



**21-0007A/21-
0074Z2**

TITLE: Conduct a Public Hearing to Consider/Discuss/Act on a Petition to Annex (Case No. 21-0007A) and a Request to Rezone a Portion of the Subject Property from "AG" - Agricultural District and "CC" - Commercial Corridor Overlay District to "C2" - Local Commercial District and "CC" - Commercial Corridor Overlay District, and Zone a Portion of the Subject Property to "C2" - Local Commercial District (Case No. 21-0074Z), Located on the Northwest Corner of University Drive (U.S. Highway 380) and County Road 856, and Related Ordinance(s) and Agreements

COUNCIL GOAL: Direction for Strategic and Economic Growth
(1C: Provide a strong city economy by facilitating a balance between industrial, commercial, residential and open space)

MEETING DATE: August 3, 2021

DEPARTMENT: Development Services - Planning Department

CONTACT: Jennifer Arnold, AICP, Director of Planning
Caitlyn Strickland, Planning Manager
Kaitlin Sheffield, Planner II

RECOMMENDED CITY COUNCIL ACTION: Staff recommends approval of the proposed annexation and zoning request.

APPLICATION SUBMITTAL DATE: May 11, 2021 (Original Application)
June 18, 2021 (Revised Submittal)

ITEM SUMMARY:

Petition to Annex (Agenda Item #21-0007A)

- Pursuant to Chapter 43 (Sub-Chapter C-3) of the Texas Local Government Code, the applicant has submitted a petition for voluntary annexation into the City of McKinney for approximately 1.92 acres of land. The subject property is approximately located 180 feet north of U.S. Highway 380 (University Drive) and on the west side of County Road 856.

- The subject property is located in the Extraterritorial Jurisdiction (ETJ) of the City of McKinney. The purpose of the ETJ is to promote the general health, safety and welfare of a person residing in and adjacent to the municipalities. The Subdivision Ordinance applies to property within the ETJ; the Zoning Ordinance does not.
- The subject property is also located within Prosper Independent School District. Prosper ISD has been informed of the proposed annexation.
- As required by State Law, the applicant has executed an acknowledgment outlining the provision of municipal services associated with the proposed annexation (known as the Service Plan). This acknowledgment for services will be included as an exhibit to the Annexation Ordinance.
- Because this annexation is at the request of the property owner, the developer of the subject property is responsible for extending adequate infrastructure to the site as the property is developed, unless otherwise specified through an executed Development and Annexation Agreement. The applicant has proposed a Development and Annexation Agreement, which is described in further detail below.
- Staff recommends approval of the proposed annexation, including the proposed Service Plan for the provision of municipal services (Agenda Item #21-0007A).

Request to Zone (Agenda Item #21-0074Z)

- The applicant requests to rezone a portion of the subject property from “AG” - Agricultural District and “CC” - Commercial Corridor Overlay District to “C2” - Local Commercial District and “CC” - Commercial Corridor Overlay District, and zone a portion of the subject property to “C2” - Local Commercial District. This zoning request aligns with the commercial center placetype designated in the Comprehensive Plan.
- Staff feels that the proposed zoning request will be compatible with the existing and proposed surrounding uses. As such, we recommend approval of the zoning request (Agenda Item #21-0074Z).
- In accordance with State Law, the proposed zoning request was considered by the Planning and Zoning Commission at the June 13, 2021 meeting and received a favorable recommendation by the Commission in a 6-0-0 vote.

- Information regarding the zoning request and Staff's full evaluation is attached to this agenda item as "21-0074Z - Zoning Request Information."

Development and Annexation Agreement

- In association with tonight's annexation and zoning request, the property owner is also proposing a standard Annexation Facilities Agreement, which outlines specific terms for the annexation of the ETJ property.
- Staff recommends approval of the proposed Development and Annexation Agreement.

BACKGROUND INFORMATION:

1. Annexation and City Services.

- The annexation of land is governed by Chapter 43, Sub-Chapter C-3 of the Texas Local Government Code. This code section outlines the steps and procedures that must be followed in order to incorporate land that is within a municipality's extraterritorial jurisdiction (ETJ) into its corporate city limits on request of the owner(s). The proposed annexation is following these statutory obligations.
- The subject property that is proposed to be annexed is vacant land.
- The McKinney Fire Department currently provides fire and medical emergency services in this area. Currently, police response is from Collin County. The Texas Local Government Code stipulates that police and fire services must be provided pursuant to the terms outlined in the written agreement for the provision of municipal services (known as the Service Plan).
- The Texas Local Government Code stipulates that solid waste collection must be available pursuant to the terms outlined in the written agreement for the provision of municipal services (known as the Service Plan).

2. Development Requirements.

- All necessary public improvements will be required at time of platting, unless otherwise specified in an approved facilities, development, or annexation

agreement.

- Upon annexation into the city, the subject property will be subject to the Zoning Ordinance and Subdivision Ordinance, unless otherwise specified in an approved facilities, development, or annexation agreement.
- Upon annexation into the city, development of the subject property will be subject to the payment of a proportionality fee and/or impact fee, which represents a roughly proportional amount necessary to offset the roadway infrastructure capacity needs of the subject property, unless otherwise specified in an approved facilities, development, or annexation agreement.

FINANCIAL SUMMARY:

- Annexation of additional property has financial implications for the City. However, based on the size and location of the property being annexed, it is not expected to have a significant financial impact to the city.
- Although the developer 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. Poor availability of water resources in proposed annexed areas could have a negative impact 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 2018. An ISO rating of 1 is required to be evaluated every 4 years.
- Annexed parcels are subject to City property tax. This tract may currently have an agricultural valuation classification with Collin Appraisal District (CAD). 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, the owner would be required to pay County, ISD, and City taxes which had been exempted during that five-year period. Whenever this proposed tract is developed, the City would receive rollback taxes if the property has such an exemption.

BOARD OR COMMISSION RECOMMENDATION:

- Annexation requests are considered solely by the City Council. However, the associated zoning request was considered by the Planning and Zoning Commission at the June 13, 2021 meeting and received a favorable recommendation by the Commission in a 6-0-0 vote.

SUPPORTING MATERIALS:

[Location Map and Aerial Exhibit](#)

[PZ Minutes 07.13.21](#)

[Letter of Intent](#)

[Petition Requesting Annexation](#)

[Proposed Annexation Facilities Agreement](#)

[Proposed Annexation Ordinance](#)

[Proposed Annexation Exhibits A-D](#)

[21-0074Z - Zoning Request Information](#)

[Proposed Zoning Exhibits A-C](#)

[Proposed Zoning Ordinance](#)

[Presentation](#)