

AHC McKinney Ranch Apartments

August 25, 2023

Overview

Allen Harrison Company (“AHC”) is requesting to rezone an 18.215-acre property (“the Property”), generally located north of State Highway 121 S between McKinney Ranch Parkway and Collin McKinney Parkway in McKinney, Texas (the “City”). According to the City’s zoning map (attached hereto as “Exhibit A”), the Property is currently zoned Planned Development District (“PD”) Ordinance No. 2008-05-046 with base zoning Agricultural District (“AG”). Given the current and future site constraints on this site, a straight zoning change is untenable in order for a high-quality multifamily residential development, and we are requesting a rezone to a PD that closely follows the City of McKinney’s base MF30 designation.

For this PD, AHC proposes a four-story, market-rate multi-family community that aligns with the City’s Land Use & Development Strategy as articulated in the City’s ONE McKinney 2040 Comprehensive Plan. The Property is located in the Collin McKinney District and is designated as an “Entertainment Center” placetype (attached hereto as “Exhibit B”). The City’s Unified Development Code indicates¹ MF30 is an appropriate zoning district within the Entertainment Center placetype.

In addition to the extension of Collin McKinney Parkway, this development will feature many luxury amenities including a resident amenity center, a fitness facility, a co-working/business center, a resort-style swimming pool, a dog run & wash, an outdoor kitchen with grills, and electric vehicle charging stations.

Rezoning Justification and Need for Multifamily

Although MF30 zoning (which this PD will closely resemble) does fit within the City’s ONE McKinney 2040 Comprehensive Plan, we understand Staff’s interest toward commercial development on this site. However, the current property owner and developer, RPGC McKinney Ranch and Gillett Commercial, have explored both retail and speculative office developments at this location and, after multiple years of planning, they ultimately determined a commercial use was not viable due to lack of demand. One data point of theirs was the performance of the large new retail strip just west of the site at the corner of McKinney Ranch Parkway and S Hardin Boulevard where, despite leasing since 2020 and having three times the drive-by traffic of the subject site, vacancy sits at 63%.

This contrasts with the increase in demand for rental housing in the region surrounding our site, where the average multifamily occupancy exceeds 95% and rents have grown 32% over the last 3 years. Over that same timeframe, the City has added nearly 14,000 people and 4,500 apartment

¹ Section 204.L.1

units, underscoring need for additional housing. Looking at the number of ‘persons per unit’ (population / number of multifamily units), McKinney (11.4 persons per unit) has a shortage of multifamily units compared to neighboring cities such as Frisco (9.3 persons per unit), Plano (7.5 persons per unit), and Richardson (7.2 persons per unit). With McKinney’s population projecting to grow by 6% over the next 5 years, and a high concentration of growth expected along the Sam Rayburn Tollway near the subject site, this project would still only satisfy a very small fraction of the demand (385/5,500), as the City would need to add a minimum of 5,500 units based on the persons per unit metric.

In addition to providing much needed housing to aid in the growing housing crisis, this development provides the added benefit of completing useful City infrastructure with the extension of Collin McKinney Parkway. In an area where adjacent multifamily stock is, on average, 15 years old, this luxury community will complement both new and existing developments, while improving traffic circulation for surrounding developments and bringing an urban look and feel consistent with other areas of the City, ultimately resulting in a healthy mix of living options and price points for residents in the area.

Site Constraints and Need for Planned Development

The future expansion of Collin McKinney Parkway is intended to completely bifurcate the site and run right through the middle to form the natural connection from northeast to the southwest – completing the last stretch of undeveloped road from S Hardin Boulevard up to Craig Drive. In addition to the future bifurcation of the site and associated right-of-way dedication required, the development constraints are further amplified by proximity to Sloan Creek resulting in floodplain and detention pond needs as well as power lines on the southern portion of the property. The result of these constraints provides for a situation in which the overall PD request area would have an overall density of 22 units per acres (lower than MF30); however, when the bifurcation and associated replatting takes place with the roadway expansion, the developable area is limited to a smaller specified area and artificially inflates the density which is why the PD Standards show a 38 unit per acre density. These units will only be located on the northern tract and the southern tract will remain undeveloped other than detention and public open space. By creating a PD for this Property, the detention and floodplain areas near the creek can be treated as an additional open space and amenity area for the future residents and McKinney citizens.

While the PD seeks to conform to McKinney’s base code as strictly as possible, there are a few additional minor deviations sought in order to provide a well-designed and thoughtful development that is responsive to the unique characteristics of this site and location. In keeping with other developments in McKinney, the proposed project will provide a screening fence of wrought iron and masonry columns consistent with Code along the current and future road, but also seeks to continue this screening along the western portion of the site in order to maintain consistency. Additionally, the PD proposes a reduction in the minimum parking ratio from 2.0 spaces per unit to 1.60 spaces per unit. Parking ratios at past AHC projects across Texas have

ranged from 1.60 spaces per unit to 1.76 spaces per unit, with an average parking ratio of 1.69 spaces per unit. Given substantial experience in the industry, 1.60 spaces per unit is the minimum ratio AHC requires of their development to achieve satisfactory resident convenience, with a goal of providing above this minimum ratio as final design takes place. With this parking ratio, AHC is able to design a site plan that maximizes amenities and convenience for residents, retains appealing and beneficial tree canopy and greenspace, while allowing flexibility to work around the site constraints previously mentioned.

About the Developer

The applicant and developer of this proposed development, Allen Harrison Company, is a privately-held real estate investment and services firm focused on the development, construction, acquisition and property management of high-quality multi-family assets. The firm offers significant experience derived from a long history spanning 19 markets, with more than \$6 billion in value across mixed-use, high-rise, mid-rise & low-rise multifamily properties.

Summary

The PD being proposed for this site allows for the construction of a high-quality multifamily project that will help satisfy the exhibited demand for housing in a period of continued growth for the City of McKinney, in a location adjacent to some of the largest commercial projects the area has seen in recent years. While requesting only minimal changes to the base zoning necessitated by unique site constraints, the project will be a high-quality addition to the fabric of the neighborhood.

EXHIBIT A

Current Zoning at the Property

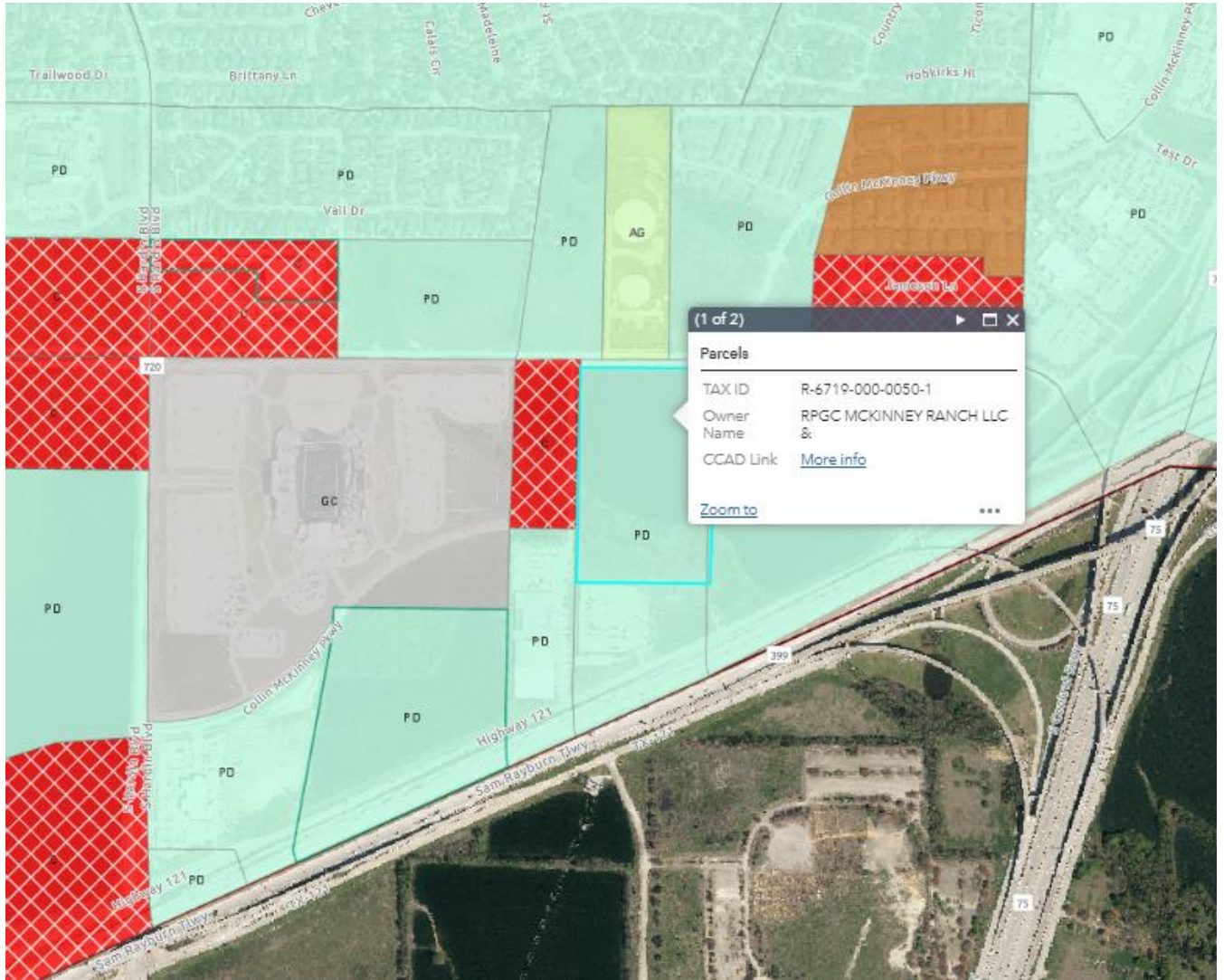


EXHIBIT B
Future Land Use at the Property

