17-586

TITLE: Consider/Discuss/Act on a Resolution Authorizing the City Manager to Execute a Development Agreement with Honey Creek Joint Venture II and a Development Agreement with McKinney Ranch, LTD, and Honey Creek Investments, LLC, Acknowledging Public Improvement Obligations and Requirements Necessary for Development of the Respective Tracts, Generally Located on the North and South Sides of FM 543 and on the East and West Sides of CR 201

COUNCIL GOAL: Direction for Strategic and Economic Growth

MEETING DATE: June 6, 2017

DEPARTMENT: Development Services

CONTACT: Brandon Opiela, Development Manager

RECOMMENDED CITY COUNCIL ACTION:

- Approval of the Resolution

ITEM SUMMARY:

- This item authorizes the City Manager to enter into a Development Agreement with Honey Creek Joint Venture II ("Agreement No. 1") for approximately 313 acres of land and a Development Agreement with McKinney Ranch Limited, LTD and Honey Creek Investments, LLC ("Agreement No. 2") for approximately 1,470 acres of land, which are both a part of the Cross "F" Planned Development, and currently governed by "PD" - Planned Development District Ordinance 1703 (attached).

- PD 1703 requires that a development agreement be executed between the Developer and the City of McKinney, prior to the occurrence of any platting or development on any portion of the property. As such, the respective Owners have requested approval of a development agreement to allow for the development of the properties.

- Both Agreement No. 1 and Agreement No. 2 have similar language stipulating

that the future development of the properties will follow the City's Zoning Ordinance and land development ordinances, and requires the Owners to fund and construct roadway, utility, and other public improvements (including the dedications necessary for said improvements), as set forth in the City's Subdivision Ordinance, that are necessitated by the development of the property.

- As stated above, both agreements contain similar language throughout; however, the only substantive differences are detailed further below:

    - Agreement No. 1 includes additional language further clarifying the assignment process in Section T. of the agreement, as there is a pending purchase of the entire property by a developer.

    - Agreement No. 2 includes additional language regarding the potential use of the City's eminent domain authority to obtain off-site easements should it be absolutely necessary for the installation of infrastructure per the City's master water, sewer and thoroughfare plans.

    - Agreement No. 2 also states that the exercise of eminent domain by the City will be subject to the City's determination, in its sole discretion, that the offsite right-of-way and easements are necessary for public use and that the owner has exercised commercially reasonable efforts to purchase the right-of-way or easements. Any requests by the Owner for the City's use of eminent domain authority to help the Owner obtain off-site easements and/or right-of-way necessary to extend public infrastructure, will be brought forward to the City Council for review and approval.

    - The owner shall pay all costs and expenses, whether incurred by the City or otherwise, in connection with such eminent domain actions and acquisitions as detailed in the agreement.

    - One known possible acquisition where eminent domain may be necessary is for a master planned sewer line along Honey Creek. This sewer would not only serve developments currently proposed for construction, but it would further open up the Honey Creek basin for additional development activity.

BACKGROUND INFORMATION:

- An associated general development plan (16-371GDP) for the approximately 313 acre tract (owned by Honey Creek Joint Venture II), is being considered concurrently by the City Council.

- An associated preliminary-final (17-077PF) plat for the entire approximately 313 acre tract (owned by Honey Creek Joint Venture II) is currently under review by

Staff, and is tentatively scheduled for approval by the Planning and Zoning Commission at the June 13, 2017 meeting.

- A new ethics law enacted by H.B. 1295, prohibits a governmental entity or state agency from entering into certain contracts with a business entity unless the business entity submits a disclosure of interested parties (Form 1295). All of the business entities involved have completed Form 1295, and have been attached.

FINANCIAL SUMMARY:

- N/A

BOARD OR COMMISSION RECOMMENDATION:

- N/A

SUPPORTING MATERIALS:

Proposed Resolution
Proposed Agreement No. 1
Proposed Agreement No. 2
Location Map and Aerial Exhibit
Governing PD Ordinance No. 1703
Form 1295 Certificates