

**RESOLUTION NO. 2025-08-\_\_\_\_ (R)**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE A TERM SHEET WITH HC MCKINNEY 3, LLC AND MCKINNEY RIDGE, LLC GOVERNING THE USE, DEVELOPMENT, AND PROVISION OF MUNICIPAL UTILITIES TO APPROXIMATELY 558 ACRES OF LAND IN UNINCORPORATED COLLIN COUNTY GENERALLY LOCATED NORTH OF F.M. 1461 AND C.R. 166; AND PROVIDING AN EFFECTIVE DATE**

**WHEREAS,** the owners of approximately 558 acres of land generally located north of F.M. 1461 and C.R. 166 (the "Subject Property") which is more fully depicted on Exhibit A, attached hereto, HC McKinney 3, LLC and McKinney Ridge, LLC (the "Owner"), have approached the City seeking to execute an agreement governing the use, development, and provision of municipal utilities to the Subject Property;

**WHEREAS,** the Subject Property was previously located within McKinney's Extraterritorial Jurisdiction ("ETJ"), but the Owner has opted out of the ETJ and the Subject Property is now located in unincorporated Collin County;

**WHEREAS,** the Owner has also petitioned the Texas Commission on Environmental Quality (the "TCEQ") to create Municipal Utility District No. 11.;

**WHEREAS,** the Owner also intervened in McKinney's petition to the Public Utility Commission (the "PUC") to decertify portions of its water and sewer Certificates of Convenience and Necessity ("CCN");

**WHEREAS,** the City and the Owner have mutually agreed to the terms contained in the proposed Term Sheet (the "Term Sheet"), attached hereto as Exhibit B, governing the use, development, and provision of municipal utilities to the Subject Property; and

**WHEREAS,** the approval and execution of this Term Sheet will allow the parties to negotiate and draft a Development Agreement, if at all, to govern the use, development, and provision of municipal utilities to the Subject Property.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, THAT:**

Section 1. The City Manager is hereby authorized to execute the Term Sheet.

Section 2. This Resolution shall be effective upon its passage.

**DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, ON THE 19<sup>TH</sup> DAY OF AUGUST 2025.**

CITY OF MCKINNEY, TEXAS

\_\_\_\_\_  
BILL COX  
Mayor  
GERÉ FELTUS  
Mayor Pro Tem

ATTEST:

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EMPRESS DRANE, TRMC  
City Secretary  
TENITRUS PARCHMAN, TRMC  
Deputy City Secretary

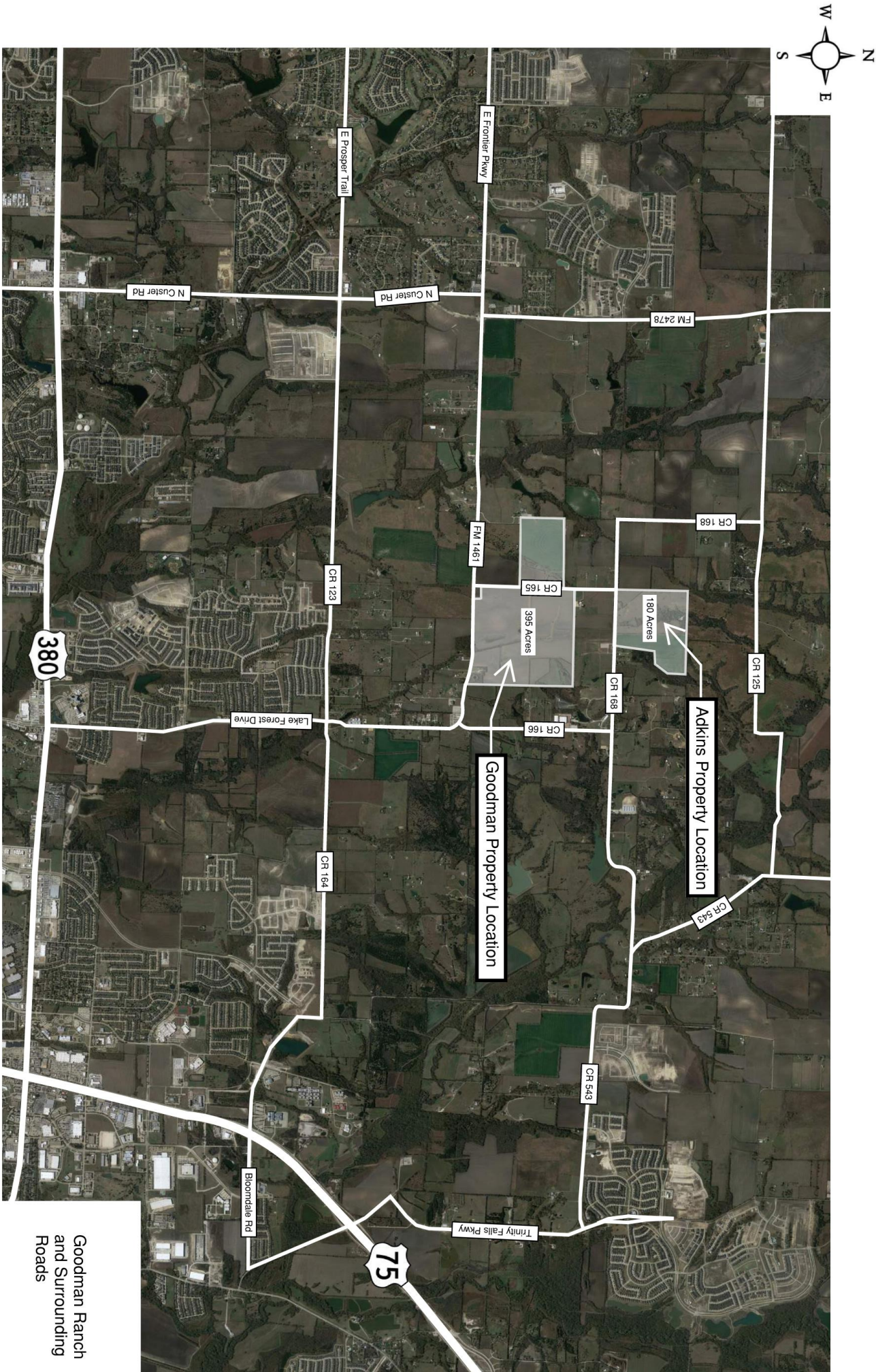
APPROVED AS TO FORM:

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MARK S. HOUSER, City Attorney  
ALAN LATHROM, Assistant City Attorney

EXHIBIT A

SUBJECT PROPERTY LOCATION MAP





## **EXHIBIT B**

### **Proposed Term Sheet**

#### Non-Binding Term Sheet

1. District will agree to a maximum residential unit count (single family and multi-family).
2. District will fund, build, and dedicate all on-site and off-site water infrastructure to serve the proposed development in accordance with City of McKinney standards
3. District will fund, build, and dedicate all on-site wastewater infrastructure to serve the proposed development in accordance with City of McKinney standards.
4. Retail water customers will pay the City's outside-city water rates.
5. Water impact fees will be assessed in accordance with then current ordinances.
6. Pro Rata fees will be assessed, collected, and remitted to District in accordance with applicable ordinances.
7. Following notice to the City, the District may annex additional land into the District, provided any annexed parcel(s) are contiguous and entirely within 1600 feet of the District's initial boundary, the aggregate acreage of all annexed parcels does not exceed 144 acres, and the District does not exceed an overall, aggregate unit cap of 4,000 units (residential)/unit equivalents (commercial).
8. City will provide retail water service, as available, and in the same manner it provides water service for other developments within the City's CCN (first-come, first-served basis).
9. McKinney agrees to amend its PUC application to remove the properties owned by HC McKinney 3, LLC and McKinney Ridge, LLC from McKinney's decertification request.
10. Huffines agrees to dismiss their contest to McKinney's decertification application and to withdraw from the case.
11. Huffines agrees not to file any complaints with the PUC or initiate any related litigation against McKinney regarding McKinney's water or wastewater service requirements or relating to the provision of retail water or wastewater services for the proposed development as all are described in the non-standard customer agreement.