

(DRAFT) Planning and Zoning Commission Meeting Minutes of December 8, 2015:

15-270SUP Conduct a Public Hearing to Consider/Discuss/Act on a Specific Use Permit Request for a Self-Storage Facility (Marketplace Retail Self Storage), Located Approximately 1,020 Feet East of Custer Road and on the North Side of Stacy Road

Mr. Aaron Bloxham, Planner I for the City of McKinney, explained the specific use permit request. He stated that Staff received four letters of support for this request and distributed them to the Commission prior to the meeting. Mr. Bloxham stated that Staff recommends denial of the proposed specific use permit as Staff felt that other uses may be more appropriate for the property. He offered to answer questions. There were none.

Mr. Maxwell Fisher, Masterplan, 900 Jackson Street, Dallas, TX, explained the specific use permit request and gave a PowerPoint presentation of the proposed development. Mr. Fisher felt there were some misconceptions about storage facilities. He stated that storage facilities had evolved over the years and gave some examples. Mr. Fisher briefly discussed The Jenkins Organization. He stated that they were recognized in the top twenty national operators. Mr. Fisher stated that The Jenkins Organization was going to development and operate the proposed facility. He stated that they were working with the United States Postal Service to have a postal unit located inside the front retail area of the proposed development. Mr. Fisher stated that there was currently no storage facility operating within a 1 ½ mile radius of this location. He felt this area was under served. Mr. Fisher discussed the layout of the master development at the corner of Custer Road and Stacy Road and how their proposed facility would be located on the property. He stated that they waited on the grocery store

anchor to solidify their development first, so that the rest of the retail development would not be compromised. Mr. Fisher stated that they planned to have 135' of frontage along Stacy Road for their retail component of the development and the storage buildings would take up the back corner of the property.

Mr. Brandon Harris, CBRE, 8080 Park Lane, Dallas, TX, concurred with Mr. Maxwell's comments. He discussed the challenges of developing the corner of this deep property behind a large grocery store development and maintaining as much retail space along the frontage as possible. Mr. Harris stated that they were still researching into what might development in the space between the grocery store and this proposed development, shown as a medical office in Mr. Maxwell's presentation. Mr. Harris stated that the proposed storage facility would also create a buffer between the surround residential properties. He stated that they were in full support of this development. Mr. Harris offered to answer questions.

Chairman Cox asked if smaller uses want easy visibility and frontage. Mr. Harris said yes, that visibility and market presence is key. He stated that they want to be on the road that has the most traffic, which in this case is Custer Road.

Commission Member Egan asked if there were two separate properties. Mr. Harris said no, that Oncor Retail acquired all of the property at this corner. He stated that they were parceling it off. Mr. Harris stated that Walmart had closed on their portion of land and was at the planning stage of their development.

Commission Member Egan asked why they did not try to replicate the development at McKinney Ranch and Lake Forest with the anchor grocery store in the back and the retail closer to the road. Mr. Harris stated that the negotiations with Walmart were a long process and they were very insistent with their location at this site.

Alternate Commission Member Mantzey asked if the Walmart would be facing Custer Road. Mr. Harris said yes.

Mr. Maxwell stated that a recent trend with grocery stores is building them 1/3 to 1/2 the size of their typically stores with smaller parking lots; therefore, they prefer to be closer to the street. He stated that there has been a reduction in retail space built recently due to the economy. Mr. Maxwell continued with his PowerPoint presentation. He stated that they were complying with McKinney's Architectural Standards. He discussed some of the proposed features of the development, including 8' wide sidewalk, public space, landscaping, and street lights. Mr. Maxwell stated that storage facilities were one of the lowest trip generators of all land uses. He discussed the storage facilities that are operating within a three mile radius of this location. Mr. Maxwell felt there was plenty of demand for additional storage facilities in the area. He stated that this would be a \$10,000,000 development. Mr. Maxwell briefly discussed the additional tax benefits of building the proposed storage facility on this property. He addressed City Staff's recommendation for denial. Mr. Maxwell felt the proposed storage facility was an appropriate development for this property and would be done well. He stated that when you make a building adaptable that you were programming it to fail. Mr. Maxwell stated that storage was a long lasting use. He stated that City's typically did not regulate the number of retailers and restaurants in a certain area. Mr. Maxwell stated that manufacturing uses generates spin-off businesses; however, storage uses did not. He briefly discussed the current allowed uses on the property. Mr. Maxwell felt that some of the current allowed uses were more intensive than the proposed storage use.

Commission Member Kuykendall asked how many storage units were proposed for the development. Mr. Maxwell stated that it would depend on the market and the overall size of the units.

Commission Member Kuykendall asked how often a storage unit is typically accessed. Mr. Maxwell stated that it varies considerably. He stated that there were typically only seven to eight trips per day to a storage facility. Mr. Maxwell stated that the peak times were on Saturday and Sunday afternoons. He stated that the renters of the units typically do not visit the site each month.

Mr. Rob Dejean, The Jenkins Organization, Inc., 4600 Mueller Blvd., Austin, TX, stated that the renters want their high end items close to their homes. He stated that the renters typically do not visit the site each month.

Commission Member Kuykendall asked about the entrance to the facility on Stacy Road. Mr. Maxwell stated that they would be installing a curb cut, fire lane, deceleration lane, and driveway that will serve their property along with the retail development. He stated that there are minimum spacing requirements between driveways.

Commission Member Kuykendall wanted to clarify that several businesses would be using the entrance that they were proposing to build. Mr. Maxwell said yes.

Commission Member Kuykendall asked if there would be 24 hour access to the facility. Mr. Maxwell said no, they would be able access their units between the hours of 6:00 a.m. – 10 p.m. He stated that they would have typical office hours. Mr. Maxwell stated that most of the renters would pay their bills on-line, which also reduces the trips to this location.

Commission Member Egan asked if the proposed United States Postal Service (USPS) facility on-site would be a full service facility. Mr. Dejean stated that they were still in negotiations with them. He stated that they liked the location and felt this area was underserved. Mr. Dejean stated that they were committed to providing some sort of packing and shipping center at the proposed front retail office area of the development to provide a service to the community. He stated that it would also generate sales tax revenue.

Commission Member Egan asked about the high security proposed at this location. Mr. Maxwell stated that a background check would be done on all of the renters. He stated that it would be a gated facility with cameras everywhere. Mr. Maxwell stated that a key code would be required to enter the facility. He stated that these facilities generate less crime than restaurants and other retail locations.

Commission Member Smith asked Staff about their position that the proposed self-storage facility would impede surrounding development and quality of development the proposed project could attract. Mr. Bloxham stated that the corner could have developed differently; however, it was tough to say exactly how it could have developed. He stated that the market dictates how it would be developed. Mr. Bloxham stated that Staff would have liked to have seen something more inclusive that utilized the space better with a different layout. He stated that this area was underutilized and that more people would be moving into this area. Mr. Bloxham stated that Staff would have liked to see more retail at this site.

Alternate Commission Member Mantzey asked Staff if they were willing to accept dead space or less attractive retail behind the Walmart location. Mr. Bloxham stated

that Staff had discussed this and it was a risk. He stated that he could not say what would go into this location if the proposed request was not approved.

Commission Member Egan asked if the medical office shown on the applicant's Power Point presentation was finalized. Mr. Bloxham stated that Staff had not received any formal submittals for it. He stated that the applicant had stated that they were not sure exactly how that would develop.

Commission Member Egan stated that there was a building located near Virginia Pkwy. and Custer Road that was located deep on the property and had multiple tenants that had failed and the building sat vacant for some time. He asked if Staff if they had similar concerns for this property. Mr. Brian Lockley, Director of Planning for the City of McKinney, stated that the City wants to preserve as much of the commercial retail sites as possible. He stated that with the large grocery store's location on the property would dictate how the site was developed. Mr. Lockley stated that the placement of the grocery store in the center of the property would hinder the development of the property to maximize commercial uses. He stated that there would be some limitation to what could go in the rear corner of the property.

Commission Member Cobbel stated that the proposed development was a \$10,000,000 development that would use up the back corner on the property that we do not know what else could be successfully developed at that location.

Chairman Cox stated that a lot of good points had been raised. He stated that the market determines how properties develop. Chairman Cox felt the proposed development was appropriate for this location.

Commission Member Cobbel stated that storage facilities do not seem to be transient uses. She stated that they seem to be needed and operate for long periods of time.

Commission Member Kuykendall stated that she had concerns about placing a storage facility at this location. She stated that was an important corner.

Alternate Commission Member Mantzey stated that there was retail at Custer Road and Sam Rayburn Tollway (State Highway 121). He also felt that there was more retail that could be built along Custer Road. Alternate Commission Member Mantzey stated that traffic was already a concern along Custer Road. He stated that this location was a dead space and located next to apartments. Alternate Commission Member Mantzey stated that if you shorten the community demands for storage facility supply then you could increase the cost to the community. He stated that the proposed storage facility fits the area and a nice project.

Commission Member Smith stated that she was not favorable of a storage facility at this location. She did not feel that storage facilities were appropriate next to apartment complexes. Commission Member Smith stated that this was a premier location with retail uses. She stated that she did not disagree with a lot of points that the applicant made.

Commission Member Egan stated that he lived near this location. He stated that he was not exactly thrilled to see a storage facility going in at this location; however, he liked the idea of having a postal service, cold-storage, and high security at this location. Commission Member Egan stated that these features do not exist in this area and were needed. He did not suggest opening a retail location behind the large retail site located in the center of the property. Commission Member Egan stated that the location of the

other site in the center of the development hinder what else would go in around it. He felt that the proposed request was the best use for this site at this time.

Chairman Cox opened the public hearing and called for comments. There being none, on a motion by Commission Member Cobbel, seconded by Alternate Commission Member Mantzey, the Commission unanimously closed the public hearing, with a vote of 6-0-0.

Commission Member Egan asked what else could be developed at this location that would be successful behind a future Walmart.

Chairman Cox stated that he agreed with Commission Member Egan's comments about not wanting to open a retail business in the northeast corner of the property.

Commission Member Egan stated that he had concerns if the medical office space shown on the applicant's Power Point presentation would be feasible at that location.

On a motion by Alternate Commission Member Mantzey, seconded by Commission Member Egan, the Commission voted to recommend approval of the specific use permit request with the special ordinance provisions listed in the Staff report, with a vote of 4-2-0. Commission Members Kuykendall and Smith voted against the motion.

Chairman Cox stated that the recommendation of the Planning and Zoning Commission will be forwarded to the City Council meeting of January 5, 2016.