Approach for Orderly Growth and Annexation Planning
November 16, 2015

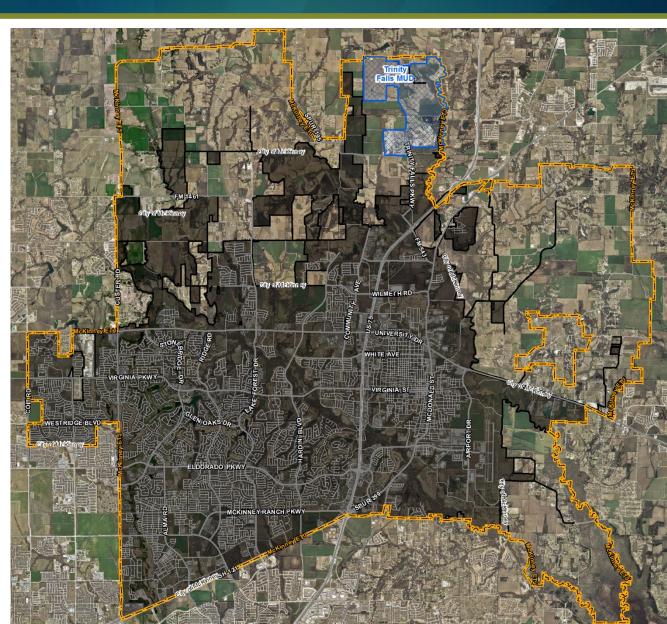


McKinney at a Glance

Current City Limits: 66.82 sq. mi.

Ultimate City Limits: 116 sq. mi.

43% of McKinney is currently unincorporated



Orderly Growth & Annexation Planning

Northwest Sector Study Initiative

Phase I of the Initiative created a vision for the Northwest Sector to guide the pattern of growth and desired development quality over the near, mid, and long term.

Phase II of the Initiative set out to evaluate, craft, select, relate, and phase the appropriate implementation components into a comprehensive implementation program or Action Plan, including:

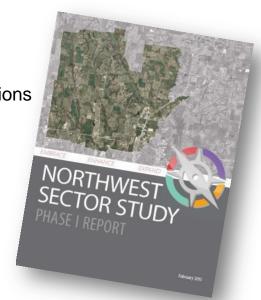
TASK 1. Market analysis and creation of locational criteria

TASK 2. Creation of a local street typology strategy/policy

TASK 3. Approach for orderly growth & annexation strategies

TASK 4. Analysis of, and proposed amendments to, development regulations

TASK 5. The creation of an infrastructure financing policy



Annexation Process and Background

- The annexation of land into a municipality's corporate limits is authorized and governed by Chapter 43 of the Texas Local Government Code.
- There are generally 3 ways that annexations can occur:
 - 1. Annexations by Petition (Voluntary)

A private property owner (or owners) may request to be annexed into a City's corporate limits. Historically speaking, the majority of land annexed in McKinney over the last 10 years has been voluntary.

2. Annexations in Accordance with a Municipal Annexation Plan (Involuntary)

Properties that are to be involuntarily annexed over time are shown on a map that is published publicly. The map must be published for three years before annexation proceedings may occur.

3. Annexations in Exception to a Municipal Annexation Plan (Involuntary)

Subsection 43.052(h) of the Texas Local Government Code indicates certain conditions and requirements that, if met, authorize a city to involuntary annex property that is not shown on a Municipal Annexation Plan. The involuntary annexations that were approved in May 2015 were conducted under these exceptions.

Why Adopt an Annexation Plan?

Two Main Reasons Why Texas Cities Adopt an Annexation Plan:

- Exercise land use authority
- Exercise taxing authority

Why This Matters:

- Land use authority allows a municipality to better protect its long term interests with regard to land use and development.
- Taxing authority is a necessary tool for a municipality to be able to provide the important public services (i.e. police, fire, infrastructure).

Current McKinney Annexation Plan

Current McKinney Annexation Plan adopted in 1999 and generally states:

- City of McKinney has no intent to involuntarily annex properties for which an annexation plan (map) is required.
- City of McKinney reserves the right to involuntarily annex properties under the exception clause of the Texas Local Government Code.

Staff recommends amending the current McKinney Annexation Plan in order to establish a more proactive approach for land use, service and fiscal planning.

What's Included in a Municipal Annexation Plan?

Map Elements

- Must identify the areas to be involuntarily annexed under the plan.
- Areas to be involuntarily annexed must be contiguous to the current city limits.
- Areas to be involuntarily annexed must be shown on the Municipal Annexation Plan for three years after date of plan adoption.
- Annexation of these areas must be completed within 31 days after the 3year "procedures/negotiations" period, or the city must wait 5 more years to annex the area.
- Areas removed from the plan after 18 months of being placed in the plan cannot be added back to the plan for 2 years.

Annexation Service Plan

 Municipal Annexation Plan must include a program under which the city will provide full municipal services in the annexed area, including a list of services required by law.

Next Steps

- City Staff is requesting Council direction to develop an amendment to the existing McKinney Municipal Annexation Plan (adopted in 1999).
- If Council agrees, Staff will began work with the City Attorney's Office to establish a framework for a Municipal Annexation Plan.
- Staff anticipates that a draft Plan will be ready for Council review by Spring 2016.