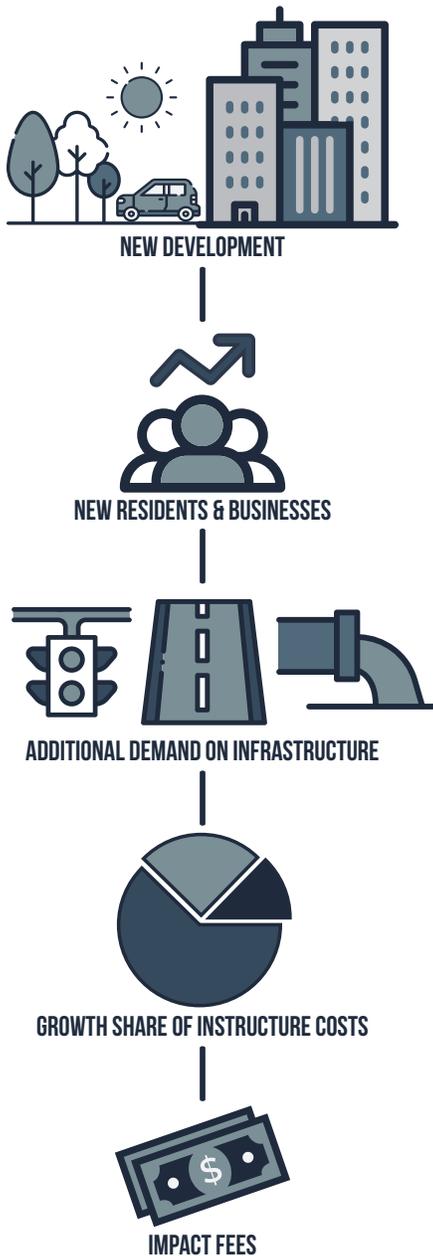


# IMPACT FEES IN MCKINNEY



## What are Impact Fees?

Impact fees are fees that are collected by the city to help pay for building infrastructure (roads, water lines, and sanitary sewer lines) that is needed to support future growth and development. Impact fees have been used in some communities in the United States for over 50 years.

## Who pays Impact Fees?

Impact fees are paid by new development and they're collected by the city prior to issuing a building permit.

## Why are Impact Fees needed?

Without impact fees, the cost of building the infrastructure needed to support growth would shift to the taxpayers primarily through increases in the tax rate. Impact fees allow the city to ask new developments to pay for their impact rather than asking tax payers to pay for this impact.

## Why are Impact Fees different between cities?

Impact fees are largely based on what infrastructure must be built to support anticipated future development. Because every city is a different size, different in their life cycle (ex: growth, redevelopment, decline), and have different infrastructure needs, each city's impact fees will need to be different. Also, state law lays out clear parameters regarding how fees are set and collected.

## NEED MORE INFORMATION?

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# IMPACT FEES IN MCKINNEY

## What is the process for updating Impact Fees?

### *Land Use Assumptions*

The city projects residential and non-residential growth for the next ten years to determine how much additional infrastructure is needed.

### *Capital Improvements Planning*

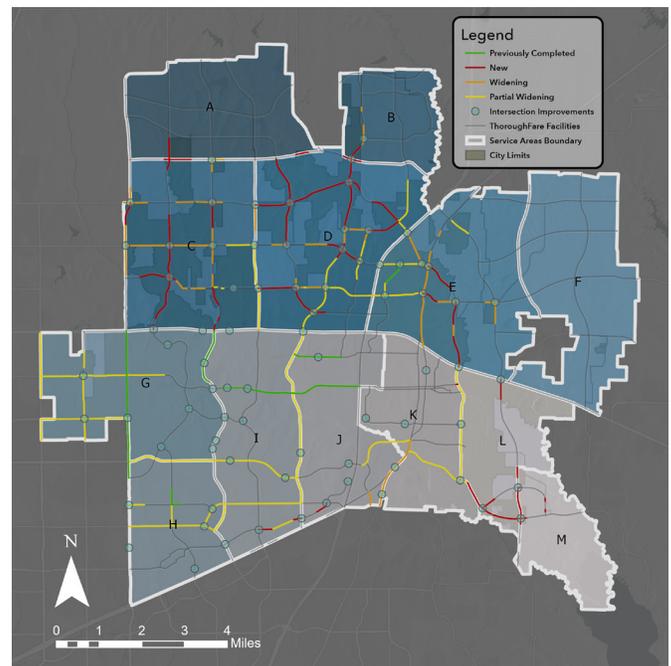
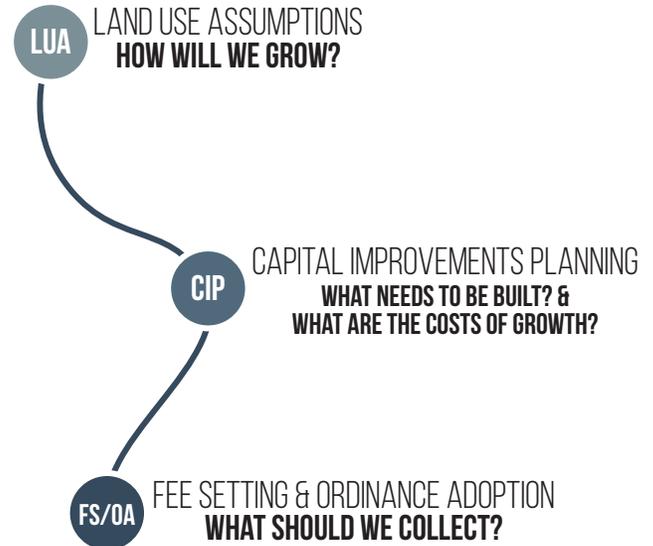
The city then identifies the specific infrastructure projects that will need to be constructed based on the Land Use Assumptions.

### *Fee Setting / Adopting the Amended Ordinance*

The final phase of the process includes the majority of discussion as the City Council considers the actual fee amounts to charge, the timing any fee increases, and overall improvements to how the fees are charged.

## Why do Impact Fees have to be updated?

Chapter 395 of the Texas Local Government Code states that impact fees must be reviewed and updated at least every 5 years. The City of McKinney last performed a review and update of impact fees in 2013. Accordingly, the City of McKinney initiated the 2018 -2019 Impact Fee Update in the winter of 2018.



*Capital Improvements Plan for Impact Fees*

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