



**TITLE:** Consider/Discuss/Act on Consent Agreement, Development Agreement, Strategic Partnership Agreement and Amended and Restated Park Development and Disbursement Agreement for Two (2) Existing Municipal Utility Districts: Municipal Utility District No. 1 and Municipal Utility District No. 2—Trinity Falls

**MEETING DATE:** December 4, 2012

**DEPARTMENT:** City Manager

**CONTACT:** Rob Daake, Deputy City Manager  
Barry Shelton, Executive Director of Development Services  
Mark Houser, City Attorney

**RECOMMENDED CITY COUNCIL ACTION:**

- Approval

**ITEM SUMMARY:**

- On December 5, 2006 the City of McKinney approved a Consent Ordinance and interrelated agreements with Marlin Atlantis, the former developer of the approximately 1,700 acre property within McKinney's ETJ known as Trinity Falls, allowing the creation of two Municipal Utility Districts (MUDs).
- The original Trinity Falls development agreement sets out the governing regulations for land development, infrastructure construction, public safety, parks and schools. Since the property is not subject to city zoning ordinances, the Development Agreement acts as a binding land use agreement for all subsequent owners.
- The current applicants, CH-B Trinity Falls, LP, have purchased the property and are requesting approval of renegotiated agreements that would continue to provide the governing regulations for land development, infrastructure construction, public safety, parks and schools, but would allow for an alternate development pattern and flexibility to respond to market forces over the life of the project.
- The documents attached for consideration are:

- The **Consent Agreements** embody terms of the City's consent particularly in the areas of debt issuance, debt limits, expenditures and limitations on City annexation. The Consent Agreements authorize \$103,000,000 and \$94,000,000 in debt for each respective district. The proposed consent agreements require state that no bonds shall be issued more than twenty years after the first final plat is recorded within the district. This is an increase of five years over the previously adopted agreements. If the City Council finds the Development Agreement sufficient, staff recommends approval of the Consent Agreements.
- The **Strategic Partnership Agreements** contain terms which allow the City to receive sales and use taxes from the sale of goods within the districts, even though the sales occur outside of the city limits. The primary terms of these agreements are unchanged wherein the District and the City split the City's (\$0.01) sales taxes on a 75%/25% basis. The District's share of the sales taxes must be used on repayment of developer expenses for primary infrastructure and District bonds. The City may use its share for any municipal purpose. If the City Council finds the Development Agreement sufficient, staff recommends approval of the Strategic Partnership Agreements.
- The **Development Agreement** is a multi-layered, comprehensive document that sets out the governing regulations for land development, infrastructure construction, public safety, parks and schools. Since the property is not subject to city zoning ordinances, the Development Agreement acts as a binding land use agreement for all subsequent owners. This document has been discussed with staff over the past 5 months. The primary amendments to the development agreement include:
  - Approximately 85 acres of right-of-way for the Collin County Outer Loop will be placed in escrow and will be given to the City of McKinney at such time that it is needed for construction of the roadway.
  - The City of McKinney would have the right to annex the Outer Loop ROW and the associated commercial property allowing for collection of both sales and ad valorem property taxes.
  - The development pattern has been amended to allow for a south-to-north pattern, taking access off of FM 543 rather than Melissa Road for the first phases of development.
  - As a result of the ROW dedication, the proposed agreement provides a reduction in the average single family lot size from 7,200 to 6,500 square feet, but keeps the same total lot count as the previous agreement. The new agreement also allows the developer flexibility in the location of the various permitted lot types within the property to respond to the housing market.

- The proposed agreement provides additional standards for the neighborhood parks to ensure that the parks constructed within Trinity Falls are built to the standard of McKinney's neighborhood parks.
  - Development standards similar to those proposed for development within the city have been incorporated into the proposed agreement. The proposed standards include subdivision design and architectural standards.
- The **Park Development and Disbursement Agreement** contains terms for the use and disbursement of funds donated by the BB Owen Trust for the design, engineering and construction of the approximately 220 acre privately-owned and maintained park. The original \$10,000,000 donation and all accrued interest will go towards the construction and development of the park improvements, not maintenance, which will be open to the public.
  - The City may amend the Governing Regulations and apply the new provisions to subsequent development on the project, subject to the Vested Rights statute; however the Development Agreement allows the 100-year floodplain standard to be fixed for development of the Trinity River floodplain area.

**BACKGROUND INFORMATION:**

- The original agreements were entered into in 2006.

**FINANCIAL SUMMARY:**

- Included in Item Summary

**BOARD OR COMMISSION RECOMMENDATION:**

N/A