



**17-044DA**

**TITLE:** Consider/Discuss/Act on a Third Amendment to 2012 Trinity Falls Development Agreement with Trinity Falls Holdings, LP

**COUNCIL GOAL:** Direction for Strategic and Economic Growth

**MEETING DATE:** June 20, 2017

**DEPARTMENT:** Development Services

**CONTACT:** Michael Quint, Executive Director of Development Services  
Barry Shelton, AICP, Assistant City Manager  
Mark Houser, City Attorney  
Danny Kistner, Fire Chief  
Brian Lockley, Director of Planning  
Gary Graham, PE, PTOE, Interim Director of Engineering  
Brandon Opiela, Development Manager

**RECOMMENDED CITY COUNCIL ACTION:**

- Staff recommends approval of the proposed agreement amendments.

**ITEM SUMMARY:**

- After the November 2, 2016 approval of the Second Amendment to the Trinity Falls Development Agreement, the owner/developer of the Trinity Falls MUD (Trinity Falls Holdings, LP) approached Staff later that month to discuss additional amendments to the master development agreement pertaining to its proposed purchase of an additional 271 acres of land (the "Frazier Tract") to be annexed into the Trinity Falls MUD 2. The desired amendments would also be aimed at increasing the number of lots available for development, adding new residential product types, not currently allowed in Trinity Falls, and clarifying other existing provisions.
- As such, the owner has worked with Staff on a third amendment to the 2012 Trinity Falls Development Agreement, allowing for the development of 1024 additional single family residential lots, and adding certain commercial, and school/park sites on the "Frazier Tract" within the MUDs while also clarifying the parties' obligations, particularly in the fire services provisions in the Agreement.

The proposed amendment also modifies and refines several other provisions of the previous agreement pertaining to the entirety of the MUD land area (both existing and potential future land) which specific provisions are described further below. The Third Amendment would not go into effect unless and until the Frazier Tract is purchased and annexed into MUD 2. If the Frazier Tract is not annexed by July 18, 2017, the Third Amendment is null and void, at which time the Second Amendment would continue in its present format.

### **Planning Unit Preliminary Plats**

- Section 2.3 of the current Agreement specifies a requirement to limit the total number of lots for two specific, residential lot sizes (SDF-45 and SDF-57.5) on an overall plan when a portion of the property is being preliminary platted. The reference to both lot types has been removed in the proposed agreement in conjunction with the addition of new residential lot types discussed further below.

### **Trinity Falls Fire Station**

- Section 3.9.3 of the current development agreement has been modified to provide clarification regarding the obligations of the City and the owner in the construction and operation of a future fire station facility in Trinity Falls, and allows the City to commence construction earlier, as discussed below.
- The proposed amendments state that the owner will convey a 3-acre fire station site to the City at no cost to the City and upon the City's request; however not sooner than October 1, 2017. In addition, the owner has the obligation to construct all of the necessary infrastructure (roadway, water and sewer) to the site prior to July 31, 2018. After the infrastructure is completed by the owner, the City has 18 months to complete the construction; however, the design, engineering and bidding for the fire station can commence on the City's schedule/timeline. The fire station must be situated and sized in accordance with Exhibit C-6. The components of Fire Station #9 (on Lake Forest Dr.), both building footprint and equipment, will be partially funded by the owner as described below.
- The proposed amendments stipulate that owner will contribute the lesser of i) 90% or ii) \$7,650,000.00 of the estimated capital costs of the fire station's building improvements and equipment (which amounts are subject to increase if additional land is annexed into the MUDs) with the City. The current estimate of capital costs for the fire station is \$9,400,000.00. The owner will also contribute 70% of the City's costs of employee compensation and training for 18 newly-hired firefighters necessary for opening and operating the fire station for a period equaling one (1) year of such costs. The trigger for payment of the capital costs and training/compensation is upon the City's first request for soft costs for the design of the fire station. After the fire station opens and thereafter, on an annual basis, the owner will make payments to the City comprising a percentage of the costs of all personnel, equipment, building maintenance, and other costs to provide such services (save and except EMS services) to be based on a

calculation the percentage of geographic areas served by the station within Trinity Falls and those served outside of Trinity Falls.

### **Water and Wastewater Infrastructure**

- The proposed agreement clarifies easement dedication and rights of the City to construct, reconstruct, inspect, patrol, and maintain water and wastewater infrastructure required to serve the property. More specifically, the agreement obligates the owner to convey easements to the City for infrastructure that has been or will be constructed in right-of-way dedicated to the District.
- The proposed agreement also adds a provision that allows the owner to construct a temporary lift station for portions of the western side of the “Frazier Tract” that does not gravity feed into the off-site sewer constructed by the developer pursuant to the 2012 Development Agreement. At such time that a sanitary sewer gravity line is extended by the City or other adjacent developments, the owner will decommission the lift station and connect to said lines, at the owner’s cost.

### **Trinity Falls Parkway Construction**

- The proposed agreement clarifies the process by which the owner will deliver to the City, legal descriptions for all off-site right-of-way interests for FM 543/Trinity Falls Parkway (sufficient to begin eminent domain proceedings) which the owner was unable to acquire through negotiation.
- After all rights-of-way and easements have been acquired by the owner and City, the owner will have 90 days to begin construction of FM 543/Trinity Falls Parkway, and subsequently must be completed prior to the issuance of the 1,100<sup>th</sup> building permit.

### **Development Regulations (Residential and Commercial)**

- The proposed agreement provides revised land use concept plans that provide the general location for all residential and non-residential uses throughout the MUDs. Additionally, all residential lot types (other than those designated as age restricted active adult) may be located anywhere within a single family area. Age restricted active adult lots must be designated as such on a plat, and if so, this residential lot type can be located in any single family area of the MUDs.
- While the current development agreement allows for the development of 3 single family residential lot types, the owner has proposed to replace the 3 existing lot types with 8 new single family residential lot types (please see proposed agreement for specific development standards of each lot) within the proposed amendment (including attached and detached residential products) and provides a mix of housing options within the MUDs, including 3 new, small lot types that are specific to age restricted active adult communities.
- Specific to the age restricted active adult community areas, the agreement

establishes additional architectural and site standards for these product types including, but not limited to; perimeter masonry screening walls; ornamental or tubular steel fences for individual lots (screening fences prohibited); walking trail system throughout the community; carriage style garages with decorative hardware; and other architectural enhancements specific to the 45' wide product.

- Additionally, the owner has submitted a letter from the prospective developer (Pulte Homes of Texas, L.P., d/b/a Del Webb) of the age restricted active adult product within Trinity Falls, stating that it would not develop additional age restricted active adult residential developments within one mile of the existing and future boundary of the Trinity Falls Subdivision. Staff points out that this residential product type does not exist as a residential classification under the City's zoning ordinance.
- With regards to the commercial land use areas, the proposed agreement now requires commercial uses to meet the architectural and site standards of Chapter 146-139 of the Code of Ordinances, and as amended.

#### **Maximum Single Family Residential Lots**

- The proposed agreement increases the maximum number of single family residential lots from 4,176 lots to 5,200 lots within MUD 2, MUD 1, and any land subsequently annexed into the MUDs (this does not include the "New MUD Land" of the existing agreement, which will permit an additional 520 single family lots if the Collin County Outer Loop right-of-way is returned to the owner).
- The proposed amendment also limits the total number of residential lots that are less than 50' in width to 2,000 lots.

#### **Revised/Modified Agreement Exhibits**

- The owner has provided revised exhibits in coordination with the amendments discussed above and the addition of the "Frazier Tract" into MUD 2. The revised exhibits include a new overall MUD map and legal descriptions for the entirety of the MUDs; revised land use, thoroughfare, park phasing, and major infrastructure plans; proposed fire station location and service area maps, description of fire station components, equipment, and rolling stock to be based upon those contained in Fire Station 9; and exhibits detailing the location and development components of the age restricted active adult areas.

#### **BACKGROUND INFORMATION:**

- Trinity Falls is comprised of two (2) Municipal Utility Districts (MUDs) established in accordance with state law in McKinney's ETJ. The master planned community initially contained approximately 1,600 acres of land and was initially designed to contain approximately 4,176 single family residential dwelling units and some limited non-residential uses.
- The Trinity Falls MUDs are governed by a development agreement that was

executed by the City of McKinney in 2006 and amended in December 2012, February 2014, and November 2016. The proposed amendment to the development agreement represents the third amendment to the 2012 development agreement.

- The associated Second Amendment to 2012 Agreement Concerning Creation and Operation of McKinney Municipal Utility District No. 1 of Collin County and Second Amendment to 2012 Agreement Concerning Creation and Operation of McKinney Municipal Utility District No. 2 of Collin County, which address bonding authority for the MUDs is being considered concurrently by the City Council.

**FINANCIAL SUMMARY:**

- N/A

**BOARD OR COMMISSION RECOMMENDATION:**

- N/A

**SUPPORTING MATERIALS:**

[Location Map and Aerial Exhibit](#)  
[Proposed 3rd Amend to Dev. Agmt.](#)  
[Proposed Exhibit A](#)  
[Proposed Exhibit B-2A](#)  
[Proposed Exhibit B-2B](#)  
[Proposed Exhibit B-2C](#)  
[Proposed Exhibit B-4A](#)  
[Proposed Exhibit B-4B](#)  
[Proposed Exhibit B-4C](#)  
[Proposed Exhibit C-1](#)  
[Proposed Exhibit C-1A](#)  
[Proposed Exhibit C-2](#)  
[Proposed Exhibit C-2A](#)  
[Proposed Exhibit C-3](#)  
[Proposed Exhibit C-3A](#)  
[Proposed Exhibit C-4](#)  
[Proposed Exhibit C-4A](#)  
[Proposed Exhibit C-5](#)  
[Proposed Exhibit C-6](#)  
[Proposed Exhibit C-6A](#)  
[Proposed Exhibit C-7A](#)  
[Proposed Exhibit C-7B](#)  
[Proposed Exhibit C-7C](#)  
[Proposed Exhibit C-7D](#)  
[2nd Amendment to 2012 Dev. Agmt.](#)  
[1st Amendment to 2012 Dev. Agmt.](#)

[2012 Trinity Falls Dev. Agmt.](#)  
[Station #9 Informational Layout Only](#)  
[Letter from Pulte Homes / Del Webb](#)  
[1295 Certificate](#)