



17-201A

TITLE: Conduct a Public Hearing to Consider and Discuss the 2017 Municipal Annexation Plan, Including the Proposed Annexation of Approximately 218 Acres of Land, of Which 49 Acres is Generally Located North of CR 857 and East of Custer Road (and is Referred to as Sub-Area 17-1) and 169 Acres is Generally Located Along the North Side of US Highway 380 (University Drive) and is East of FM 1827 (New Hope Road) and West of CR 337 (and is Referred to as Sub-Area 17-2)

COUNCIL GOAL: Direction for Strategic and Economic Growth

MEETING DATE: August 15, 2017

DEPARTMENT: Planning Department - Development Services

CONTACT: Jennifer Arnold, Planning Manager
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Brian Lockley, AICP, Planning Director
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RECOMMENDED CITY COUNCIL ACTION:

- Conduct the first of two public hearings regarding the proposed annexation of approximately 218 acres of land as part of the 2017 Municipal Annexation Plan.

ITEM SUMMARY:

- In January 2017, the City of McKinney approved a Municipal Annexation Plan, which identifies areas in the McKinney Extraterritorial Jurisdiction (ETJ) to be annexed into the City Limits on the third anniversary of the date the plan was approved (January 17, 2017).
- The identified annexation area includes two sub-areas known as Sub-Area 17-1 and 17-2. Sub-Area 17-1 is 49 acres and is generally located north of CR 857 and east of Custer Road. Sub-Area 17-2 is 169 acres and is generally located along the north side of US Highway 380 between FM 1827 (New Hope Road) and CR 337. A map of the annexation area is included with this Agenda Item for reference.

- In accordance with Section 43 of the Texas Local Government Code, this Public Hearing item is to receive comments on the Municipal Annexation Plan and the proposed annexation of Sub-Area 17-1 and Sub-Area 17-2. A second Public Hearing will be held at the September 5, 2017 Regular Meeting of the City Council.
- As part of this Public Hearing item, Staff is also making available the proposed Service Plan for the provision of services in accordance with Section 43.056(j) of the Texas Local Government Code.
- The proposed Service Plan reflects the standard template used by the City of McKinney when considering annexations. In accordance with State Law, it includes and describes the full municipal services that the City will be required to provide following annexation.
- As part of the regulated process for annexing property under a Municipal Annexation Plan, the Collin County Commissioners Court has been asked to select five representatives to negotiate the provision of services described in the proposed Service Plan. Following selection of these representatives, City Staff will begin the negotiation process.
- As such, the proposed Service Plan may be amended through the negotiation process over the next several months; however, no services identified in the plan may be eliminated. Following the negotiation process, Staff will present the negotiated Service Plan to the Council at a subsequent meeting.
- The final Service Plan will be attached to the ordinance annexing the area and approved as part of the ordinance. Pursuant to State Law, final action on the proposed annexation will not occur until the year 2020.

BACKGROUND INFORMATION:

- The annexation of land into a municipality's corporate limits is authorized and governed by Chapter 43 of the Texas Local Government Code.
- In accordance with Section 43.052 of the Texas Local Government Code, the City of McKinney has initiated the process of annexing properties as part of a Municipal Annexation Plan.
- The 2017 Municipal Annexation Plan was approved by Ordinance No. 2017-01-012 on January 17, 2017.

- The City of McKinney has met all noticing requirements for this Public Hearing item.

FINANCIAL SUMMARY:

- Annexation of additional property has financial implications for the City.
- Although the ultimate developer(s) of the annexation areas 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. Availability of water resources in proposed annexed areas has impacts 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 2014. An ISO rating of 1 is required to be evaluated every 4 years.
- The Fire Department has indicated that the proposed annexation request may have the potential for a negative impact upon the City's ISO rating due to extended response time to citizens living within the area to be annexed or due to the current water supply and roadway infrastructure to the property which may impact firefighting capabilities.
- Annexed parcels are subject to City property tax. Some of the properties included in the annexation area may currently have an agricultural valuation classification with the Collin Central Appraisal District (CCAD). 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, when/if AG exempt properties in the annexation area develop, the property owner will be required to pay applicable County, ISD, and City taxes which had been exempted during the preceding five-year period.

BOARD OR COMMISSION RECOMMENDATION:

- N/A

SUPPORTING MATERIALS:

[Location Map and Aerial Exhibit](#)
[2017 Municipal Annexation Policy](#)
[Proposed Service Plan](#)
[Presentation](#)