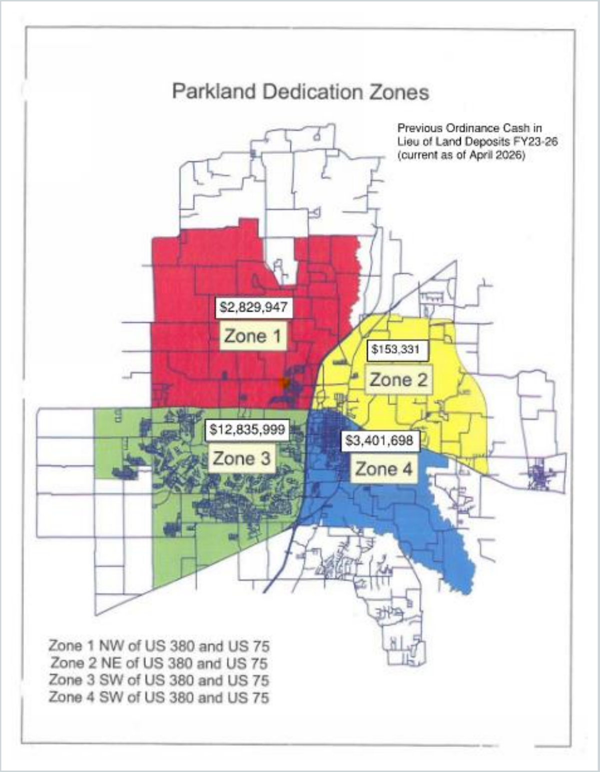
	Previous ordinance (Pre-October 2022)	Current ordinance
Parkland dedication	1 acre per 50 units	**1 acre per 37 units**
Park development fee	None	**$1,400 SF / $1,600 MF per unit**
Parkland zones	Four (4)	**Seven (7)**

The 2022 update raised the dedication rate, added a per-unit development fee, and split four zones into seven.

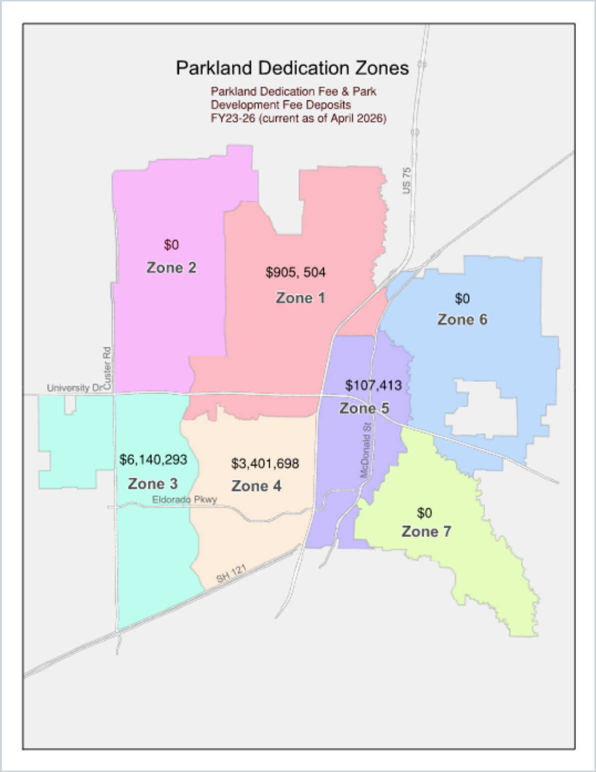
THE ORDINANCE

What it has raised

$29,315,414 collected (FY23–26)



Old ordinance — cash-in-lieu deposits by zone



Current ordinance — fee deposits by zone (FY23–26)

RECOMMENDATIONS

Refined options

1

Citywide cap

Cap the per-acre land value used to assess fees across the whole city.

2

Downtown cap

Cap the per-acre value within the Downtown area (mirroring the Historic Neighborhood zone).

3

Combination

A citywide cap together with a lower Downtown-area cap.

4

No change

Leave the ordinance as it is today.

Also recommended: Dr. Crompton advises updating the park development fees to reflect current market conditions (see later).

RECOMMENDATION #1

Citywide per-acre value cap

Pros

- Fair, consistent assessment across the entire City.
- Clear and easy to apply.
- Values still fluctuate with CCAD below the cap — but never exceed it.

Considerations

- The cap is a “best-guess” value meant to reflect all seven zones.
- Reduces cash-in-lieu collected in some cases.
- Set as a fixed value each year, adopted with the annual fee schedule.

RECOMMENDATION #1A

City-wide cap options

CITY-WIDE PARK FEES PER UNIT AVERAGE							
Development Name	**Parkland Zone**	**# of Units**	**Cash-in-Lieu of Dedication**	**Park Development Fees**	**Amount Paid**	**Cost/Unit**	**CCAD $/ACRE**
OLD ORDINANCE (1:50)							
City Park Place	OLD 3	154	$ 1,341,718.84	-	$ 1,341,718.84	$ 8,712.46	$435,600/acre
Hidden Villas	OLD 3	120	$ 860,745.00	-	$ 860,745.00	$ 7,172.88	$358,640/acre
Sphinx at Throckmorton - addn'l units	OLD 4	40	$ 139,392.00	-	$ 139,392.00	$ 3,484.80	$174,240/acre
Urbane Duo	OLD 4	126	$ 878,169.60	-	$ 878,169.60	$ 6,969.60	$348,480/acre
2025 AVERAGE PER UNIT - OLD ORDINANCE		440	$ 3,220,025.44	-	$ 3,220,025.44	$ 7,318.24	
NEW ORDINANCE (1:37)							
Eliana Phase 1	2	235	$ 829,994.59	$ 329,000.00	$ 1,158,994.59	$ 4,931.89	$130,680/acre
Lofts of McKinney	3	205	$ 2,413,224.00	$ 328,000.00	$ 2,741,224.00	$ 13,371.82	$435,600/acre
Aero Country Townhome Hangars	3	4	$ 14,113.00	$ 5,600.00	$ 19,713.00	$ 4,928.25	$130,545/acre
Pecan Hill	4	64	$ 122,214.00	$ 89,600.00	$ 211,814.00	$ 3,309.59	$70,644/acre
AHC McKinney Ranch MF	4	350	$ 2,473,950.00	$ -	$ 2,473,950.00	$ 7,068.43	$261,530/acre
Kostial	5	3	$ 40,144.00	$ 2,100.00	$ 42,244.00	$ 14,081.33	$495,114/acre
H.L. Davis	5	1	$ 18,782.00	$ 1,400.00	$ 20,182.00	$ 20,182.00	$695,645/acre
McKinney Downtown Gate Addition	5	1	$ 3,363.00	$ 1,400.00	$ 4,763.00	$ 4,763.00	$124,549/acre
2025 AVERAGE PER UNIT - NEW ORDINANCE		863	$ 5,915,784.59	$ 757,100.00	$ 6,672,884.59	$ 7,732.20	

Left: city-wide park fees per unit average (staff analysis).

$400k per-acre cap

$322,593

reduction of cash-in-lieu of dedication since May 2025 (~3.3%)

Fewer developments will take advantage of the cap, but it provides relief to those with disproportionately higher per-acre land values.

RECOMMENDATION #1B

City-wide cap options

CITY-WIDE PARK FEES PER UNIT AVERAGE							
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Left: city-wide park fees per unit average (staff analysis).

$300k per-acre cap

$1,458,364

reduction of cash-in-lieu of dedication since May 2025 (~14.7%)

Provides relief to a higher percentage of developments across the City.

RECOMMENDATION #2

Downtown cap — mirroring the Historic Neighborhood zone

Pros

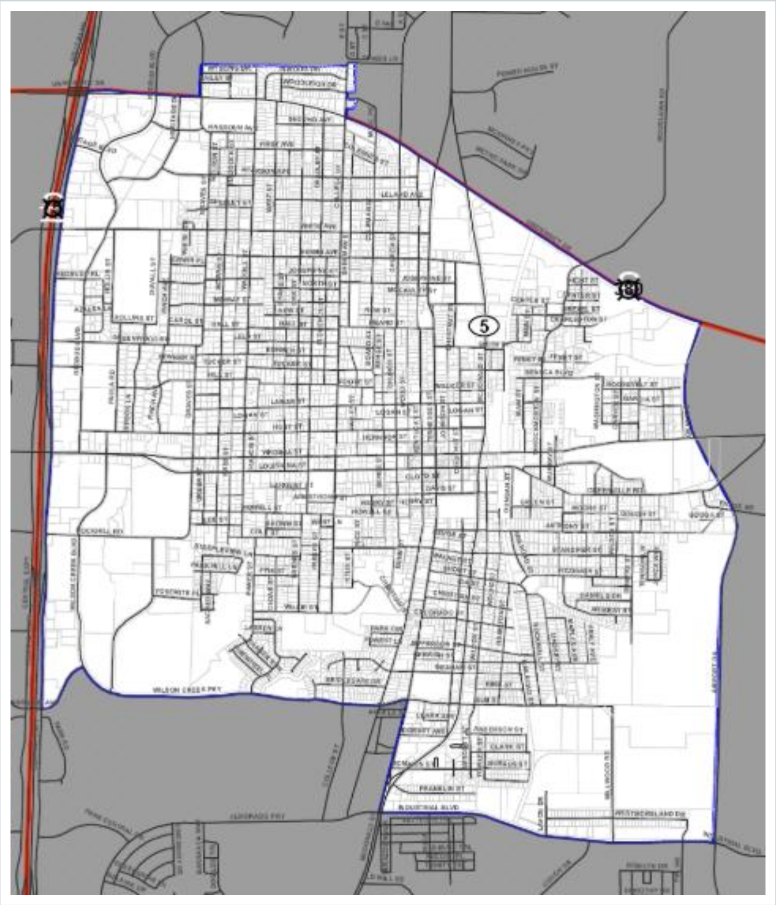
- Uses an existing zone with defined boundaries — easy to understand and apply.
- Reduces the high infill fees smaller Downtown projects have faced.
- Helps promote development near Downtown.

Considerations

- Developments just outside the zone may also warrant the cap.
- Could be seen as unfair to other high-land-value areas of the City.

RECOMMENDATION #2

Historic Neighborhood Improvement Zone



An existing, defined boundary

The Downtown cap would apply the Historic Neighborhood Improvement Zone’s established boundaries — already mapped and understood — so the relief is clear and easy to administer.

RECOMMENDATION #2

Downtown cap — per-unit outcomes

Maximum per-unit fee inside the Downtown zone under two candidate caps (including the current $1,400 park development fee):

$300,000 / acre cap

$9,508

maximum per unit

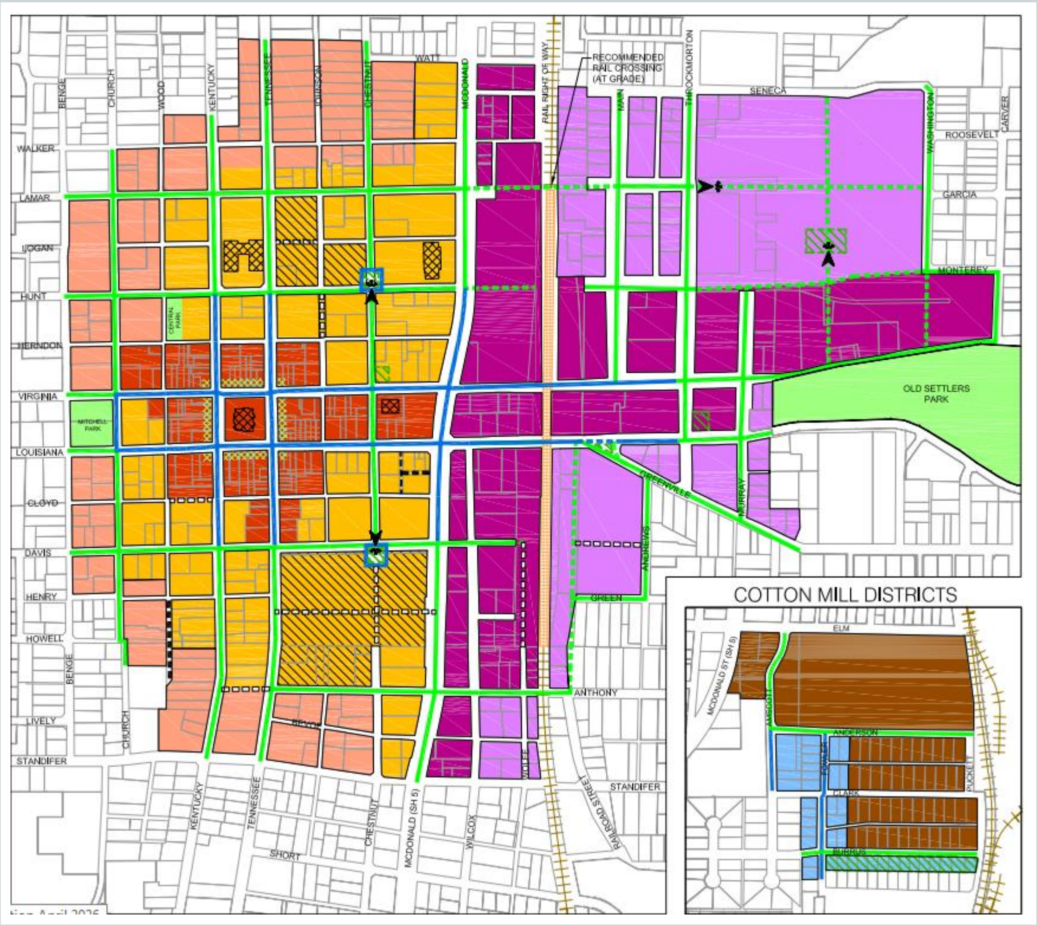
$200,000 / acre cap

$6,805

maximum per unit

CONTEXT

McKinney Town Center zone

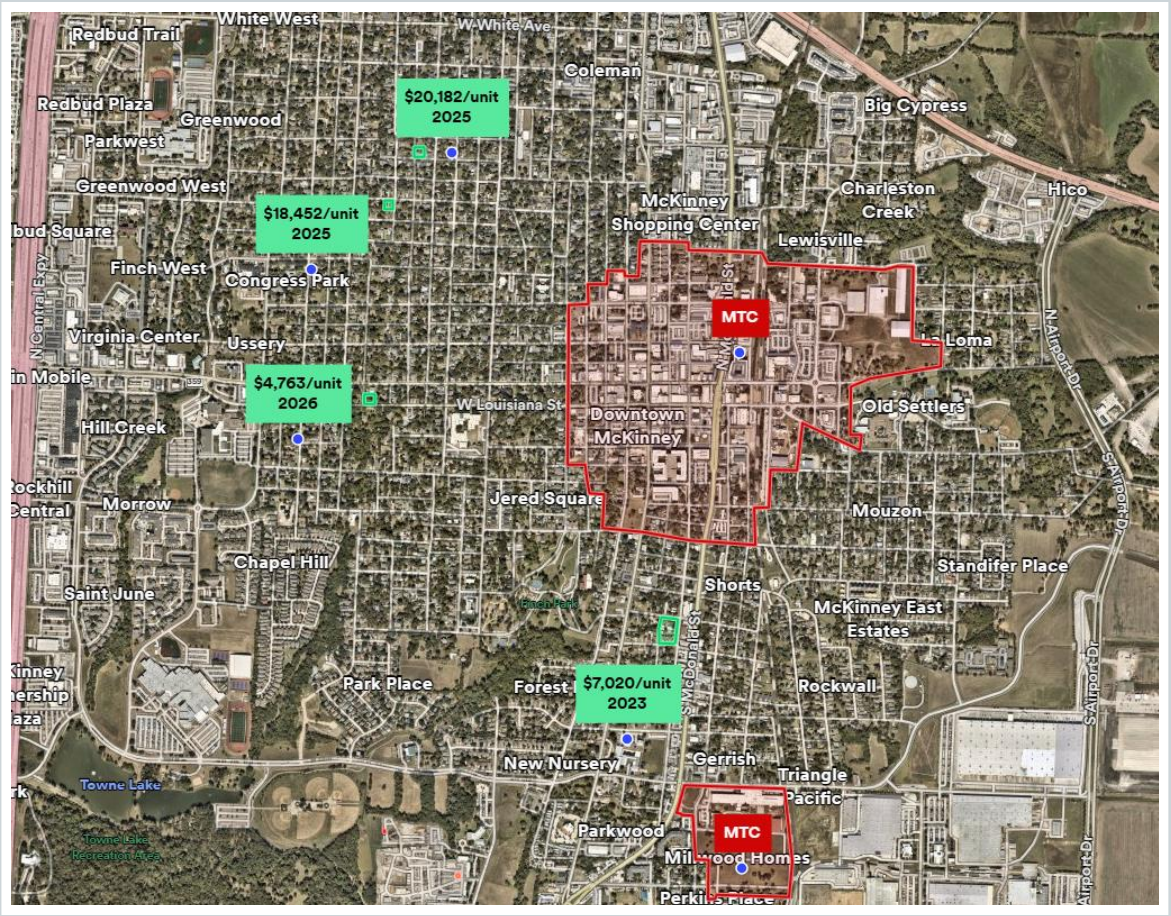


No parkland fees inside the MTC

The Parkland Dedication Ordinance does not apply to land within the McKinney Town Center — no parkland fees are collected inside this boundary.

CONTEXT

Recent infill development



Recent Infill Examples

Recent infill lots near Downtown have seen high per-unit fees (up to $20,182), because the fee tracks each parcel’s appraised land value. The Historic Neighborhood zone encompasses these examples.

Five-year review — due by 2027

Section 142-166 calls for a review of the park development fee every five years — due by 2027. Preliminary review shows an increase may be warranted based on current construction costs. Staff will bring this to a future work session.

Single-family	Multifamily
$1,400 → **$3,192**	$1,600 → **$2,612**
current → 2025–26 construction cost	*current → 2025–26 construction cost*

Questions?

Dakota Cryer · Parks Construction Project Coordinator · City of McKinney