



**TITLE:** Conduct a Public Hearing to Consider/Discuss on the Request by Shupe Ventura Lindelow & Olson, on Behalf of Central & Fannin Wilson 155, L.L.L.P, on a Petition to Annex Fewer than 154 Acres, Generally Located North and South of Future F.M. 543 and West of U.S. Highway 75 (Central Expressway), and Accompanying Ordinance

**MEETING DATE:** July 16, 2013

**DEPARTMENT:** Planning

**CONTACT:** Michael Quint – Director of Planning  
Brandon Opiela – Planning Manager  
Anthony Satarino - Planner

**RECOMMENDED CITY COUNCIL ACTION:** Conduct the final public hearing regarding a voluntary petition for annexation and approve the annexation request with accompanying ordinance.

- In accordance with the Texas Local Government Code, the City Council held the first public hearing at a special meeting on June 17, 2013 (5:30 p.m.) and held a second public hearing at a regular meeting on June 18, 2013 (6 p.m.). This is the final public hearing for action regarding the petition for annexation, and it is being considered concurrently with an associated zoning/rezoning request (13-099Z) and development agreement (13-120M).

**ITEM SUMMARY:**

- The applicant has submitted a petition for voluntary annexation to the City of McKinney for an approximately 153.62 acre tract of land. The subject property is generally located north and south of future F.M. 543 and west of U.S. Highway 75 (Central Expressway).
- The subject property, if annexed, will be zoned pursuant to a pending zoning case (13-099Z) and in accordance with the associated development agreement (13-120M) which will both be considered at the July 16, 2013 City Council meeting. The associated requests will cover the same area (approximately 153.62 acres) as this annexation request.

- The applicant is requesting the subject property be zoned “PD” – Planned Development District generally to allow for commercial uses (retail and office) and to modify the development standards.
- The subject property is located in the Extraterritorial Jurisdiction (ETJ) of the City of McKinney. The purpose of the ETJ is to promote and protect the general health, safety and welfare of persons residing in and adjacent to the municipalities. The Subdivision Ordinance applies to properties within the ETJ; the Zoning Ordinance does not.
- The subject property is located within the McKinney Independent School District. McKinney ISD has been informed of the proposed annexation.
- Because this annexation is at the request of the property owner, the developer of the subject property will be responsible for extending adequate infrastructure to the subject property as the property is developed. The applicant has executed a development agreement (13-120M) dealing with the provision of services associated with the proposed annexation. The agreement, along with the associated zoning request, will be considered for final action concurrently with the annexation request at the July 16, 2013 City Council meeting.

**BACKGROUND INFORMATION:**

1. Annexation and City Services.

- Due to the fact that the proposed annexation is voluntary, the City can annex the land even though it is not currently on the annexation plan (Texas Local Government Code §43.052 (h) (2)).
- The subject property that is proposed to be annexed is unpopulated.
- The McKinney Fire Department currently provides fire and medical emergency services in this area. Currently, police response is from Collin County. The Texas Local Government Code stipulates that police and fire services must be provided immediately upon annexation (Texas Local Government Code §43.056).
- The Texas Local Government Code stipulates that solid waste collection must be provided immediately upon annexation (Texas Local Government Code §43.056).

2. Public Improvements.

- All necessary public improvements will be required at time of platting, unless specified in an approved facilities agreement.

- The annexation agreements specify that upon development of the subject property, the applicant will be required to satisfy the requirements of the Zoning and Subdivision Ordinances.
- The annexation agreements include a provision requiring the payment of a proportionality fee, which represents a roughly proportional amount necessary to offset the roadway infrastructure capacity needs of the subject property.
- This fee should be the same amount as the roadway impact fee assessed in the adjacent roadway impact fee service area.

#### **FINANCIAL SUMMARY:**

- Annexation of additional property has financial implications for the City.
- Although the developer will be responsible for upgrading roads and extending utilities as development occurs, the long-term maintenance of these facilities will be the City's responsibility.
- The ISO rating determines insurance rates in McKinney. Poor availability of water resources in proposed annexed areas could have a negative impact on ISO ratings.
- An ISO rating is based on a 105 point system:
  - 40 points for water system (supply, distribution, fire flow, hydrants, maintenance, etc.)
  - 50 points for evaluation of the Fire Department itself
  - 10 points for alarm systems
  - 5 points for code enforcement, plan review, etc.
- The effects of additional annexation on ISO ratings are cumulative. The City's current ISO rating is 2 on a scale of 1 to 10, with 1 being the best and 10 being the worst (Plano's rating is 1, Allen's is 2). The latest evaluation was conducted in 2009. Typically, evaluations are conducted every 10-15 years.
- The Fire Department has indicated that the proposed annexation request will likely have no impact upon the City's ISO rating.
- Annexed parcels are subject to City property tax. This tract may currently have an agricultural valuation classification with Collin Appraisal District (CAD). An AG exemption is given to properties in active agricultural uses, which allows the property to have a lower appraisal value and thus, lower taxes. When property with an AG exemption is developed, it is subject to rollback taxes for each of the previous five years. As such, the owner would be required to pay County, ISD, and City taxes which had been exempted during that five-year period. Whenever

this proposed tract is developed, the City would receive rollback taxes if the property has such an exemption.

**BOARD OR COMMISSION RECOMMENDATION:** N/A