

Planning and Zoning Commission Meeting Minutes of February 13, 2018:

17-275Z Conduct a Public Hearing to Consider/Discuss/Act on a Request to Rezone the Subject Property from "PD" - Planned Development District and "REC" - Regional Employment Center Overlay District to "PD" - Planned Development District, Generally to Allow for Retail, Office, and Multi-family Residential Uses, Located Approximately 200 Feet South of Chisholm Trail and on the East Side of Ridge Road

Ms. Melissa Spriegel, Planner I for the City of McKinney, explained the proposed rezoning request. She stated that the applicant is requesting to rezone approximately 5.33 acres to "PD" – Planned Development District, generally for retail, office, restaurant, and multi-family residential uses. Ms. Spriegel stated that the property is currently zoned for office uses; however, the applicant has indicated the desire to rezone the property in order to develop a vertical, mixed-use product, with non-residential uses on the first floor and multi-family residential uses above. She stated that the subject property is surrounded by multi-family residential uses to the south and west, single family residential uses to the east, and a daycare to the north. Ms. Spriegel stated that while the applicant has indicated their intent to create a vertical, mixed-use development, Staff's professional opinion is that a development of this nature would not be viable in this setting. She stated that vertical, mixed-use is intended to be urban in design, creating a walkable, pedestrian-friendly development that relies heavily on visibility and foot traffic to thrive. Ms. Spriegel stated that given the limited size of the property, mid-block location, isolation from similar developments, and lack of urban-style space limits, it is unlikely that this type of development would be able to thrive in this location without

similar developments nearby that work in conjunction to create a destination environment. She stated that the scale of the development could potentially overwhelm the adjacent single family development and would increase the multi-family residential land uses in the area. Ms. Spriegel stated that currently there are just under 2,000 multi-family units spread among six existing or proposed developments in the immediate area. She stated that Staff has concerns given the unique and narrow shape of the property and adjacency to existing single family residential uses. Ms. Spriegel stated that the proposed development standards include provisions that may increase the difficulty of developing on the property, including, but not limited to, restrictions on the location of loading spaces, open space requirements, suburban-style setbacks, and decreased setback of windows from single family residential uses from what the Zoning Ordinance typically requires. She stated that the property's narrow depth and mid-block location is best suited for low-intensity uses that do not require a large amount of parking, such as neighborhood offices. Ms. Spriegel stated that the proposed standards do not provide for a transition between existing uses and the subject property, and could result in a development that is not compatible with the surrounding and adjacent properties. She stated that Staff recommends denial of the proposed rezoning request and offered to answer questions. There were none.

Mr. Glen Kistenmacher, Kistenmacher Engineering, 8350 Meadow Road, Dallas, TX, stated that he did not agree with Staff's recommendation. He gave a short video presentation and then a PowerPoint presentation regarding the proposed development. Mr. Kistenmacher stated that there would be office buildings in the front along Ridge Road and mixed-use building in the back of the subject property. He stated that under

the current zoning four-story office buildings with a 55' setback from the existing residential was allowed. Mr. Kistenmacher stated that was a very intense use allowed there by right. Mr. Kistenmacher stated that they intend to build a three story building with the height limited to 35'. He stated that this height was the same height restriction allowed by the adjacent residential development. Mr. Kistenmacher stated that they intend to limit the maximum lot coverage to 50% from the allowed 75% lot coverage under the current zoning. He stated that they propose to increase the rear setback to 80' and 100' to the nearest window. Mr. Kistenmacher stated that they propose a 20' landscape buffer, which is required per the City's ordinance. He stated that, based on the concept plan shown for informational purposes only, they are proposing 29% open space on the property. Mr. Kistenmacher stated that they were proposing non-residential uses on the first floor and would be permitting retail and restaurant uses. He stated that they were trying to provide a transition from the nearby multi-family uses to the single family uses. Mr. Kistenmacher stated that they were not intending this to be a destination-style center. He stated that they were trying to introduce a live/work concept for users such as architects, lawyers, engineers, insurance sales, travel agents, and bakers. Mr. Kistenmacher stated that they were proposing neighborhood commercial uses, not intense commercial uses. He did not feel that they would generate a lot of traffic. Mr. Kistenmacher stated that it would be to serve the neighborhood. He stated that the proposed rezoning request reduced the building height and maximum lot coverage and increased the setbacks, perimeter landscape buffer, masonry percentage on the facades, and open/green space percentage. Mr. Kistenmacher stated that the

adjacent residential property owners were not aware of what was currently allowed under the zoning for the subject property. He offered to answer questions.

Chairman Cox stated that this request had been tabled at the December 12, 2017 and January 9, 2018 Planning and Zoning Commission meetings. He asked the applicant what had changed from that time to today. Mr. Kistenmacher stated that they were working with Staff and fine tuning the wording for the “PD” – Planned Development District standards. He stated that they finally realized that they were never going to be in agreement on the proposed rezoning request.

Chairman Cox asked about the meeting with the applicant and adjacent homeowners. Mr. Kistenmacher stated that it was relatively positive. Mr. Kistenmacher stated that others would like to see the subject property remain undeveloped; however, that was not under the developer’s purview. He stated that they were trying to put together something that was attractive, usable, and create a tax base for the City. Mr. Kistenmacher stated that initially they considered developing townhomes on the property. He stated that it was his understanding that City Council did not want to take properties zoned for commercial uses and down zone them to residential uses. Mr. Kistenmacher stated that this was a compromise between the two.

Vice-Chairman Mantzey asked if the residential portion of the proposed project would be for rent. Mr. Kistenmacher stated that the property owner was intending these to be condominium units and not apartments.

Vice-Chairman Mantzey asked if Mr. Kistenmacher had experience with this type of product somewhere else. Mr. Kistenmacher said no; however, he believed that the property owner had some experience with a similar product.

Commission Member Cobbel asked if the development standards would restrict the residential units to be listed for sale only and not for lease. Mr. Kistenmacher stated that should not be an issue. He stated that there were some other things that were brought up at the neighborhood meeting that they would like to also include, like lighting and hours of operation. Mr. Kistenmacher stated that he approached Staff about them and was told that these were not conditions of zoning.

Chairman Cox opened the public hearing and called for comments.

The following four residents spoke in opposition to the proposed rezoning request.

Mr. Greg DiNovis, 6004 Silverton Avenue, McKinney, TX, stated that he lives in a different homeowners' association than the one the applicant met with to discuss the proposed project, and therefore was not included in their meeting. He stated that he lives about 50' away from the subject property. Mr. DiNovis stated that a two-story development, with a higher elevation, is located to the south of the subject property. He stated that development had an approximately 40' setback and would have a great view into his backyard. Mr. DiNovis felt that the property owners adjacent to the subject property could have the same issue. He asked if there were going to be lease restrictions for the commercial portion of the development. Mr. DiNovis asked if the commercial uses would be paper-pushing businesses and no production businesses. He gave the example of a donut shop going in there and felt it would be a terrible issue. Mr. DiNovis asked where the garbage units were being proposed. He stated that the egress on the east side of the property, as shown on the informational-only Concept Plan, did not go anywhere due to the property next door being undeveloped. Mr. DiNovis stated that Ridge Road had two lanes going both directions and did not have turn lanes. He stated

that Collin McKinney Parkway currently did not have a lot of traffic on it; however, it already had turn lanes to anticipate future traffic. Mr. DiNovis asked how we could make this fit into the community.

Mr. David Geise, 4800 Lasso Lane, McKinney, TX, concurred with Mr. DiNovis's comments. He expressed concerns about decrease in property values, impact on privacy, increase in noise levels, excessive lighting, increase in traffic congestion, garbage fumes and collection times, vandalism, plans for a retention pond for the water runoff, safety of the children standing at the bus stop with increased traffic, and the possible turnover of businesses. Mr. Geise stated that the bus stop needs to be moved to another location. He stated that when the daycare center went in there was soil tamping that caused a lot of vibrations; therefore, he had concerns about foundation damages. Chairman Cox acknowledged Mr. Geise's e-mails that were included in the Staff Report.

Ms. Katherine Calhoun, 4816 Lasso Lane, McKinney, TX, stated that their single-story home backed up to the subject property. She stated that she was an attorney. Ms. Calhoun expressed concerns about their children, increased traffic, property values, and the invasiveness of multi-story buildings that would have a view into their backyard. She stated that when you purchase a home you expect a certain level of privacy. Ms. Calhoun questioned how much it would cost to rent one of the proposed condominium units. She stated that they were probably going to sell these units for more than an average wage worker could afford. Ms. Calhoun questioned whether the proposed live/work scenario would actually occur here. She stated that there are seven apartment complexes that were already built or development had just started in the area. Ms.

Calhoun stated that she spoke with a real estate professional and was told that her property value had already decreased \$5,000 in the past 30 days due to the surrounding apartments. She stated that she understands that the subject property was currently zoned for commercial uses. Ms. Calhoun preferred to see a single story office building developed on the property. She stated that she would have issues with a multi-story office space on the subject property due to privacy concerns.

Mr. Luke Calhoun, 4816 Lasso Lane, McKinney, TX, stated that he was also an attorney; however, was here in the capacity as a homeowner. He stated that he concurred with the previous concerns mentioned. Mr. Calhoun stated that he understood that the current zoning on the subject property would allow a multi-story office building; however, there are differences in privacy between an office building and condominium units. He asked the Commission to consider their concerns.

Mr. Bhujang Karakavalasa, EDW Architectonics, LLC, 2770 Main Street, Frisco, TX, spoke in favor of the request. He stated that he was the developer of the proposed project. Mr. Karakavalasa stated that the original 380 acres in this area was zoned "REC" – Regional Employment Center Overlay District and designed for the creation of jobs. He stated that unfortunately some single family homes were built in this area. Mr. Karakavalasa stated that the proposed development would be appropriate in the "REC" – Regional Employment Center Overlay District and according to the Comprehensive Plan. He stated that they had been working with Staff to try to meet the City's requirements and build the best product. Mr. Karakavalasa stated that they increased the open space over what was required. He stated that he was proposing loft-style residential units. Mr. Karakavalasa stated that they would not be for lease. He stated

that he has already lined up 27 customers interested in the proposed development. Mr. Karakavalasa stated that they were excited to see a live/work development that would be a unique product. He stated that he sacrificed many things to make this project viable due to the height restriction. Mr. Karakavalasa stated that the first floor would be commercial or retail uses. He stated that the proposed 27 residential units were approximately 2,500 square feet.

On a motion by Vice-Chairman Mantzey, seconded by Commission Member McCall, the Commission unanimously voted to close the public hearing, with a vote of 6-0-0.

Commission Member McCall asked Staff for some examples of what could be built on the property under the current zoning. Ms. Spriegel stated that the current zoning requires that the property develop according to the "O-1" – Neighborhood Office District, which is fairly restricted in uses. She stated that basically only office uses could develop there. Ms. Spriegel stated that the Zoning Ordinance does permit the maximum height to be four stories; however, you have to consider the narrow depth of the lot and the City's parking requirements. She stated that based on the size of the lot and how large of a building is being proposed, they may not be able to get four stories and still be able to meet the parking requirement. Ms. Spriegel stated that there were several different factors to consider as far as looking at the height of an office building that could be on the subject property.

Commission Member McCall asked how many multi-family units were located in the area. Ms. Spriegel stated that there were 1,993 units total among Raleigh House, Millennium, Soho, Aspire, Mansions of McKinney, and Springs of McKinney multi-family

developments. Commission Member McCall asked if there was a good percentage of multi-family compared to single family in the area. Ms. Spriegel said yes. She stated that a large majority of the area to the east was single family residential developments.

Commission Member Cobbel wanted to clarify that Mr. Karakavalasa stated that the condominium units would be approximately 2,500 square feet. Chairman Cox stated that was correct.

Commission Member Cobbel asked if there were any other condominium type units in the area. She also asked if the other multi-family developments were all apartments. Ms. Samantha Pickett, AICP, Planning Manager for the City of McKinney, stated if it is more than four units on a single lot then the City considers it multi-family. She stated that the City does not differentiate between whether the units are for rent or sale. Ms. Pickett stated that the multi-family units in this area are typically for rent. She stated that there could be some for sale units in there.

Commission Member Cobbel asked about the size of the first floor retail units. Ms. Spriegel stated that the proposed development regulations limit each individual use to be 5,000 square feet.

Commission Member Cobbel asked if there was a limit on medical type use. Ms. Spriegel said no.

Commission Member Kuykendall asked if the developer was not able to fill the bottom retail units if those units could be transitioned into more multi-family units. Ms. Spriegel stated that the bottom floor units must remain non-residential, except for the leasing office and amenities, based upon the proposed zoning.

Commission Member Kuykendall asked Mr. Kistenmacher what was discussed in the meetings with the adjacent property owners. Mr. Kistenmacher stated that it was an open meeting to discuss just about anything and everything related to the proposed development. He stated that they really did not discuss privacy issues. Mr. Kistenmacher stated that they did not add the multi-story construction to the zoning and that it was already a permitted use. He stated that they created a larger setback, by increasing the rear setback to a minimum of 80'. Mr. Kistenmacher stated that the draft concept plan they prepared has a rear setback of 116'. He stated that the current zoning has a 55' rear setback for a four-story office building. Mr. Kistenmacher stated that they had written in a 100' minimum separation between windows and a 20' landscape setback. He stated that the distance between the windows in the proposed development to the adjacent residential backyards was a greater than the distance between the houses in the subdivision going across the street. Mr. Kistenmacher stated that he understands the concern about privacy; however, that concern was not something that they created. He stated that the four story office building could have underground parking, so that there would be enough parking available under the earlier example.

Chairman Cox asked Mr. Kistenmacher if they were far enough along in the process to know where a dumpster pad might be located on the subject property. Mr. Kistenmacher stated that they had considered placing it in the southeast portion of the property. He stated that the connection to Silverton was not something that they designed; however, Staff requested it. Mr. Kistenmacher stated that they have no interest in having connection to Silverton.

Vice-Chairman Mantzey stated that he did not believe that a four story office building would be built at this location, even though it was an option. He stated that the proposed rezoning request was skirting two issues that the City does not want to happen, by getting rid of commercial land for residential uses and calling the proposed residential units condominium, instead of multi-family, by stacking them a different way. Vice-Chairman Mantzey stated that he would be in support of Staff's recommendation of denial of this proposed rezoning request.

Commission Member McCall concurred with Vice-Chairman Mantzey's comments. He stated that he would also be in favor of Staff's recommendation of denial for this proposed rezoning request.

Commission Member Smith stated that she also supported Staff's recommendation of denial for this proposed rezoning request. She stated that Staff had done an exceptional job on their assessment and arguments for denial of the request. Commission Member Smith felt Staff's arguments were sound, logical, and relevant. She stated that there is an excess of multi-family in the area, so she could not see rezoning this parcel to multi-family. Commission Member Smith stated that the proposed development could potentially overwhelm the adjacent single family development. She stated that she did not feel that this was an appropriate site for a mixed-use development. Commission Member Smith thanked Staff and stated that this was a very thoroughly thought-out assessment.

Commission Member Cobbel stated that she disagreed. She stated that for the most part this looked like an outstanding place to have a live/work/play area, especially with the retail on the bottom and the other multi-family units and single-family

developments in the area. Commission Member Cobbel stated that it was a neat, modern, contemporary design for the area. She stated that it would also be useful, with the area needing retail of this size. Commission Member Cobbel stated the proposed residential units being 2,500 square feet and for sale, was a completely different concept than apartments. She stated that this is an area where you would see professionals having an office downstairs and then living upstairs. Commission Member Cobbel stated that McKinney needs live/work/play development and this fits in.

On a motion by Commission Member Kuykendall, seconded by Commission Member Smith, the Commission voted to recommend denial of the proposed rezoning request as recommended by Staff, with a vote of 5-1-0. Commission Member Cobbel 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 6, 2018.