



23-0050

**TITLE:** Consider/Discuss/Act on a Resolution Authorizing the City Manager to Execute an Interrelated Boundary Adjustment Agreement and Interlocal Agreement between the City of McKinney and the Town of Fairview, Texas to Provide for Governmental Functions and Services Including the Establishment of Corporate Limit Boundaries, Utility Service Area Boundaries, Construction of Perimeter Roadways and Related Public Improvements

**COUNCIL GOAL:** 2A: Balance available resources to accommodate the growth and maintenance needs of the city

**MEETING DATE:** February 7, 2023

**DEPARTMENT:** City Manager  
City Attorney

**CONTACT:** Paul G. Grimes, City Manager  
Gary Graham, Director of Engineering  
Mark S. Houser, City Attorney

**RECOMMENDED CITY COUNCIL ACTION:**

- Approve the Resolution

**ITEM SUMMARY:**

- The City Manager and the Town Manager of Fairview have negotiated agreements which will allow Fairview to construct Frisco Road from the US 75 frontage road to SH 5 (the "New Roadway Segment"). Medical City has an existing responsibility to construct a portion of this road, and the agreements will allow for a single, unified project to be completed by Fairview. To obtain significant TXDOT funding, the boundaries of the cities would be adjusted such that the road will be situated within Fairview. To accomplish this, a boundary agreement will relocate two small parcels within the respective jurisdictions of McKinney and Fairview: one will be relocated from McKinney to Fairview; the other will be relocated from Fairview to McKinney. Medical City will fund \$1,173,011 of the cost of the roadway segment, which full roadway segment has an overall cost of \$7,280,000.

**BACKGROUND INFORMATION:**

- McKinney and Fairview have negotiated an Interlocal Agreement for Public Roadway Construction and Funding pursuant to Chapter 791 of the Texas Government Code, known as the Interlocal Cooperation Act for the construction of Frisco Road.
- Fairview has agreed to construct a roadway segment and related public improvements from US 75 frontage road to SH 5.
- The estimated cost for its design and construction of the New Roadway Segment and related public improvements is \$7,280,000.
- If approved, the agreements would situate the New Roadway Segment within the boundaries of Fairview's jurisdiction adjacent to an agreed boundary line that would separate the jurisdictions of McKinney and Fairview.
- A portion of the New Roadway Segment will run adjacent to real property owned by the Medical City medical complex. Under an existing facilities agreement with the City, Medical City is required to construct a certain portion of the New Roadway Segment.
- If approved, the agreements trigger the execution of an Escrow Agreement wherein the City will release Medical City from its requirement to construct a portion of the New Roadway Segment in exchange for Medical City escrowing monies for the project.
- In addition and if approved, McKinney and Fairview will mutually adjust their respective Certificates of Convenience and Necessity ("CCN") to be the retail provider of water and sewer service in their newly acquired jurisdictional areas.

**FINANCIAL SUMMARY:**

- The City has no financial obligation for the road construction. The City has no financial obligation for the CCN amendment.

**BOARD OR COMMISSION RECOMMENDATION:**

- N/A

**SUPPORTING MATERIALS:**

[Resolution](#)  
[Exhibit A - Boundary Adjustment Agreement](#)  
[Exhibit B - Interlocal Agreement](#)  
[Location & Proposed Adjustment](#)