



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 22-0004M, Version: 1

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 10, 2022

DEPARTMENT: Planning Department

CONTACT: Aaron Bloxham, Principal Planner

APPROVAL PROCESS: The recommendation and minutes from the Capital Improvements Advisory Committee meeting will be forwarded to the City Council on June 7, 2022.

STAFF RECOMMENDATION: Staff recommends 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 2022 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 2021 end-of-the-year report was presented at the Capital Improvements Advisory Committee meeting on December 14, 2021 and accepted by City Council on January 4, 2022.

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 2021 to March 2022, the Construction Cost Index in the Dallas area increased 18.6%. From the time of the report's adoption (December 2020) the Construction Cost Index in the Dallas area increased 21.5% (Source: Construction Cost Index at www.enr.com).

From March 2021 to March 2022, the Dallas-Fort Worth-Arlington area Consumer Price Index (CPI) increased 8.5%. During the same period, the core CPI, which excludes volatile food and energy prices, increased 6.5% (Source: US Department of Labor, Bureau of Labor Statistics). According to the Bureau of labor statistics, this has been the largest annual increase since the period ending December 1981.

Roadway Impact Fees Fund Activity (MY 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 | \$314,430 | (\$650,000) | \$416,420 | \$0 | \$416,420 |
| D | \$291,446 | \$3,972,015 | \$0 | \$4,263,461 | \$0 | \$4,263,461 |
| E | \$248,719 | \$911,370 | \$0 | \$1,160,089 | \$0 | \$1,160,089 |
| F | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| G | \$60,061 | \$0 | (\$50,000) | \$10,061 | \$0 | \$10,061 |
| H | \$462,163 | \$100,626 | (\$450,000) | \$112,789 | \$0 | \$112,789 |
| I | \$753,920 | \$774,424 | \$0 | \$1,528,344 | \$0 | \$1,528,344 |
| J | \$1,429,389 | \$34,997 | (\$1,000,000) | \$464,386 | \$0 | \$464,386 |
| K | \$2,586,903 | \$141,778 | (\$700,000) | \$2,028,681 | \$0 | \$2,028,681 |
| L | \$54,932 | \$511,040 | (\$50,000) | \$515,972 | \$0 | \$515,972 |
| M | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| | | | | | | |
|--------------|--------------------|--------------------|----------------------|---------------------|------------|---------------------|
| TOTAL | \$6,639,521 | \$6,808,489 | (\$2,900,000) | \$10,548,010 | \$0 | \$10,548,010 |
|--------------|--------------------|--------------------|----------------------|---------------------|------------|---------------------|

- Totals as of 3/31/2022
- 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 (MY 21-22)

| Utility Impact Fee Account | Beginning LTD Balance | Fees Collected YTD | Transfers out to Projects | Allocated to Future Projects | Available Funds LTD |
|----------------------------|-----------------------|--------------------|---------------------------|------------------------------|---------------------|
| Water | \$3,274,854 | \$2,301,094 | (\$3,200,000) | \$0 | \$2,375,948 |
| Wastewater | \$972,670 | \$1,506,603 | (\$730,813) | \$0 | \$1,748,460 |
| Total | \$4,247,524 | \$3,807,696 | (\$3,930,813) | \$0 | \$4,124,408 |

- Totals as of 3/31/2022
- "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.

CIP PROJECT STATUS (FY 2021-2022)

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 20-21)

| 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 | \$2,266,059 | \$789,899 | (\$2,200,000) | \$855,958 | (\$650,000) | \$205,958 |
| D | \$419,568 | \$771,877 | (\$900,000) | \$291,446 | \$0 | \$291,446 |
| E | \$1,720,075 | \$28,644 | (\$1,500,000) | \$248,719 | (\$200,000) | \$48,719 |
| F | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| G | \$290,963 | \$69,098 | (\$300,000) | \$60,061 | \$0 | \$60,061 |
| H | \$508,991 | \$503,172 | (\$550,000) | \$462,163 | \$0 | \$462,163 |
| I | \$1,085,940 | \$491,416 | (\$823,437) | \$633,943 | \$0 | \$633,943 |
| J | \$2,662,962 | \$538,677 | (\$1,772,250) | \$1,401,639 | (\$1,000,000) | \$401,639 |
| K | \$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 |
| TOTAL | \$11,645,295 | \$3,543,880 | (\$8,445,687) | \$6,595,762 | (\$2,600,000) | \$3,995,762 |

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 |
| Total | \$5,467,274 | \$2,480,251 | (\$3,700,000) | \$0 | \$4,247,524 |

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 |
| TOTAL | \$10,942,468 | \$8,029,060 | (\$7,346,917) | \$11,624,611 | (\$5,250,000) | \$6,374,611 |

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 |
| Total | \$5,913,858 | \$2,781,693 | (\$3,235,000) | (\$4,200,000) | \$1,260,550 |

Note: Fiscal Year Totals as of September 30, 2020

Roadway Impact Fees Fund Activity (FY18-19)

| 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 | \$1,393,412 | \$391,401 | \$0 | \$1,784,813 | \$0 | \$1,784,813 |
| D | \$1,031,171 | \$100,810 | (\$1,000,000) | \$131,981 | \$0 | \$131,981 |
| E | \$238,160 | \$54,198 | (\$162,669) | \$129,689 | \$0 | \$129,689 |
| F | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| G | \$959,670 | \$188,416 | (\$700,000) | \$448,086 | (\$300,000) | \$148,086 |
| H | \$582,457 | \$211,475 | (\$500,000) | \$293,933 | \$0 | \$293,933 |
| I | \$5,722,023 | \$743,643 | (\$1,276,408) | \$5,189,258 | (\$4,700,000) | \$489,258 |
| J | \$1,270,480 | \$781,584 | \$127,293 | \$2,179,356 | \$0 | \$2,179,356 |
| K | \$251,465 | \$527,646 | \$0 | \$779,111 | (\$350,000) | \$429,111 |
| L | \$1 | \$5,531 | \$0 | \$5,532 | \$0 | \$5,532 |
| M | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| TOTAL | \$11,448,838 | \$3,004,705 | (\$3,511,784) | \$10,941,759 | (\$5,350,000) | \$5,591,759 |

Note: Fiscal Year Totals as of September 30, 2019

Utility Impact Fees Fund Activity (FY18-19)

| Utility Impact Fee Account | Beginning LTD Balance | Fees Collected YTD | Transfers out to Projects | Allocated to Future Projects | Available Funds LTD |
|----------------------------|-----------------------|--------------------|---------------------------|------------------------------|---------------------|
| Water | \$7,760,359 | \$2,584,655 | (\$5,800,000) | (\$3,200,000) | \$1,345,014 |
| Wastewater | \$2,525,868 | \$292,976 | (\$1,450,000) | (\$1,200,000) | \$168,844 |
| Total | \$10,286,227 | \$2,877,631 | (\$7,250,000) | (\$4,400,000) | \$1,513,858 |

Note: Fiscal Year Totals as of September 30, 2019

Roadway Impact Fees Fund Activity (FY17-18)

| 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 | \$357,063 | \$536,350 | \$500,000 | \$1,393,412 | \$0 | \$1,393,412 |
| D | \$92,602 | \$1,338,569 | (\$400,000) | \$1,031,171 | \$0 | \$1,031,171 |
| E | \$107,317 | \$830,843 | (\$700,000) | \$238,160 | \$0 | \$238,160 |
| F | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| | | | | | | |
|--------------|--------------------|--------------------|--------------------|---------------------|------------|---------------------|
| G | \$1,001,682 | \$257,988 | (\$300,000) | \$959,670 | \$0 | \$959,670 |
| H | \$438,512 | \$143,945 | \$0 | \$582,457 | \$0 | \$582,457 |
| I | \$3,279,348 | \$2,421,629 | \$21,046 | \$5,722,023 | \$0 | \$5,722,023 |
| J | \$1,145,133 | \$103,795 | \$21,552 | \$1,270,480 | \$0 | \$1,270,480 |
| K | \$89,658 | \$181,785 | (\$19,979) | \$251,465 | \$0 | \$251,465 |
| L | \$1 | \$0 | \$0 | \$1 | \$0 | \$1 |
| M | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| TOTAL | \$6,511,315 | \$5,814,904 | (\$877,381) | \$11,448,839 | \$0 | \$11,448,839 |

Note: Fiscal Year Totals as of September 30, 2018

Utility Impact Fees Fund Activity (FY 17-18)

| Utility Impact Fee Account | Beginning LTD Balance | Fees Collected YTD | Transfers out to Projects/ Refunds YTD | Allocated to Future Projects | Available Funds LTD |
|----------------------------|-----------------------|--------------------|--|------------------------------|---------------------|
| Water | \$7,216,255 | \$3,140,034 | (\$2,595,930) | \$0 | \$7,760,359 |
| Wastewater | \$2,199,025 | \$351,091 | (\$24,248) | \$0 | \$2,525,868 |
| Total | \$9,415,280 | \$3,491,126 | (\$2,620,178) | \$0 | \$10,286,227 |

Note: Fiscal Year Totals as of September 30, 2018