

<b>AGENDA ITEM</b>
--------------------

**TO:** Planning and Zoning Commission

**THROUGH:** Brandon Opiela, Planning Manager

**FROM:** Anthony Satarino, Planner II

**SUBJECT:** Conduct a Public Hearing to Consider/Discuss/Act on the Request by IBG Adriatica Holdings, Inc., for Approval of a Request to Rezone Approximately 20.05 Acres from "PD" – Planned Development District to "PD" – Planned Development District, Generally to Modify the Development Standards, Located Approximately 200 Feet South of Virginia Parkway and Approximately 200 Feet East of Stonebridge Drive

**APPROVAL PROCESS:** The recommendation of the Planning and Zoning Commission will be forwarded to the City Council on December 4, 2012.

---

**STAFF RECOMMENDATION:** Staff recommends approval of the proposed rezoning request with the following special ordinance provisions:

1. The subject property shall develop in accordance with "PD" – Planned Development District Ordinance No. 2005-02-017, and as amended, with the following exceptions:
  - a. The section (Section 3 – Town Center District) pertaining to timing issues of "PD" – Planned Development District Ordinance No. 2005-02-017, which applies to the Town Center District (tracts D, E, and F as depicted on the attached zoning exhibit), shall be amended to read as follows:
    - i. Concurrently with the development of the first 50 townhouse or condominium/loft residential units within the Town Center District, the developer shall construct within the Adriatica Development (Stonebridge Ranch Parcel 201 as reflected by "PD" – Planned Development District Ordinance No. 1621) 40,000 square feet of floor area of commercial uses exclusive of parking. Any enclosed mechanical and electrical space and parking uses are not part of the calculated floor area.
    - ii. Concurrently with the development of the next 100 townhome or condominium/loft residential units within the Town Center

District, the developer shall construct within the Adriatica Development, 50,000 square feet of commercial uses, exclusive of mechanical and electrical space and parking uses.

iii. Concurrently with the remaining 135 townhome or condominium/loft units within the Town Center District, the developer shall construct within the Adriatica Development, 30,000 square feet of floor area of commercial uses, exclusive of mechanical and electrical space and parking uses.

b. The section (Section 3 – Town Center District) pertaining to space limits for the Town Center District of “PD” – Planned Development District Ordinance No. 2005-02-017, which applies to the Town Center District (tracts D, E, and F as depicted on the attached zoning exhibit), shall be amended to read as follows:

v. Maximum height of building.....60 feet.

**APPLICATION SUBMITTAL DATE:**      October 29, 2012 (Original Application)  
October 31, 2012 (Revised Submittal)  
November 1, 2012 (Revised Submittal)

**ITEM SUMMARY:** The applicant is requesting to rezone approximately 20.05 acres of land, located on the southeast corner of Virginia Parkway and Stonebridge Drive, from “PD” – Planned Development District to “PD” – Planned Development District, generally to modify the development standards. The subject property is a portion of the master planned community named Adriatica, which is intended to replicate the character of a Croatian village.

**PLATTING STATUS:** The subject property is currently platted as the Adriatica Addition, the Harbor at Adriatica Addition and the Medpark II at Adriatica Addition.

**ZONING NOTIFICATION SIGNS:** The applicant has posted zoning notification signs on the subject property, as specified within Section 146-164 (Changes and Amendments) of the City of McKinney Zoning Ordinance.

**SURROUNDING ZONING AND LAND USES:**

Subject Property:      “PD” – Planned Development District Ordinance No. 2005-02-017,  
as amended (mixed uses)

North	“PD” – Planned Development District Ordinance No. 2005-02-017, and as amended (mixed uses)	Kastel Building at Adriatica
		Independent Bank
		Adriatica Retail Shops

South	“PD” – Planned Development District Ordinance No. 2003-12-117 (mixed uses), and as amended; and “PD” – Planned Development District Ordinance No. 1621 (recreation uses), and as amended	The Villa District at Adriatica and Stonebridge Ranch Community Association (Stonebridge Lake)
East	“PD” – Planned Development District Ordinance No. 1621 (recreation and open space uses)	Stonebridge Ranch Community Association (Stonebridge Lake and open space)
West	“PD” – Planned Development District Ordinance No. 2005-02-017, and as amended (mixed uses)	Undeveloped Land

**PROPOSED ZONING:** In February of 2005, the City Council adopted “PD” – Planned Development District Ordinance No. 2005-02-017 (attached). A section of the PD (Timing Issues) outlines a process by which the developer must meet certain commercial square footage benchmarks prior to townhome or condominium/loft residential uses being constructed within the Town Center District. The most recent site plan (St. Paul’s Square Lofts) was approved by the City Council on November 6, 2012 and proposed a total of 211 dwelling units. An additional 46 dwelling units had already been approved for construction within the Town Center District, totaling 257 units. Per the governing PD ordinance, a maximum of 285 residential units are permitted within the Town Center District if 120,000 square feet of commercial (office and retail) uses are concurrently constructed in the Town Center District.

To date, approximately 130,000 square feet of commercial (office and retail) uses have received site plan approval; however, only approximately 21,000 square feet of commercial uses have been issued building permits within Adriatica’s Town Center District. Per the letter of intent, the developer would like to address the issue of not having enough commercial space constructed within the Town Center District by modifying the boundary of where the commercial uses may be constructed to include the entire Adriatica Development. Again, per the existing PD, the commercial uses must be constructed within the Town Center where only approximately 21,000 square feet of commercial uses have been constructed or are under construction. The applicant’s proposed modifications to the existing timing issues benchmarks would incorporate the existing commercial square footage along Virginia Parkway and Stonebridge Drive (approximately 88,000 square feet) into the commercial square footage calculations. If the existing commercial square footage (approximately 88,000 square feet) is added to the commercial square footage within the Town Center District (approximately 21,000 square footage) and the approximately 18,000 square feet of commercial uses proposed as part of the St. Paul’s Square Lofts, a total of approximately 127,000 square feet of commercial uses will have been constructed or be under construction by the time the proposed 257 residential units are under construction.

As is typical in the development/construction industry, development plans tend to change over long periods of time in reaction to market forces, the economic climate, and other development related factors. The Adriatica Development is no different and the applicant's plans for the commercial portion of the property have changed. The developer of the property originally planned to begin construction in the harbor portion of the Town Center District with mixed-use buildings of commercial space on the bottom floor. However, during the infancy of this development, there was a greater market demand for freestanding commercial buildings of retail and office space along Virginia Parkway.

As Staff often witnesses, the location and amount of commercial square footage in relationship to the number of adjacent residential units plays a large role as to the potential success of a development. Overabundance of retail has long been an issue for our neighboring cities (ex: City of Plano). As recently as November of 2011, officials of the City are acknowledging that there has been too much property zoned commercial over the past three decades ( $\frac{1}{3}^{\text{rd}}$  of the City – twice as much per capita of the national average). If the developer were required to develop an additional approximately 81,000 square feet of commercial uses within the Town Center District before the 285 residential units are developed, Adriatica would have approximately 208,000 square feet of commercial uses. In Staff's opinion, this is too much square footage when compared to the 285 residential units that would be constructed to support it. The excess commercial square footage would likely remain vacant and would not help to ensure Adriatica's long-term success. In Staff's experience, approximately 450 – 650 residential units are typically needed to support approximately 50,000 – 90,000 square feet of commercial uses. As such, Staff is comfortable with the applicant's proposed modifications to the existing timing issues benchmarks.

In addition, the applicant is proposing to increase the building heights that are currently allowed within the Town Center District by "PD" – Planned Development District Ordinance No. 2005-02-017 from 50 feet to 60 feet. The retail portions of Adriatica that are adjacent to Stonebridge Drive and Virginia Parkway have a maximum building height of 35 feet but allow office, hotel, or high-rise multiple family buildings (by right) of up to 260 feet (20 stories). Also, in September of 2006, the City Council adopted an ordinance (No. 2006-09-104) which allowed building heights up to a maximum of 68 feet within Adriatica's harbor area (a boat in the harbor is allowed to reach 90 feet tall and the bell tower was allowed to reach 128 feet tall).

Per the letter of intent, the developer has encountered challenges planning the multi-story buildings under the maximum height due to the typical high pitched roofs that characterize the architectural look of the development. Staff is of the opinion that paying such close attention to the architectural characteristics of the buildings is a part of what makes Adriatica unique and adds to the quality of the overall development. In addition, the increase in 10 feet of building height to allow for architectural interest does not seem out of context considering building heights up to 260 feet are already currently allowed within portions of Adriatica. As such, Staff is comfortable supporting the requested increase in the maximum building height within Adriatica's Town Center District.

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

- **Comprehensive Plan Goals and Objectives:** The proposed rezoning request is generally in conformance with the goals and objectives of the Comprehensive Plan. In particular, the proposed rezoning request would help the community attain the goal of “Land Use Compatibility and Mix” through the stated objectives of the Comprehensive Plan, a “a mix of land uses that provides for various lifestyle choices” and “consider real estate market forces.”
- **Impact on Infrastructure:** The proposed rezoning request should have a minimal impact on the existing and planned water, sewer and thoroughfare plans in the area as the proposed land uses are not being modified. The Future Land Use Plan (FLUP) designates the subject property generally for commercial uses within a significantly developed area. The FLUP modules diagram designates the property as suburban mix which allows for a mix of uses including single family residential, medium density residential, retail, office, and community facility uses.
- **Impact on Public Facilities/Services:** The proposed rezoning request should have a minimal impact on public services, such as schools, fire and police, libraries, parks and sanitation services as the proposed land uses are not being modified. Similar to infrastructure, public facilities and services are all planned for based on the anticipated land uses shown on the Future Land Use Plan.
- **Compatibility with Existing and Potential Adjacent Land Uses:** The properties located adjacent to the subject property are zoned for similar commercial and residential uses. The proposed rezoning request will not alter the land uses that are currently allowed on the subject property. Staff is of the opinion the proposed modifications to the existing zoning for the Adriatica development will be compatible with existing and future development within the immediate area.
- **Fiscal Analysis:** Staff did not perform a fiscal analysis for this case because the rezoning request does not modify the allowed land uses on the subject property.
- **Concentration of a Use:** The proposed rezoning request should not result in an over concentration of commercial and residential land uses in the area.

**CONFORMANCE TO THE MASTER PARK PLAN (MPP):** The proposed rezoning request does not conflict with the Master Park Plan.

**CONFORMANCE TO THE MASTER THOROUGHFARE PLAN (MTP):** The proposed rezoning request does not conflict with the Master Thoroughfare Plan.

**CONFORMANCE TO THE MULTI-FAMILY POLICY:** The current multi-family policy was adopted by City Council in August of 2001. In reviewing requests to rezone property for multi-family uses, Staff evaluates the request for conformance to the policy criteria listed in the Comprehensive Plan. The proposed rezoning request does not include any increase in the allowed number of multi-family residential units on the subject property, thus the proposed rezoning request does not conflict with the requirements of the multi-family policy.

**OPPOSITION TO OR SUPPORT OF REQUEST:** Staff has not received any calls or emails in opposition to or support of the proposed rezoning request.

**ATTACHMENTS:**

- Location Map and Aerial Exhibit
- Letter of Intent
- Existing “PD” – Planned Development District Ordinance No. 2005-02-017
- Proposed Zoning Exhibit
- PowerPoint Presentation