



23-0003M2

TITLE: Consider/Discuss/Act on a Resolution to Accept and File the Semiannual Impact Fee 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: June 20, 2023

DEPARTMENT: Planning Department

CONTACT: Jennifer Arnold, AICP, Director of Planning
Aaron Bloxham, Principal Planner

RECOMMENDED CITY COUNCIL ACTION:

- Staff recommends approval of the resolution.

ITEM SUMMARY:

- Staff is presenting the 2023 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 2022 end-of-year report was presented at the Capital Improvements Advisory Committee meeting on December 13, 2022 and accepted by City Council on January 3, 2023.
- The item was reviewed by the Capital Improvements Advisory Committee on May 23, 2023. The Commission voted 8-0-0 to recommend filing of the Semiannual Report. The comments of the Capital Improvements Advisory Committee are included in the Semiannual Report.
- The Capital Improvement Plan used for this semiannual report was last adopted on December 1, 2020 as part of the 2019 Impact Fee Update.

- **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 Semiannual Report includes the following:
 - Executive Summary
 - Capital Improvements Advisory Committee Staff Report
 - Capital Improvements Advisory Committee Meeting Minutes
 - Capital Improvements Advisory Committee Meeting Presentation
 - CIP Roadway and Utility Improvements Project List FY 22-23
 - Appendix
- 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 recently completed and ongoing capital improvement projects.
- From March 2022 to March 2023, the Construction Cost Index in the Dallas area increased 4.3%. From the time of the report's adoption (December 2020) the Construction Cost Index in the Dallas area increased 26.7% (Source: Construction Cost Index at www.enr.com).
- From March 2022 to March 2023, the Dallas-Fort Worth-Arlington area Consumer Price Index (CPI) increased 5.0%. During the same period, the core CPI, which excludes volatile food and energy prices, increased 5.6% (Source: US Department of Labor, Bureau of Labor Statistics). According to the Bureau of labor statistics, this has been the smallest 12-month increase for all items since May 2021.
- Staff feels that the impact fee schedule currently in place is commensurate with trends in construction costs and inflation rates.

BACKGROUND INFORMATION:

- 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.

BOARD OR COMMISSION RECOMMENDATION:

- On May 23, 2023, the Capital Improvements Advisory Committee voted 8-0-0 to recommend filing of the Semiannual Impact Fee Report.

SUPPORTING MATERIALS:

[5.23.23 CIAC Minutes](#)

[Resolution](#)

[Exhibit A \(Semiannual Report\)](#)

[Semiannual Report Appendix](#)