



17-1113

TITLE: Consider/Discuss the Terms of a New 45-Year Development Agreement in Association with the Pending Municipal Annexations Generally Located in the Northwest Sector of McKinney

COUNCIL GOAL: Direction for Strategic and Economic Growth

MEETING DATE: November 6, 2017

DEPARTMENT: Development Services - Planning Department

CONTACT: Jennifer Arnold, Planning Manager
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Brian Lockley, AICP, CPM, Director of Planning
Michael Quint, Executive Director of Development Services

RECOMMENDED CITY COUNCIL ACTION:

- Consider/discuss and provide direction to staff regarding development agreements associated with pending annexations generally located in the northwest sector of McKinney.

ITEM SUMMARY:

- During the September 19, 2017 City Council Meeting, Council approved Resolution No. 2017-09-182, authorizing the City Manager to execute development and annexation agreements in association with the proposed annexation of land generally located in the Northwest Sector of McKinney.
- However, approval during the September 19 meeting only authorized the City Manager to execute the following:
 - Section 43.035 Agreements ("10-Year Agreements") with property owners who have an agricultural, wildlife management, or timber land ad valorem tax exemption on their property, which agreement would defer annexation for a period of up to 10 years; and

- Section 212.172 Agreements (“3-Year Agreements”) with property owners who do not have an agricultural, wildlife management or timber land ad valorem tax exemption on their property. In general, these agreements do not defer annexation, but provide for a reimbursement equal to a parcel’s payment of its city ad valorem taxes for a period of three years following annexation (save and except any rollback taxes).
- After completing the Public Hearing process, the Council directed staff to prepare a new and single agreement that could be offered, subject to City Council approval, to all property owners in the proposed annexation area (referred to as the “45-Year agreement”) (see attached) with modified terms that include the following:
 - Property owners would maintain their ETJ status for a period of 45 years
 - The limitations and development of the property would be subject to the specific terms described within the agreement (as opposed to the AG - Agricultural District zoning standards)
 - Exceptions to and expansion of the terms of the agreement may be considered over time and through mutual agreement by the city and property owner
 - Property owners would be able to construct an additional single family residential home for a family member on the same tract
 - Property owners may elect the effective date of the agreement to enable opting out of the agreement if the proposed annexation area is not annexed before December 1, 2017.
- Because of the direction from the Council to only draft and deliver a new, single agreement for all property owners within the proposed annexation area, formal consideration of the new agreement is necessary.

BACKGROUND INFORMATION:

- The annexation of land is governed by Chapter 43 of the Texas Local Government Code. This Chapter 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. The proposed annexation is following these statutory obligations.
- The City Council has agreed that portions of its Extraterritorial Jurisdiction (ETJ) generally located in the Northwest Sector of McKinney should be annexed into its corporate limits.
- During the September 19, 2017 City Council Meeting, Council approved Resolution No. 2017-09-182, authorizing the City Manager to execute development and annexation agreements in association with the proposed annexation of land generally located in the Northwest Sector of McKinney.

- However, approval during the September 19 meeting only authorized the City Manager to execute the following:
 - Section 43.035 (10-Year) Agreements with property owners who have an agricultural, wildlife management, or timber land ad valorem tax exemption on their property, which agreement would defer annexation for a period of up to 10 years; and
 - Section 212.172 (3-Year) Agreements with property owners who do not have an agricultural, wildlife management, or timber land ad valorem tax exemption on their property. In general, these agreements do not defer annexation, but provide for a reimbursement equal to that parcel's payment of city ad valorem taxes for a period of three years following annexation (save and except any rollback taxes).

SUPPORTING MATERIALS:

[212.172 Agreement \(3 Year\)](#)

[43.035 Agreement \(10 Year\)](#)

[Modified Agreement \(45 year\)](#)