

**AGENDA ITEM**

**TO:** Planning and Zoning Commission

**FROM:** Matt Robinson, AICP, Planning Manager

**SUBJECT:** Conduct a Public Hearing to Consider/Discuss/Act on a Request to Rezone the Subject Property from “ML” – Light Manufacturing and “RG-18” – General Residence District to “PD” – Planned Development District to allow for Multi-Family, Live/Work and Retail Mixed Uses, Generally Located on the Southwest Corner of U.S. Highway 380 (University Drive) and Throckmorton Street

**APPROVAL PROCESS:** The recommendation of the Planning and Zoning Commission will be forwarded to the City Council for final action at the February 21, 2017 meeting.

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**STAFF RECOMMENDATION:** Staff recommends denial of the proposed rezoning request due to lack of conformance with the City of McKinney’s Comprehensive Plan and City Council’s goal of land use patterns that complement one another.

**APPLICATION SUBMITTAL DATE:** September 26, 2016 (Original Application)  
October 17, 2016 (Revised Submittal)  
November 14, 2016 (Revised Submittal)  
November 28, 2016 (Revised Submittal)

**ITEM SUMMARY:** The applicant is requesting to rezone approximately 12.753 acres of land from “ML” – Light Manufacturing and “RG-18” – General Residence District to “PD” – Planned Development District, generally to allow for a mix of multi-family, live/work and retail uses.

On December 13, 2016, the Planning and Zoning Commission voted 7-0-0 to table the item per the applicant’s request.

In an associated application, the applicant has partnered with a Community Development Housing Organization to apply for \$2 million in HOME funds from Texas Department of Housing and Community Affairs (TDHCA) to balance the funding for the Project. As part of their request to TDHCA, the applicant has submitted a request for City support for 9% Tax Credits for the Construction of the Multi-Family units within the development.

On January 17, 2017 City Council approved a resolution of support for the 9% Tax Credit. In City Council’s motion it was noted that this resolution of support for tax credit is in no way indicative of the outcome of the zoning application pending before the Planning and

Zoning Commission and should not be construed as a tacit approval of the zoning application in anyway.

**ZONING:**

Location	Zoning District (Permitted Land Uses)	Existing Land Use
Subject Property	“ML” – Light Manufacturing (Industrial Uses) and “RG-18” – General Residence District (Multi-Family Residential Uses)	Undeveloped Land
North	“ML” – Light Manufacturing (Industrial Uses)	Watson Chalin Manufacturing
South	“RG-18” – General Residence District (Multi-Family Residential Uses)	McKinney Housing Authority
East	“PD” – Planned Development District (Retail and Service Uses) “RG-18” – General Residence District (Multi-Family Residential Uses)	McKinney Fellowship Group, and Single-Family Residences
West	“ML” – Light Manufacturing (Industrial Uses)	Undeveloped Land

**PROPOSED ZONING:** The applicant is requesting to rezone approximately 12.753 acres of land from “ML” – Light Manufacturing and “RG-18” – General Residence District to “PD” – Planned Development District, generally to allow for a mix of multi-family, live/work and retail uses. The governing zoning districts primarily allow for industrial and high density residential uses in accordance with Section 146-90 (“ML” – Light Manufacturing District) and Section 146-78 (“RG-18” – General Residence District) of the Zoning Ordinance. The applicant has indicated their intent to develop the subject property with a mixture of multi-family apartments, live/work dwellings and retail uses.

The applicant has provided a generic concept plan that consists of two development tracts. This was done in lieu of a more detailed concept plan due to a floodplain study needing to be done on the property to establish development limits. Tract 1 is located along U.S. Highway 380 and is proposed to have at least one (1) retail mixed-use building (ground floor retail/commercial uses and upper floors multi-family uses) and one (1) live/work building. The remainder of Tract 1 is to be comprised of multi-family uses. Tract 2 is located along Throckmorton Street and is proposed to consist solely of multi-family uses.

In general, development of the property will be in accordance with standards of MF-3 – Multiple Family Residential Medium High Density District. As part of the proposed development regulations, the applicant has requested deviations from the zoning ordinance requirements related to the maximum building height for multi-family buildings (from 2-stories to 3-stories), enclosed parking spaces (to not require any enclosed spaces), vehicular parking (establishing a parking ratio of 1.7 parking spaces per residential unit as opposed to 1 parking space per unit and 0.5 space per bedroom), and eliminating the perimeter fencing around Tract 1.

The purpose of a “PD” – Planned Development zoning district is to provide for the unified and coordinated development of parcels or tracts of land with flexibility in land use and development standards. However, in order to modify or vary from the provisions of the zoning ordinance, the “PD” must demonstrate a level of exceptional quality or innovation for the development. The applicant has stated as their provision of exceptional quality that the apartments will feature flats on the first floor with two-story studio apartments above, with each dwelling unit having a separate exterior ground floor entrance creating the look and feel of a townhome development rather than a typical garden-style multi-family development.

In Staff’s opinion the proposed rezoning request does not provide for enough retail/commercial development to be truly meaningful. In addition, Staff has concerns about incorporating multi-family uses with limited amounts of commercial and retail use along this portion of U.S. Highway 380 due to the existing developed industrial uses and the established light industrial zoning along this corridor. Given these concerns and the lack of conformance with the City’s Comprehensive Plan, Staff recommends denial of the proposed rezoning request.

**CONFORMANCE TO THE COMPREHENSIVE PLAN:** The Future Land Use Plan (FLUP) designates the subject property for Light Manufacturing uses. The FLUP modules diagram designates the subject property as Town Center within a significantly developed area. The Comprehensive Plan lists factors to be considered when a rezoning is being considered within an undeveloped area:

- **Comprehensive Plan Goals and Objectives:** The proposed rezoning request is generally not in conformance with the goals and objectives of the Comprehensive Plan, particularly “Land Use Compatibility and Mix,” specifically through the objective of “land use patterns that complement one another.”

While Staff recognizes a large portion of the subject property is currently zoned for multi-family uses, the addition of multi-family uses along U.S. Highway 380 is a concern given the existing developed light industrial uses and established “ML” - Light Industrial zoning along the corridor.

- **Impact on Infrastructure:** The proposed rezoning request may have an impact on the existing and planned water, sewer and thoroughfare plans in the area since the land use would change from office to residential uses.

- Impact on Public Facilities/Services: The proposed rezoning request should have an impact on public facilities and service, such as schools, fire and police, libraries, parks and sanitation services, as the land use on a portion of the property will change from industrial uses to additional residential uses requiring additional public services.
- Compatibility with Existing and Potential Adjacent Land Uses: The properties located adjacent to the subject property are zoned and/or used for industrial/manufacturing uses, multi-family uses and single family residential uses. In general, the multi-family uses are compatible with the existing residential uses to the south and east, however Staff has concerns about the viability of retail development and the compatibility of the proposed residential uses along U.S. Highway 380 (University Drive) given the existing industrial uses and “ML” – Light Industrial Zoning along the corridor.
- Fiscal Analysis: Staff did not perform a fiscal analysis for this case because the rezoning request does not alter the base residential zoning of a majority of the subject property. In addition, given the mix of uses and lack of a defined size of those uses on Tract 1, a reasonable assessment could not be determined.

The attached “Land Use and Tax Base Summary” shows that Module 55 is currently comprised of approximately 52% residential uses and 48% non-residential uses (including institutional and agricultural uses). The proposed rezoning request will have an impact on the anticipated land uses in this module. Estimated tax revenues in Module 55 are comprised of approximately 44.9% from residential uses and 55.1% from non-residential uses (including agricultural uses). Estimated tax revenues by type in Module 55 are comprised of approximately 59.4% ad valorem taxes and 40.6% sales and use taxes.

- Concentration of a Use: The proposed rezoning request should not result in an over concentration of residential land uses in the area.

**OPPOSITION TO OR SUPPORT OF REQUEST:** Staff has received no comments or phone calls in support of or opposition to this request.

**ATTACHMENTS:**

- PZ Minutes 12.13.16
- Location Map and Aerial Exhibit
- Letter of Intent
- Comprehensive Plan Maps
- Land Use and Tax Base Summary Map
- Land Use Comparison Table
- Proposed Zoning Exhibit
- Proposed Concept Plan
- Proposed Development Regulations

- PowerPoint Presentation