



**21-0004A2/21-
0038Z3**

TITLE: Conduct a Public Hearing to Consider/Discuss/Act on a Petition to Annex (Case No. 21-0004A) and a Request to Zone (Case No. 21-0038Z) on Certain Land (the "Property") to "PD" - Planned Development District, Located on the East Side of State Highway 5 (McDonald Street) and Approximately 600 Feet North of the Intersection of County Road 278 and Fannin Road, and Related Ordinance(s) and Agreements

COUNCIL GOAL: Direction for Strategic and Economic Growth
(1C: Provide a strong city economy by facilitating a balance between industrial, commercial, residential and open space)

MEETING DATE: April 5, 2022

DEPARTMENT: Development Services - Planning Department

CONTACT: Jennifer Arnold, AICP, Director of Planning
Caitlyn Strickland, Planning Manager

RECOMMENDED CITY COUNCIL ACTION: Staff recommends approval of the proposed annexation and zoning request subject to the following special ordinance provisions:

1. The property shall be zoned "PD" - Planned Development District, and subject to the attached development regulations.

APPLICATION SUBMITTAL DATE: March 02, 2021 (Original Application)
March 19, 2021 (Revised Submittal)

ITEM SUMMARY:

Petition to Annex (Agenda Item #21-0004A)

- Pursuant to Chapter 43 (Sub-Chapter C-3) of the Texas Local Government Code, the applicant has submitted a petition for voluntary annexation into the

City of McKinney for approximately 39.90 acres of land. The subject property is generally located on the East Side of State Highway 5 (McDonald Street) and Approximately 600 Feet North of the Intersection of County Road 278 and Fannin Road.

- The subject property is located in the Extraterritorial Jurisdiction (ETJ) of the City of McKinney. The purpose of the ETJ is to promote the general health, safety and welfare of a person residing in and adjacent to the municipalities. The Subdivision Ordinance applies to property within the ETJ; the Zoning Ordinance does not.
- The subject property is also located within Melissa Independent School District. Melissa ISD has been informed of the proposed annexation.
- As required by State Law, the applicant has executed an acknowledgment outlining the provision of municipal services associated with the proposed annexation (known as the Service Plan). This acknowledgment for services will be included as an exhibit to the Annexation Ordinance.
- Staff recommends approval of the proposed annexation, including the proposed Service Plan for the provision of municipal services (Agenda Item #21-0004A).

Development and Annexation Agreement

- Because this annexation is at the request of the property owner, the developer of the subject property is responsible for extending adequate infrastructure to the site as the property is developed, unless otherwise specified through an executed Development and Annexation Agreement.
- In association with tonight's annexation request, the property owner is also proposing a Development and Annexation Agreement, which requires development of the subject property pursuant to all typical city standards.
- Staff recommends approval of the proposed Development and Annexation Agreement.

Request to Zone (Agenda Item #21-0038Z)

- The applicant requests to zone the subject property to "PD" - Planned Development District, generally for commercial and multi-family uses.
- The proposed zoning request **does not align** with the 'Commercial Center' placetype designated in the Comprehensive Plan. The tract sits along State Highway 5 and the future extension of CR 339 in the northern most portion of McKinney's ultimate growth area. Even with the extension of CR 339 to the east and the potential commercial opportunity that it could bring, the potential for all

39.90 acres of this tract to develop as commercial may be low. Where commercial development does occur, it will likely be concentrated on tracts closer to the State Highway 5 frontage and for which are already being designated as commercial per this zoning request. As such, we recommend approval of the zoning request (Agenda Item #21-0038Z).

- In accordance with State Law, the proposed zoning request was considered by the Planning and Zoning Commission at the February 8, 2022 meeting and received a favorable recommendation by the Commission in a 7-0-0 vote.
- Information regarding the zoning request and Staff's full evaluation is attached to this agenda item as "21-0038Z - Zoning Request Information."

BACKGROUND INFORMATION:

1. Annexation and City Services.

- The annexation of land is governed by Chapter 43, Sub-Chapter C-3 of the Texas Local Government Code. This code section outlines the steps and procedures that must be followed in order to incorporate land that is within a municipality's extraterritorial jurisdiction (ETJ) into its corporate city limits on request of the owner(s). The proposed annexation is following these statutory obligations.
- The subject property that is proposed to be annexed is vacant land.
- The McKinney Fire Department currently provides fire and medical emergency services in this area. Currently, police response is from Collin County. The Texas Local Government Code stipulates that police and fire services must be provided pursuant to the terms outlined in the written agreement for the provision of municipal services (known as the Service Plan).
- The Texas Local Government Code stipulates that solid waste collection must be available pursuant to the terms outlined in the written agreement for the provision of municipal services (known as the Service Plan).

2. Development Requirements.

- All necessary public improvements will be required at the time of platting, unless otherwise specified in an approved facilities, development, or annexation agreement.
- Upon annexation into the city, the subject property will be subject to the

Zoning Ordinance and Subdivision Ordinance, unless otherwise specified in an approved facilities, development, or annexation agreement.

- Upon annexation into the city, development of the subject property will be subject to the payment of a proportionality fee and/or roadway impact fees, which represents a roughly proportional amount necessary to offset the roadway infrastructure capacity needs of the subject property, unless otherwise specified in an approved facilities, development, or annexation agreement.

FINANCIAL SUMMARY:

- Annexation of additional property has financial implications for the City. However, based on the size and location of the property being annexed, it is not expected to have a significant financial impact to the city.
- Although the developer will be responsible for upgrading roads and extending utilities as development occurs, the long-term maintenance of these facilities will be the City's responsibility.
- The ISO rating determines insurance rates in McKinney. Poor availability of water resources in proposed annexed areas could have a negative impact on ISO ratings.
 - An ISO rating is based on a 105 point system:
 - 40 points for water system (supply, distribution, fire flow, hydrants, maintenance, etc.)
 - 50 points for evaluation of the Fire Department itself
 - 10 points for alarm systems
 - 5 points for code enforcement, plan review, etc.
- The effects of additional annexation on ISO ratings are cumulative. The City's current ISO rating is 1 on a scale of 1 to 10, with 1 being the best and 10 being the worst. The latest evaluation was conducted in 2018. An ISO rating of 1 is required to be evaluated every 4 years.
- Annexed parcels are subject to City property tax. This tract may currently have an agricultural valuation classification with Collin Appraisal District (CAD). An AG exemption is given to properties in active agricultural uses, which allows the property to have a lower appraisal value and thus, lower taxes. When property with an AG exemption is developed, it is subject to rollback taxes for each of the previous five years. As such, the owner would be required to pay County, ISD, and City taxes which had been exempted during that five-year period. Whenever this proposed tract is developed, the City would receive rollback taxes if the property has such an exemption.

OPPOSITION TO OR SUPPORT OF REQUEST: Staff has received one letter of opposition and no letters in support to the zoning component of this annexation and zoning request. Included with the letter of opposition was a packet of information including several pages of scanned signatures. This does not include emails or letters that may have been sent directly to members of the Council. As part of the Planning and Zoning Commission Public Hearing(s), Staff also received citizen comments through the online citizen portal, which are attached for your reference.

It should also be noted that on February 23, 2022, Staff received an official written protest for the zoning request. At this time, the submitted protest includes validated signatures from eligible property owners representing .786% of the total area within 200' of the subject property. As such, a supermajority vote of the Council (6 of 7) will not be required for approval of the zoning request.

BOARD OR COMMISSION RECOMMENDATION:

- Annexation requests are considered solely by the City Council. However, the associated zoning request was considered by the Planning and Zoning Commission at the February 8, 2022 meeting and received a favorable recommendation by the Commission in a 7-0-0 vote.
- This item was considered at the March 1st City Council meeting where the public hearing was closed and the item was tabled indefinitely by a vote of 7-0-0. The applicant requested to table the item to allow more time to discuss the proposed development with the contiguous property owners.

SUPPORTING MATERIALS:

[Location Map and Aerial Exhibit](#)
[3.1.2022 CC Minutes](#)
[02.08.22 PZ Minutes](#)
[Letter of Intent](#)
[Letters of Opposition](#)
[Citizen Comment](#)
[Petition Requesting Annexation](#)
[Proposed Development and Annexation Agreement](#)
[1295 Certificate](#)
[Proposed Annexation Ordinance](#)
[Proposed Annexation Exhibits A-D](#)
[21-0038Z - Zoning Request Information](#)
[Written Protest Form](#)
[Written Protest Map](#)
[Proposed Zoning Ordinance](#)
[Proposed Zoning Exhibits A-D](#)
[Presentation - Staff](#)

Presentation - Applicant