



**21-0010A/22-0012Z2**

**TITLE:** Conduct a Public Hearing to Consider/Discuss/Act on a Petition to Annex (Case No. 21-0010A) and a Request to Zone (Case No. 22-0012Z) on Certain Land (the “Property”) to “PD” - Planned Development District, Located on the West Side of State Highway 5 (McDonald Street) and Approximately 2,800 Feet North of Telephone Road, 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:** May 3, 2022

**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:** December 6, 2021 (Original Application)  
January 31, 2022 (Revised Submittal)

**ITEM SUMMARY:**

Petition to Annex (Agenda Item #21-0010A)

- 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 11.65 acres of land. The subject property is generally located on the west side of State Highway 5 (McDonald Street) and approximately 2,800 feet north of Telephone Road.
- 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 Melissa Independent School District. Melissa 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.
- Staff recommends approval of the proposed annexation, including the proposed Service Plan for the provision of municipal services (Agenda Item #21-0010A).

#### Development and Annexation Agreement

- 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.
- In association with tonight's annexation request, the property owner is also proposing a Development and Annexation Agreement, which requires development of the subject property pursuant to all typical city standards.
- Staff recommends approval of the proposed Development and Annexation Agreement.

#### Request to Zone (Agenda Item #22-0012Z)

- The applicant requests to zone the subject property to "PD" - Planned Development District, generally for commercial and heavy machinery sale and storage uses.
- The proposed zoning request aligns with the 'Commercial Center' placetype designated in the Comprehensive Plan. As such, we recommend approval of the zoning request (Agenda Item #22-0012Z).
- In accordance with State Law, the proposed zoning request was considered by the Planning and Zoning Commission at the April 12, 2022 meeting and received

a favorable recommendation by the Commission in a 7-0-0 vote.

- Information regarding the zoning request and Staff's full evaluation is attached to this agenda item as "22-0012Z - Zoning Request Information."
- Staff has received no letters of support or opposition to this request. Staff has received citizen comments through the online citizen portal, which are attached for your reference.

## **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 the 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 fees, 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.

**OPPOSITION TO OR SUPPORT OF REQUEST:** Staff has received no letters in support of or opposition to the annexation request (21-0010A) or the zoning request (21-0087Z).

Staff has received citizen comments through the online citizen portal, which are attached for your reference.

**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 April 12, 2022 meeting and received a favorable recommendation by the Commission in a 7-0-0 vote.

**SUPPORTING MATERIALS:**

[Location Map and Aerial Exhibit](#)

[1295 Form](#)

[Letter of Intent](#)

[Citizen Comment](#)

[Petition Requesting Annexation](#)

[Proposed Development and Annexation Agreement](#)

[Proposed Annexation Ordinance](#)

[Proposed Annexation Exhibits A-D](#)

[Draft PZ Minutes 4.12.2022](#)

[22-0012Z - Zoning Request Information](#)

[Proposed Zoning Ordinance](#)

[Proposed Zoning Exhibits A-D](#)

[Presentation](#)