

Planning and Zoning Commission Meeting Minutes of February 28, 2017:

17-030Z Conduct a Public Hearing to Consider/Discuss/Act on a Request to Rezone the Subject Property from "PD" - Planned Development District to "C2" - Local Commercial District and "TH" - Townhome Residential District, Located Approximately 1,200 Feet East of Custer Road and on the South Side of Eldorado 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 from "PD" – Planned Development District to "C2" – Local Commercial District and "TH" – Townhome District. Ms. Spriegel stated that Tract 1, approximately 5.02 acres, would be zoned for commercial uses, and Tract 2, approximately 13.80 acres, would be zoned for townhome uses. Ms. Spriegel stated that while Staff recognizes that approximately 19 acres of office uses may be challenging to develop in the near future, the proposed rezoning request does not help to further a strong, balanced economy, which is a stated strategic goal of the City Council. She stated that the development of residential uses on a tract completely surrounded by office and non-residential uses does not promote an appropriate transition of uses between residential and non-residential uses. Ms. Spriegel stated that Staff recommends denial of the proposed rezoning request and offered to answer questions.

Alternate Commission Member McReynolds asked what was located to the southwest of the subject property. Ms. Spriegel stated that Experian Data Center, Torchmark, an assisted living center, and property zoned for retail/office uses surrounded the property.

Commission Member Smith asked Ms. Spriegel to repeat what she said about the transition of uses in her presentation. Ms. Spriegel stated that since the subject property was completely surrounded by non-residential uses, Staff feels that there would not be an appropriate transition between those non-residential uses and the proposed townhome uses.

Commission Member Cobbel asked if office uses surrounding the adjacent assisted living facility was appropriate. Ms. Spriegel said yes and that the assisted living facility was considered a non-residential use.

Commission Member McCall asked if Tract 1 was proposed to have townhomes on it. Ms. Spriegel said no, that the townhomes were proposed for Tract 2. She stated that they were requesting "C2" – Local Commercial District on Tract 1.

Commission Member Cobbel asked what was directly across the street. Ms. Spriegel stated that property was currently undeveloped. She stated that it was zoned for retail uses. Commission Member Cobbel asked if potentially restaurants, a grocery store, or similar stores could possibly go on the property. Ms. Spriegel said yes.

Commission Member McCall asked if the main concern was the townhomes proposed on Tract 2. Ms. Spriegel said yes and that it was the change to residential zoning on Tract 2.

Mr. Jerry Sylo, JBI Partners, 16301 Quorum Drive, Addison, TX, gave a presentation regarding the proposed rezoning request. He stated that the subject property was located at two major planned roads and was at the southern tip of the Stonebridge community. Mr. Sylo stated that the site was 3 ½ miles north of State Highway 121 (Sam Rayburn Tollway). He stated that the site was surrounding by single

family development. Mr. Sylo stated that as the area developed there had been a focus on residential uses. He stated that they were requesting that five acres, off of Eldorado Parkway, have commercial uses. Mr. Sylo gave some examples of what could be built under the current zoning on the property. He stated that they felt the frontage along Eldorado Parkway that close to Custer Road was more valuable than just office uses. Mr. Sylo stated that the remaining 14 acres, where they want to develop townhomes, was where the issue came in on this rezoning request. He stated that Experian Data Center currently owns the property and has had issues trying to sell it. Mr. Sylo stated that people had been interested in the front portion of the property; however, not the back portion. He described how the surrounding properties developed over time. Mr. Sylo stated that the nearby insurance company was built around 1995. He stated that the Experian Data Center was built around 1998. Mr. Sylo stated that there was a gap in time when the area did not develop. He stated that when develop did start taking place, between 2005 and 2010, uses transition from more office/corporate uses to more service-related and retail uses. Mr. Sylo gave examples of the hospital, assisted living facility on the north side, two retail centers on the Frisco side of Custer Road, insurance company expansion, daycare center, and eye doctor's office. He stated that an assisted living facility and office/condominiums had developed nearby since 2010. Mr. Sylo briefly discussed possible traffic counts for the area depending on what could be built on the property compared to what was being proposed to be developed. He stated that they do not have a specific concept plan yet, since they were still talking with a number of different homebuilders. Mr. Sylo stated that they have some substantial drainage issues that will need to be addressed. He stated that the office impact on Tract 1 would be minimal. Mr.

Sylo felt that the impact of an adjacent office use next to a townhome use on this property would be very minimal. He expressed concerns regarding Staff's fiscal analysis that was included in the meeting packet. Mr. Sylo stated that the fiscal analysis assumed that the subject property would completely develop as corporate offices. He stated that the property owner had tried to sell the property for corporate office uses; however, they could not find a buyer for it. Mr. Sylo questioned how you could get people to drive 3 ½ miles north of State Highway 121 (Sam Rayburn Tollway) through all of the traffic, when you have a lot of vacant land directly on State Highway 121 (Sam Rayburn Tollway) and U.S. Highway 75 (Central Expressway). He stated that there are so many better office uses locations available. Mr. Sylo felt that the \$16,500,000 property value generated from townhome community shown in the report was a very reasonable expectation. He stated the bigger concern is that you may have a property owner that decides to sell the property in portions, since the frontage property would probably sell faster. Mr. Sylo stated that the backend of the property might stay vacant for the next 20 years if that happened. He stated that they feel their rezoning request was a good request based on the changed conditions over the past 20-25 years in this area. Mr. Sylo stated that they felt their proposal would be minimally impacted by the office developments. He stated that they felt their proposal was much more compatible to the developed area between Eldorado Parkway and State Highway 121 (Sam Rayburn Tollway) with all of the single family residential developments. Mr. Sylo felt that their proposal was a viable solution. 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 Alternate Commission

Member McReynolds, the Commission unanimously voted to close the public hearing, with a vote of 7-0-0.

Alternate Commission Member McReynolds stated that it seemed like the Commission had recently looked at another deep property, located on Community Avenue between White Avenue and U.S. Highway 380 (University Drive), where Staff recommended approval of the rezoning request. He stated that this was also a deep piece of property. Alternate Commission Member McReynolds stated that there would probably be commercial uses on the front of it where the City could get some tax base. He stated that with the residential uses there would be people there all the time and they could be spending money in the area. Alternate Commission Member McReynolds stated that he was in favor of the proposed rezoning request. He stated that the property was unique enough that it warranted a solution such as this.

Commission Member Mantzey stated that it seemed like there were other residential uses abutting the property that Alternate Commission Member McReynolds referenced. He stated that between the Eldorado Parkway and Stonebridge Drive intersection and the Custer Road and Stonebridge Drive had been a very attractive area for development over the past five years and continues that way. Commission Member Mantzey felt this area lends itself to commercial development. He stated that he did not favor sticking residential uses in the middle of commercial uses. Commission Member Mantzey stated that the argument about traffic counts being high in the area could lead to all of the rest of development along U.S. Highway 380 (University Drive) being residential. He stated that it was about having job opportunities in McKinney and a commercial base.

Alternate Commission Member McReynolds stated that the difference here is that you have both. He felt there were commercial and residential properties nearby the subject property. Alternate Commission Member McReynolds stated that he was still in favor of the request, since they were asking for both uses. He stated that if they were asking for all residential on the property then that would be different.

Commission Member Cobbel stated that she agreed. She stated that it looked like a good area to live, work, and shop. Commission Member Cobbel stated that she sees townhouses there. She stated that it could help the area in general, especially with the amount of people that work in the vicinity and live somewhere else.

Commission Member Kuykendall stated that she agreed with the Staff report. She stated that she was about bringing jobs to McKinney. Commission Member Kuykendall stated that so many residents of McKinney have to leave to go to work. She stated that she would not be in favor of the request.

Commission Member Cobbel stated that she would agree to a point; however, they also need somewhere to live.

Commission Member Smith stated that if the townhomes were being used to buffer directly adjacent single family detached residential uses then she would view this differently; however, in this configuration she agreed with Staff's recommendation. She stated that she was not in favor of the proposed zoning request.

Commission Member McCall concurred with Commission Member Smith's comments. He stated that the subject property was surrounded by commercial uses. Commission Member McCall stated that this whole area could be commercial given time.

Chairman Cox asked the applicant if they had considered enlarging Tract 1. Mr. Sylo stated that would create a deeper property that would be harder to develop as retail uses. He stated that the townhome product would become even smaller, which become more problematic. Mr. Sylo stated that office is the lowest intensive use for most cities. He stated that the only transitional use between office and residential would be multi-family. Mr. Sylo stated that they did not feel that multi-family was an appropriate use from the City's prospective on this property; therefore, they proposed townhomes. He stated that they view the townhomes as the transition area between the office uses and the single family residential properties in the area. Mr. Sylo stated that there were two-story offices with basically parking lots adjacent to it.

On a motion by Commission Member Kuykendall, seconded by Commission Member Mantzey, the Commission voted to recommend denial of the proposed rezoning request as recommended by Staff, with a vote of 5-2-0. Commission Member Cobbel and Alternate Commission Member McReynolds 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 March 21, 2017.