



# CITY OF MCKINNEY, TEXAS

## Legislation Text

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**File #:** 23-0986, **Version:** 1

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Consider/Discuss/Act on a Resolution Authorizing the City Manager to Execute a Roadway Impact Fee Reimbursement Agreement with Eastgroup Properties, LP, for the Construction of Portions of Collin McKinney Parkway and Hardin Boulevard and Dedication of Right-of-Way, Serving an Approximately 27.64 Acre Industrial Development (McKinney 121), Generally Located on the North Side of Collin McKinney Parkway and the West Side of Hardin Boulevard

**COUNCIL GOAL:** Direction for Strategic and Economic Growth  
(1A: Establish regional infrastructure incentives to increase economic growth)

**MEETING DATE:** December 5, 2023

**DEPARTMENT:** Development Services

**CONTACT:** Gary Graham, P.E., Director of Engineering  
Brandon Opiela, Business and Data Analytics Manager

**RECOMMENDED CITY COUNCIL ACTION:**

- Approval of the Resolution

**ITEM SUMMARY:**

- This item authorizes the City Manager to enter into a roadway impact fee reimbursement agreement with Eastgroup Properties, LP, for the construction of portions of Collin McKinney Parkway and Hardin Boulevard and the dedication of right-of-way, generally located on the north side of Collin McKinney Parkway and the west side of Hardin Boulevard.
- In conjunction with the development of Phase 1 and 2 of the McKinney 121 industrial development (approximately 27.64 acres), the applicant was required to construct two west bound lanes of Collin McKinney Parkway (extending approximately 984 linear feet), two east bound lanes of Collin McKinney Parkway (extending approximately 275 linear feet), a southbound right turn lane on Hardin Boulevard (extending approximately 253 linear feet), a northbound left turn lane on Hardin Boulevard (extending approximately 347 linear feet) and to dedicate the respective rights-of-way (all of which are roadway impact fee credit eligible and shown on the attached roadway construction exhibit).
- The developer spent a total of \$1,167,791.00 constructing the roadway sections described above.
- The developer also paid a total of \$453,758.00 in roadway impact fees in conjunction with the

permitting of four (4) industrial/warehouse spec buildings across Phases 1 and 2 of the development.

- Since the maximum assessable roadway impact fee for the development per ordinance is \$1,286,636.00, and the total amount spent by the developer constructing the required roadways and paying the associated roadway impact fees (\$1,621,549.00) exceeds the maximum assessable amount, a reimbursement of the difference (\$334,913.00) is necessary.
- Roadway Impact Fee Agreements following the standard template language can be approved administratively. However, the reimbursement of fees above the max assessable amount required additional language to be built into the agreement, thus requiring City Council approval.

**BACKGROUND INFORMATION:**

- The associated record plat for McKinney Hardin Phase 1 Addition (PLAT2021-0170) has been filed and the record plat for McKinney Hardin Phase 2 Addition (PLAT2022-0222) has been approved and may be filed once all required public improvements have been installed and accepted by the City.

**FINANCIAL SUMMARY:**

- The developer paid a total of \$453,758.00 in roadway impact fees for Phases 1 and 2 of the McKinney 121 development.
- The developer spent a total of \$1,167,791.00 in construction costs building the impact fee eligible roadways required for the development.
- The delta between the maximum assessable roadway impact fee (\$1,286,636.00) and the total amount spent by the developer (\$1,621,549.00) constructing the required roadways and roadway impact fees is \$334,913.00.
- Upon the dedication, construction and acceptance of the roadway sections contemplated within the proposed agreement, the total amount reimbursed will be \$334,913.00.
- The total amount to be reimbursed is currently available in the respective Service Area account (024-0000-365.32-37 CAPITAL RECOVERY-ROADWAY / ZONE I).

**BOARD OR COMMISSION RECOMMENDATION:**

- N/A