

Planning and Zoning Commission Meeting Minutes of March 14, 2017:

17-006Z3 Conduct a Public Hearing to Consider/Discuss/Act on a Request to Rezone the Subject Property from "PD" - Planned Development District to "PD" - Planned Development District, to Allow for Single Family Residential Uses, Located on the Southeast Corner of Crutcher Crossing and Virginia Parkway

Ms. Melissa Spriegel, Planner I for the City of McKinney, explained the proposed rezoning request. She stated that the applicant was requesting to rezone an approximately 5.57 acre tract of land from "PD" – Planned Development District to "PD" – Planned Development District, generally to amend the existing zoning ordinance to allow for single family residential uses on the subject property. Ms. Spriegel stated that if single family uses developed on the subject property, they shall develop in accordance with the "SF5" – Single Family Residential District. She stated that although the proposed rezoning request would amend the governing "PD" - Planned Development Ordinance to allow single family residential uses in addition to the existing non-residential uses allowed, Staff has concerns that this could potentially erode the non-residential tax base in this area. Ms. Spriegel stated that the development of single family residential uses was not in conformance with the City of McKinney's Comprehensive Plan, which shows the area developing for office uses. She stated that given the property's location along Virginia Parkway, as well as the development of the adjacent properties to the east and west for office and commercial uses, Staff recommended denial of the proposed rezoning request. Ms. Spriegel offered to answer questions. There were none.

Mr. Warren Hilla, Dynamic Engineering, 1301 S. Central Expressway, Allen, TX, explained the proposed rezoning request. He stated that to the east of the subject property there was a dentist office and a title company, to the west a senior living facility was currently under construction, and to the north and south were residential uses. Mr. Hilla stated that the subject property was approximately 5.5 acres. He stated that the property currently was used for agricultural uses as it was vacant; however, the property was zoned for office uses. Mr. Hilla stated that there is access from Virginia Parkway and Crutcher Crossing. He stated that the topography generally slopes from the north to the south with an approximately 30' drop. Mr. Hilla stated that there were utilities adjacent to the property. He stated that there should not be any issues with having the utilities for the subject property if they develop residential uses on it. Mr. Hilla stated that they were proposing to develop 11 lots that range from approximately 0.20 – 0.34 acres each. He stated that they were proposing to develop approximately 4 acres of the subject property. Mr. Hilla stated that they would be preserving approximately 1.5 acres of the property that has the natural creek and trees to be a natural buffer area to the adjacent property to the south. He stated that they propose to have one access point coming off of Crutcher Crossing, which would be directly across from the senior living facility. Mr. Hilla stated that they were also proposing an emergency access that would connect to the dentist office's fire lane to the east. He stated that they made arrangements to try to meet with the residential neighbors again. Mr. Hilla stated that the surrounding neighbors were in support of the request and some had provided letters of support. He stated that the surrounding residential property owners stated that they do not want commercial uses on the subject property. Mr. Hilla stated that the neighbors had fought other applications in

the general area on previous occasions. He stated that there was a potential for an increase in surrounding property values. Mr. Hilla stated that there could be a potential decrease in traffic with the development of 11 houses compared to a commercial use. He stated that there were ten residential subdivisions that abut Virginia Parkway within three miles of the subject property. Mr. Hilla stated that they would be providing screening and buffering as required by the City to provide a sound barrier between Virginia Parkway and the residential properties. He stated that the product that they were proposing to build on the lots was a high quality house.

Mr. Charles McKissick, Real Estate Services, 1833 W. Hunt Street, McKinney, TX, distributed an economic tax base handout to the Commission Members prior to speaking. He stated that he was the real estate broker for the subject property. Mr. McKissick stated that he had operated in the real estate business for over 30 years. He stated that his handout showed the proposed use's tax value to be \$7,700,000 for eleven residential uses valued at \$700,000 each. He stated that the two adjacent dental buildings yielded a combined tax value of \$1,364,413 in 2016, which produced \$27,519 in taxes to the City. Mr. McKissick stated that if they were able to sell the subject property to a developer for another use, then he felt the property would develop as something similar to the professional office space like the adjacent dental offices. He stated that they had this property on the market for approximately 20 years. Mr. McKissick stated that this tract and the 14 acre tract on the corner have topographical issues. He stated that the best use for the subject property would be a professional office if it develops with a use other than the proposed development. Mr. McKissick explained the handouts and how he came up with the different totals. He stated that the proposed development would be a positive

gain for the City. Mr. McKissick stated that there were only two tracts of the original 1,200 acre Crutcher estate that had yet to be developed in this area. He stated that there were some difficulties in developing these last two tracts. Mr. McKissick asked the Commission Members to take that into consideration. He stated that we have the opportunity to get the 5.5 acres on the tax rolls by adding one more allowable use to the property. Mr. McKissick stated that when they brought the adjoining tract to the west before the Commission, the Council Chamber was full of residents not wanting commercial uses at that location. He stated that now all of these residents were supporting the proposed request for residential uses on the subject property. Mr. McKissick requested a favorable recommendation on the proposed request. He offered to answer questions. There were none.

Chairman Cox opened the public hearing and called for comments. There being none, on a motion by Commission Member Mantzey, seconded by Commission Member Smith, the Commission unanimously voted to close the public hearing, with a vote of 7-0-0.

Vice-Chairman Zepp asked if a tree survey had been completed on the property. He stated that there were a lot of trees outside of the flood plain area. Vice-Chairman Zepp asked if they had researched into what type of mitigation would be required for those trees. Mr. Hilla stated that they did a tree survey, which they presented to the Parks Commission. He stated that they spoke about what the requirements would be on the property. Mr. Hilla stated that they were willing to work with them to meet all of those requirements.

Commission Member Mantzey stated that his position on this request had not changed since it was last presented. He stated that the directive from the City Council was to protect the commercial tax base. Commission Member Mantzey stated that he had nothing against the proposed development, other than the City's directive. He stated that with the housing market being as robust as it is, the City would entertain numerous applications to rezone commercial tracts into residential uses. Commission Member Mantzey stated that some tracts might work well being rezoned. He stated that the subject property being a commercial tract on a six lane road with a traffic light needs to remain commercial or the City Council needs to decide to change it from a commercial tax base to a residential tax base. Commission Member Mantzey stated that local residents might want to see a residential house next to their property; however, the City as a whole complains that we do not have enough commercial uses in the end. He stated that he would support Staff's recommendation of denial of the proposed rezoning request, since he could not support a change for this property.

Alternate Commission Member McReynolds stated that generally he looks at the size of the parcel being discussed, its location, and some other factors when considering rezoning from a commercial use to a residential use. He stated that the subject property was located on a major commercial corridor. Alternate Commission Member McReynolds stated that it was not too big of a lot that it could not be developed commercially. He stated that there was not a lot of commercial uses in this area. Alternate Commission Member McReynolds stated that he would also support Staff's recommendation for denial of the proposed rezoning request.

Vice-Chairman Zepp asked if Mr. McKissick's handout was based off of what was included in the packet. Mr. McKissick said yes.

Vice-Chairman Zepp asked Staff how they came up with the non-residential tax value of \$10,271,303 for the existing zoning on the property. Ms. Samantha Pickett, Planning Manager for the City of McKinney, stated that the fiscal analysis gives a snapshot of what was going on. She stated that she would encourage the Commission Members to also look at the Land Use and Tax Base Summary, which gives a better snapshot of the residential to non-residential breakdown within the City, as well as in this sector. Ms. Pickett stated that the summary gives a better picture of what Staff was evaluating when they were considering these types of requests.

Commission Member Kuykendall stated that her opinion on the request had not changed from the previous presentation. She stated that she would also be in favor of denial of the proposed rezoning request.

Commission Member Cobbel asked Staff about the calculation on how they came up with the \$10,271,303 amount for the non-residential taxable value for the subject property under the existing zoning. Ms. Pickett stated that Staff inputs the information in software that has collected data from the City and it calculates a total. She stated that the software generated the total amount and that Staff could not edit it.

Commission Member Cobbel asked if it was market value as of today. Ms. Pickett stated that the software was probably updated as of 2011 and those would be the totals that we were looking at in the packet.

Commission Member Mantzey stated there were a lot of what ifs. He stated that he would not consider the tax base amounts shown as a decision maker for the proposed

rezoning request. Ms. Pickett stated that was why the Land Use and Tax Base Summary shows a better breakdown, since you were not looking at what it could be but what it actually is.

Commission Member Cobbel stated that we are not currently getting that amount since the property was being use for agricultural purposes right now. Ms. Pickett said that was correct.

Chairman Cox stated that it was interesting that the data the City was providing was six years old. He stated that was a little concerning. Chairman Cox asked if there was a way to receive more current data. He stated that City Council had given a directive on what they would like to see. Chairman Cox stated that based on the size of the property, the location, surrounding property owners' support, and a developer willing to put a product on the ground at a price point that was a better net than the numbers we were given that he could support the proposed rezoning request.

Commission Member Cobbel stated that it was not only a better number, it puts higher value on the tax roll now. She stated that the current agricultural use would not be generating much tax base. Commission Member Cobbel stated that she was in support of the proposed rezoning request.

Commission Member Smith stated that normally she would not be in support of this type of request; however, there were two things that she was taking into consideration. One being that they were really close in the cost and benefit comparison. The second was the surrounding neighborhood concerns expressed at the previous meeting. She stated that when the residents are unhappy with a proposed request that they turn out for the meetings to speak in opposition and when they are in support that

they typically do not show up to the meetings to express an opinion. Commission Member Smith stated that the neighborhood response and the letters of support that we have already received have a bearing. She stated that she was willing to support the proposed rezoning request. Commission Member Smith stated that ultimately it would be City Council's decision. She stated that they all understood Staff's recommendation for denial. Commission Member Smith stated that she could see both sides and understood the concerns about losing commercial tax base. She stated that sometimes there are situations that are unique and warrant some discretionary viewpoints that maybe do not normally fall in the line that she would normally see something.

On a motion by Commission Member Cobbel, seconded by Commission Member Smith, the Commission voted to recommend approval of the proposed rezoning request as requested by the applicant, with a vote of 4-3-0. Commission Members Kuykendall, Mantzey, and McReynolds – Alternate voted against the motion.

Chairman Cox stated that the recommendation of the Planning and Zoning Commission will be forwarded to the City Council meeting on April 4, 2017.