



24-0001M

**TITLE:** Conduct a Public Hearing to Consider/Discuss/Act on the Semiannual Report with Respect to the Progress of the Capital Improvements Plan for Roadway and Utility Impact Fees

**COUNCIL GOAL:** Operational Excellence  
(2B: Balance Available Resources to Accommodate the Growth and Maintenance Needs of the City)

**MEETING DATE:** May 28, 2024

**DEPARTMENT:** Planning Department

**CONTACT:** Aaron Bloxham, AICP, Principal Planner

**APPROVAL PROCESS:** The recommendation and minutes from the Capital Improvements Advisory Committee meeting will be forwarded to the City Council on June 18, 2024.

**STAFF RECOMMENDATION:** Staff recommend filing of the semiannual report with respect to the progress of the Capital Improvements Plan for roadway and utility impact fees.

**ITEM SUMMARY:** Staff is presenting the 2024 mid-year semiannual report on the progress of the Capital Improvements Plan for roadway and utility impact fees as required by Chapter 395 of the Texas Local Government Code. Staff has established a schedule of presenting the semiannual report at the mid-point of the fiscal year as well as at the end of the fiscal year (the fiscal year being October to September). The 2023 and-of-year report was presented at the Capital Improvements Advisory Committee meeting on December 12, 2023 and accepted by City Council on January 2, 2024.

The Planning and Zoning Commission, along with an appointed ETJ representative, act 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.

**Semiannual Report**

The Capital Improvements Plan used for this semiannual report was adopted on December 1, 2020 as part of the 2019 Impact Fee Update. The semiannual report is required to report the progress of the Capital Improvements Plan and report any perceived inequities in the implementation of the CIP. **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 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 ongoing capital improvement projects partially funded by impact fee revenue.

**Construction Costs and Consumer Price Index**

As part of the semiannual report, Staff has included a review of regional construction costs and the national Consumer Price Index.

From March 2023 to March 2024, the Construction Cost Index in the Dallas area increased 2.5%. From the time of the report’s adoption (December 2020) the Construction Cost Index in the Dallas area increased 29.8% (Source: Construction Cost Index at [www.enr.com](http://www.enr.com)).

From March 2022 to March 2023, the Dallas-Fort Worth-Arlington area Consumer Price Index (CPI) increased 3.5%. During the same period, the core CPI, which excludes volatile food and energy prices, increased 3.8% (Source: US Department of Labor, Bureau of Labor Statistics).

**Roadway Impact Fees Fund Activity (MY 23-24)**

<b>Zone</b>	<b>Beginning LTD Balance</b>	<b>YTD Revenues</b>	<b>YTD Project Transfers / Refunds</b>	<b>Balance (including interest) LTD</b>	<b>Allocated to Future Projects</b>	<b>Available Funds LTD</b>
<b>A</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>B</b>	\$49,563	\$108,674	\$0	\$158,237	\$0	\$158,237
<b>C</b>	\$1,000,438	\$122,822	(\$88,828)	\$1,034,432	\$0	\$1,034,432
<b>D</b>	\$4,065,826	\$2,235,799	\$0	\$6,301,625	\$0	\$6,301,625

E	\$1,264,697	\$336,807	\$0	\$1,601,504	\$0	\$1,601,504
F	\$0	\$0	\$0	\$0	\$0	\$0
G	\$128,361	\$0	\$0	\$128,361	\$0	\$128,361
H	\$486,023	\$84,025	\$0	\$570,048	\$0	\$570,048
I	\$363,941	\$193,417	(\$509,277)	\$48,080	\$0	\$48,080
J	\$1,326,149	\$1,716,344	\$0	\$3,042,493	\$0	\$3,042,493
K	\$3,386,360	\$29,281	\$0	\$3,415,641	\$0	\$3,415,641
L	\$581,370	\$54,846	\$0	\$636,216	\$0	\$636,216
M	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$12,652,728</b>	<b>\$4,882,015</b>	<b>(\$598,105)</b>	<b>\$16,936,638</b>	<b>\$0</b>	<b>\$16,936,638</b>

- Totals as of 03/31/2023
- YTD - Year to Date (includes funds for the fiscal year which is October 2023 to September 2024)
- LTD - Live to Date (includes balance funds from previous years)
- Allocated funds may exceed balance funds in cases where future fee revenue will fund a specific project
- As of October 1, 2013, interest earned on Roadway Impact Fee revenues is deposited directly into the Street Construction Fund.

#### Utility Impact Fees Fund Activity (MY 23-24)

Utility Impact Fee Account	Beginning LTD Balance	Fees Collected YTD	Transfers out to Projects	Allocated to Future Projects	Available Funds LTD
Water	\$4,289,542	\$3,228,196	\$0	\$0	\$7,517,738
Wastewater	\$2,907,587	\$2,282,161	\$0	\$0	\$5,189,748
<b>Total</b>	<b>\$7,197,129</b>	<b>\$5,510,357</b>	<b>\$0</b>	<b>\$0</b>	<b>\$12,707,486</b>

- Totals as of 9/30/2023
- "Water and Wastewater Fees Collected YTD" include fees collected within the Trinity Falls Municipal Utility District
- YTD - Year to Date (includes funds for the fiscal year which is October 2023 to September 2024)
- LTD - Live to Date (includes balance funds from previous years)
- Allocated funds may exceed balance funds in cases where future fee revenue will fund future projects.

#### CIP PROJECT STATUS (FY 2022-2023)

The CIP Roadway and Utility Projects List is included as an attachment to this report and lists Capital Improvement Program roadway and utility projects for which impact fee funds have been allocated and/or spent during this fiscal year.

#### SUMMARY OF PREVIOUS FISCAL YEARS

##### Roadway Impact Fees Fund Activity (EOY 22-23)

Zone	Beginning LTD Balance	YTD Revenues	YTD Project Transfers / Refunds	Balance (including interest) LTD	Allocated to Future Projects	Available Funds LTD
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A	\$0	\$0	\$0	\$0	\$0	\$0
B	\$47,809	\$1,754	\$0	\$49,563	\$0	\$49,563
C	\$505,048	\$495,390	\$0	\$1,000,438	\$0	\$1,000,438
D	\$4,822,038	\$5,743,788	(\$6,500,000)	\$4,065,826	\$0	\$4,065,826
E	\$1,358,999	\$1,252,093	(\$1,350,000)	\$1,261,092	\$3,605	\$1,264,697
F	\$0	\$0	\$0	\$0	\$0	\$0
G	\$31,110	\$152,698	(\$100,000)	\$83,808	\$44,554	\$128,361
H	\$437,145	\$648,878	(\$600,000)	\$486,023	\$0	\$486,023
I	\$1,032,666	\$1,631,275	(\$2,300,000)	\$363,941	\$0	\$363,941
J	\$648,589	\$677,560	\$0	\$1,326,149	\$0	\$1,326,149
K	\$1,609,962	\$2,276,398	(\$500,000)	\$3,386,360	\$0	\$3,386,360
L	\$515,972	\$65,398	\$0	\$581,370	\$0	\$581,370
M	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$11,009,336</b>	<b>\$12,945,232</b>	<b>(\$11,350,000)</b>	<b>\$12,604,569</b>	<b>\$48,159</b>	<b>\$12,652,728</b>

- Totals as of 9/30/2023
- YTD - Year to Date (includes funds for the fiscal year which is October 2022 to September 2023)
- LTD - Live to Date (includes balance funds from previous years)
- Allocated funds may exceed balance funds in cases where future fee revenue will fund a specific project
- As of October 1, 2013, interest earned on Roadway Impact Fee revenues is deposited directly into the Street Construction Fund.

#### Utility Impact Fees Fund Activity (EOY 22-23)

Utility Impact Fee Account	Beginning LTD Balance	Fees Collected YTD	Transfers out to Projects	Allocated to Future Projects	Available Funds LTD
<b>Water</b>	\$5,162,299	\$7,392,243	(\$8,800,000)	\$535,000	\$4,289,542
<b>Wastewater</b>	\$3,360,338	\$5,347,249	(\$5,800,000)	\$0	\$2,907,587
<b>Total</b>	<b>\$8,522,637</b>	<b>\$12,739,493</b>	<b>(\$14,600,000)</b>	<b>\$535,000</b>	<b>\$7,197,129</b>

- Totals as of 9/30/2023
- "Water and Wastewater Fees Collected YTD" include fees collected within the Trinity Falls Municipal Utility District
- YTD - Year to Date (includes funds for the fiscal year which is October 2022 to September 2023)
- LTD - Live to Date (includes balance funds from previous years)
- Allocated funds may exceed balance funds in cases where future fee revenue will fund future projects.

#### Roadway Impact Fees Fund Activity (EOY 21-22)

Zone	Beginning LTD Balance	YTD Revenues	YTD Project Transfers / Refunds	Balance (including interest) LTD	Allocated to Future Projects	Available Funds LTD
A	\$0	\$0	\$0	\$0	\$0	\$0
B	\$0	\$47,809	\$0	\$47,809	\$0	\$47,809
C	\$751,990	\$403,058	(\$650,000)	\$505,048	\$0	\$505,048
D	\$291,446	\$4,830,592	(\$300,000)	\$4,822,038	\$0	\$4,822,038
E	\$248,719	\$1,310,280	(\$200,000)	\$1,358,999	\$0	\$1,358,999
F	\$0	\$0	\$0	\$0	\$0	\$0

<b>G</b>	\$60,061	\$21,049	(\$50,000)	\$31,110	\$0	\$31,110
<b>H</b>	\$462,163	\$421,055	(\$446,072)	\$437,145	\$0	\$431,445
<b>I</b>	\$753,920	\$978,746	(\$700,000)	\$1,032,666	\$0	\$1,027,681
<b>J</b>	\$1,429,389	\$457,979	(\$1,238,779)	\$648,589	\$0	\$648,589
<b>K</b>	\$2,586,903	\$1,099,687	(\$2,076,628)	\$1,609,962	(\$500,000)	\$1,109,962
<b>L</b>	\$54,932	\$511,040	(\$50,000)	\$515,972	\$0	\$515,972
<b>M</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$6,639,521</b>	<b>\$10,081,295</b>	<b>(\$5,711,479)</b>	<b>\$11,009,336</b>	<b>(\$500,000)</b>	<b>\$10,509,336</b>

- Totals as of 9/30/2022
- YTD - Year to Date (includes funds for the fiscal year which is October 2021 to September 2022)
- LTD - Live to Date (includes balance funds from previous years)
- Allocated funds may exceed balance funds in cases where future fee revenue will fund a specific project
- As of October 1, 2013, interest earned on Roadway Impact Fee revenues is deposited directly into the Street Construction Fund.

### Utility Impact Fees Fund Activity (EOY 21-22)

Utility Impact Fee Account	Beginning LTD Balance	Fees Collected YTD	Transfers out to Projects	Allocated to Future Projects	Available Funds LTD
<b>Water</b>	\$3,274,854	\$5,006,039	(\$3,118,594)	\$0	\$5,162,299
<b>Wastewater</b>	\$972,670	\$3,368,480	(\$980,813)	\$0	\$3,360,338
<b>Total</b>	<b>\$4,247,524</b>	<b>\$8,374,519</b>	<b>(\$4,099,407)</b>	<b>\$0</b>	<b>\$8,522,637</b>

- Totals as of 9/30/2022
- "Water and Wastewater Fees Collected YTD" include fees collected within the Trinity Falls Municipal Utility District
- YTD - Year to Date (includes funds for the fiscal year which is October 2021 to September 2022)
- LTD - Live to Date (includes balance funds from previous years)
- Allocated funds may exceed balance funds in cases where future fee revenue will fund future projects.

### Roadway Impact Fees Fund Activity (EOY 20-21)

Zone	Beginning LTD Balance	YTD Revenues	YTD Project Transfers / Refunds	Balance (including interest) LTD	Allocated to Future Projects	Available Funds LTD
<b>A</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>B</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>C</b>	\$2,266,059	\$789,899	(\$2,200,000)	\$855,958	(\$650,000)	\$205,958
<b>D</b>	\$419,568	\$771,877	(\$900,000)	\$291,446	\$0	\$291,446
<b>E</b>	\$1,720,075	\$28,644	(\$1,500,000)	\$248,719	(\$200,000)	\$48,719
<b>F</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>G</b>	\$290,963	\$69,098	(\$300,000)	\$60,061	\$0	\$60,061
<b>H</b>	\$508,991	\$503,172	(\$550,000)	\$462,163	\$0	\$462,163
<b>I</b>	\$1,085,940	\$491,416	(\$823,437)	\$633,943	\$0	\$633,943
<b>J</b>	\$2,662,962	\$538,677	(\$1,772,250)	\$1,401,639	(\$1,000,000)	\$401,639
<b>K</b>	\$2,635,806	\$351,096	(\$400,000)	\$2,586,903	(\$700,000)	\$1,886,903

L	\$54,932	\$0	\$0	\$54,932	(\$50,000)	\$4,932
M	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$11,645,295</b>	<b>\$3,543,880</b>	<b>(\$8,445,687)</b>	<b>\$6,595,762</b>	<b>(\$2,600,000)</b>	<b>\$3,995,762</b>

Note: Fiscal Year Totals as of September 30, 2021

#### Utility Impact Fees Fund Activity (EOY 20-21)

Utility Impact Fee Account	Beginning LTD Balance	Fees Collected YTD	Transfers out to Projects	Allocated to Future Projects	Available Funds LTD
Water	\$4,803,243	\$2,171,612	(\$3,700,000)	\$0	\$3,274,854
Wastewater	\$664,031	\$308,639	\$0	\$0	\$972,670
<b>Total</b>	<b>\$5,467,274</b>	<b>\$2,480,251</b>	<b>(\$3,700,000)</b>	<b>\$0</b>	<b>\$4,247,524</b>

Note: Fiscal Year Totals as of September 30, 2021

#### Roadway Impact Fees Fund Activity (FY 19-20)

Zone	Beginning LTD Balance	YTD Revenues	YTD Project Transfers / Refunds	Balance (including interest) LTD	Allocated to Future Projects	Available Funds LTD
A	\$0	\$0	\$0	\$0	\$0	\$0
B	\$0	\$0	\$0	\$0	\$0	\$0
C	\$1,784,813	\$481,245	\$0	\$2,266,059	(\$2,000,000)	\$266,059
D	\$131,981	\$287,587	\$0	\$419,568	(\$100,000)	\$319,568
E	\$129,689	\$1,590,386	\$0	\$1,720,075	(\$1,500,000)	\$220,075
F	\$0	\$0	\$0	\$0	\$0	\$0
G	\$448,086	\$142,048	(\$300,000)	\$290,134	(\$200,000)	\$90,134
H	\$293,933	\$192,120	\$3,083	\$489,135	(\$450,000)	\$39,135
I	\$5,189,968	\$595,972	(\$4,700,000)	\$1,085,940	(\$500,000)	\$585,940
J	\$2,179,356	\$2,483,606	(\$2,000,000)	\$2,662,962	(\$500,000)	\$2,162,962
K	\$779,111	\$2,206,695	(\$350,000)	\$2,635,806	\$0	\$2,635,806
L	\$5,532	\$49,400	\$0	\$54,932	\$0	\$54,932
M	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$10,942,468</b>	<b>\$8,029,060</b>	<b>(\$7,346,917)</b>	<b>\$11,624,611</b>	<b>(\$5,250,000)</b>	<b>\$6,374,611</b>

Note: Fiscal Year Totals as of September 30, 2020

#### Utility Impact Fees Fund Activity (FY 19-20)

Utility Impact Fee Account	Beginning LTD Balance	Fees Collected YTD	Transfers out to Projects	Allocated to Future Projects	Available Funds LTD
Water	\$4,545,014	\$2,486,506	(\$2,235,000)	(\$4,200,000)	\$596,520
Wastewater	\$1,368,844	\$295,187	(\$1,000,000)	\$0	\$664,031
<b>Total</b>	<b>\$5,913,858</b>	<b>\$2,781,693</b>	<b>(\$3,235,000)</b>	<b>(\$4,200,000)</b>	<b>\$1,260,550</b>

Note: Fiscal Year Totals as of September 30, 2020

**SUPPORTING MATERIALS:**

[Presentation](#)

[FY23-24 Mid-Year Semiannual Impact Fee Report](#)