

RESOLUTION NO. 2023-02-___ (R)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE AN INTERRELATED BOUNDARY ADJUSTMENT AGREEMENT AND INTERLOCAL AGREEMENT BETWEEN THE CITY OF MCKINNEY, TEXAS AND THE TOWN OF FAIRVIEW, TEXAS TO PROVIDE FOR GOVERNMENTAL FUNCTIONS AND SERVICES INCLUDING THE ESTABLISHMENT OF CORPORATE LIMIT BOUNDARIES, UTILITY SERVICE AREA BOUNDARIES, CONSTRUCTION OF PERIMETER ROADWAYS AND RELATED PUBLIC IMPROVEMENTS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of McKinney, Texas (“McKinney”), and The Town of Fairview, Texas (“Fairview”, and collectively, the “Parties”) desire to enter into a Boundary Agreement and Interlocal Agreement, attached hereto as **Exhibit A** and **Exhibit B**, respectively, to perform certain governmental functions such as the determination corporate limit boundaries, utility service area boundaries, and construction of roadways and related public improvements; and

WHEREAS, the Parties have determined that the Agreements are in each party’s best interests and the best interests of their respective citizens; and

WHEREAS, the Parties have agreed to enter into a Boundary Agreement pursuant to Section 43.015 of the Texas Local Government Code to make changes in the boundaries of areas that are less than 1,000 feet in width; and

WHEREAS, the Parties acknowledge and agree that the previous boundary line adjusted under Boundary Agreement is shown on Exhibit A of the Boundary Agreement and labeled “EXISTING BOUNDARY” and the new boundary line is shown on Exhibit A of the Boundary Agreement and labeled “PROPOSED BOUNDARY”; and

WHEREAS, the area of land that will be transferred from McKinney’s corporate limits into Fairview’s jurisdiction (the “New Fairview Territory”) and the area of land that will be transferred from Fairview’s corporate limits into McKinney’s jurisdiction (the “New McKinney Territory”) is as described on Exhibit B of the Boundary Agreement; and

WHEREAS, McKinney currently holds a Certificate of Convenience and Necessity (“CCN”) to be the retail provider of water and sewer service within portions of the New Fairview Territory and the Parties desire that McKinney relinquish its CCN under the New Fairview Territory and Fairview obtain and hold the CCN for the entirety of the New Fairview Territory and be the retail provider of water and sewer; and

WHEREAS, Fairview currently holds a Certificate of Convenience and Necessity (“CCN”) to be the retail provider of water and sewer service within portions of the New McKinney Territory and the Parties desire that Fairview relinquish its CCN under the New McKinney Territory and McKinney obtain and hold the CCN for the entirety of the New McKinney Territory and be the retail provider of water and sewer; and

WHEREAS, the Parties have agreed to enter into an Interlocal Agreement for Public Roadway Construction and Funding pursuant to Chapter 791 of the Texas Government Code, known as the Interlocal Cooperation Act; and

WHEREAS, Fairview agrees to construct a roadway segment and related public improvements in general conformance with the alignment (the “New Roadway Segment”) shown in Exhibit A of the Interlocal Agreement; and

WHEREAS, Fairview’s estimated cost for its design and construction of the New

Roadway Segment and related public improvements is \$7,280,000; and

WHEREAS, the New Roadway Segment will be located in Fairview's jurisdiction adjacent to the agreed boundary line that separates the jurisdictions of McKinney and Fairview; and

WHEREAS, a portion of the New Roadway Segment will run adjacent to real property owned by Columbia Medical Center of McKinney Subsidiary, L.P. (said property owner being referred to as "Medical City"); and

WHEREAS, under an existing agreement with McKinney, Medical City was required to construct a certain portion of the New Roadway Segment (the "Medical City Roadway Segment"); and

WHEREAS, McKinney and Medical have agreed that Medical City be released from the requirement to construct the Medical City Roadway Segment in exchange for Medical City escrowing monies to fund a portion of Fairview's construction of the New Roadway Segment (the "Medical City Contribution"); and

WHEREAS, McKinney will have no obligation to make any contribution, monetary in aid of construction of the New Roadway Segment; and

WHEREAS, the Parties have determined the New Roadway Segment improvements will be constructed most economically by an Interlocal Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, THAT:

Section 1. The City Manager is hereby authorized to execute a Boundary Agreement and Interlocal Agreement for Public Roadway Construction and Funding with the Fairview upon a) confirmation of Fairview's passage of a similar resolution approving such Agreements, and b) McKinney's receipt of the Medical City Contribution.

Section 2. This Resolution shall be effective upon the City Manager's verification of the satisfaction of the conditions contained in Section 1(a) and (b) above.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS ON THE 7th DAY OF FEBRUARY 2023.

CITY OF MCKINNEY, TEXAS

GEORGE C. FULLER, Mayor

ATTEST:

EMPRESS DRANE, City Secretary

APPROVED AS TO FORM:

MARK S. HOUSER, City Attorney

EXHIBIT A
BOUNDARY ADJUSTMENT AGREEMENT

EXHIBIT B

CITY OF MCKINNEY AND TOWN OF FAIRVIEW INTERLOCAL AGREEMENT