

PLANNING AND ZONING COMMISSION

SEPTEMBER 24, 2019

The Planning and Zoning Commission of the City of McKinney, Texas met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on Tuesday, September 24, 2019 at 6:00 p.m.

City Council Present: Charlie Philips and Rick Franklin

Commission Members Present: Chairman Bill Cox, Vice-Chairman Brian Mantzey, Hamilton Doak, Christopher Haeckler, Deanna Kuykendall, Bry Taylor, and Scott Woodruff - Alternate

Commission Member absent: Cam McCall

Staff Present: Director of Planning Jennifer Arnold, Development Engineering Manager Matt Richardson, Planners David Soto and Joseph Moss, and Administrative Assistant Terri Ramey

There were approximately 20 guests present.

Chairman Cox called the meeting to order at 6:00 p.m. after determining a quorum was present.

Chairman Cox announced that item # 19-0784 would be pulled from the Consent items, so that it would be considered separately.

The Commission unanimously approved the motion by Commission Member Doak, seconded by Commission Member Kuykendall, to approve the following two Consent items, with a vote of 7-0-0.

19-0783 Minutes of the Planning and Zoning Commission Work Session of September 10, 2019.

19-0134CVP Consider/Discuss/Act on a Conveyance Plat for Lots 1 & 2, Block A, of the Emerald Lake Addition, Located on the West Side of Hardin Boulevard and Approximately 575 feet South of Virginia Parkway.

END OF CONSENT

19-0784 Minutes of the Planning and Zoning Commission Regular Meeting of September 10, 2019. Minutes of the Planning and Zoning Commission Regular Meeting of September 10, 2019. Mr. G. R. Mortenson requested a couple of minor revisions to the minutes. Chairman Cox read the

requested revisions. On a motion by Commission Member Kuykendall, seconded by Commission Member Haeckler, the Commission unanimously approved the motion to approve the minutes with the minor revisions, with a vote of 7-0-0.

Chairman Cox continued the meeting with the Regular Agenda Items and Public Hearings on the agenda.

Commission Member Kuykendall left the meeting at 6:45 p.m.

- 1 Conduct a Public Hearing to Consider/Discuss/Act on a Request to Rezone the
 - 8- Subject Property from "PD" - Planned Development District and "REC" - Regional
 - 0 Employment Center Overlay District to "PD" - Planned Development District,
 - 1 Generally to Allow for Single Family Residential, Multi-Family Residential and
 - 4 Commercial Uses, Located at the Northwest Corner of Collin McKinney Parkway
 - 2 and Alma Road. Ms. Jennifer Arnold, Director of Planning for the City of
 - Z McKinney, stated that a few letters of support were distributed to the Commission
 - 2 prior to the meeting. She explained the proposed rezoning request. Ms. Arnold
- stated that this item was presented to the Commission in May 2019 and was requested to be tabled in order to allow the applicant time to work with the adjacent property owners and neighboring residents. She stated that the applicant has done that and was coming back before the Commission requesting the rezoning with some modifications to the original plan. Ms. Arnold stated that the existing subject property has a mixture of three different zonings on it. She explained that the current zoning allowed for multi-family residential uses, commercial style uses, and mixed-uses. Ms. Arnold stated that a layout was currently tied down to the areas in orange and yellow on the Existing Zonings on Subject Property drawing included in the Staff Report. She stated that there was also a layout for a key commercial user tied down for the corner of the property, shown in blue on the Existing Zonings on Subject Property drawing included in the Staff Report. Ms. Arnold stated that the original rezoning request would relieve some of the development plans that were tied down and would create three different character districts. She stated that each of the three-character districts would allow for a

different range of uses. Ms. Arnold stated that the applicant was originally requesting that the southwest portion of the property, light purple on the Proposed Zoning (Original) included in the Staff Report, allow for small lot single-family residential development. She stated that the hard corner, in light pink on the Proposed Zoning (Original) included in the Staff Report, would remain "C1" – Neighborhood Commercial District. Ms. Arnold stated that multi-family uses would be located in the dark purple area on the Proposed Zoning (Original) that was included in the Staff Report. She stated that there were a lot of public comments with concerns regarding the original rezoning request at the May 14, 2019 Planning and Zoning Commission meeting. Ms. Arnold stated that the applicant has since gone back to make some modifications to their rezoning request, which was being presented at this meeting. She stated that the applicant was now considering having four-character districts on the property. Ms. Arnold stated that on the revised request the proposed single-family residential development along Hewitt Drive remained. She stated that the applicant was now requesting townhome uses near Wessex Court, on the northwest quadrant of the property, shown in a dark yellow on the on the Proposed Zoning (Revised) page included in the Staff Report. Ms. Arnold stated that the applicant now proposed multi-family uses in the center area of the hard corner, shown in orange on the Proposed Zoning (Revised) page. She stated that the hard corner, Tract A - shown in dark orange on the on the Proposed Zoning (Revised) page, would reduce in size with the proposed revised rezoning request. Ms. Arnold stated that the applicant was now requesting "C2" – Local Commercial District for the hard corner with commercial and mixed-use uses. She stated that Staff worked with the applicant on the request. Ms. Arnold stated that while Staff was supportive of many of the components of the revised request, we were not able to offer our full support of the request due to significant concerns about the reduction in the commercial footprint from five acres in the original rezoning request down to three acres in the revised request. She stated that the existing zoning on the property would potentially allow for approximately 10 acres of commercial development. Ms. Arnold stated that

while considering the original request to rezone the property, Staff appreciated the addition of single-family; however, recognized that the commercial potential needed to be harnessed at the hard corner. She stated that Staff appreciates that the applicant was trying to work with the surrounding community. Ms. Arnold stated that given what the Comprehensive Plan shows for this area and the City's desire to grow and support the commercial tax base, the proposed reduction in the commercial footprint gives Staff some concerns. She stated that Staff also has concerns regarding the proposed multi-family uses. Ms. Arnold stated that there were currently some conflicting development standards that Staff would like to work through. She stated that the applicant was also proposing a six story parking garage with the multi-family development. Ms. Arnold stated that the six story parking garage would be taller than the multi-family units that have a maximum height of four stories. She stated that given how the area has developed, Staff has some concerns that a six story parking garage would be out of context and scale for this area. Ms. Arnold stated that a six story garage would help reduce some of the on-street parking concerns of the nearby residents. She stated that the applicant has also included a restriction for on-street parking to satisfy their parking requirements. Ms. Arnold stated that Staff appreciates a lot of the work that the applicant has done to work with the nearby residents. She reiterated that Staff has concerns regarding the reduction in the commercial footprint and some of the development standards regarding to the parking garage height and some other conflicts in there. Ms. Arnold stated that Staff recommends denial of the proposed revised rezoning request and offered to answer questions. Commission Member Haeckler stated that during the previous rezoning request presentation to the Commission there was some discussion regarding to the height of the buildings and the density. He asked how the proposed multi-family and density has changed with the revised rezoning request. Ms. Arnold stated that the original request had 25 units per acre for the areas designated for multi-family development. She stated that this request was still seeking 25 units per acre; therefore, the overall density had not changed. Ms. Arnold stated that the

disbursement of where the multi-family occurs on the property had shifted around on the property. Commission Member Haeckler asked for more clarification on the proposed heights of the buildings. Ms. Arnold stated that the current zoning in certain locations allowed for certain bonuses and provisions. She stated that the area along Hewitt Drive could currently allow for heights up to 12 stories. Ms. Arnold stated that there were minimum two story requirements and maximums for each one of the different zonings on the property. She stated that the minimum two story requirement in the proposed single-family use area would go away. Ms. Arnold stated that the proposed multi-family area would still have a four story building height. Vice-Chairman Mantzey asked if the height restrictions were governed by a "PD" – Planning Development District by elevation on how they should look. Ms. Arnold said no. She stated that there were architectural standards; however, she did not believe that there were any elevations tied down. Ms. Arnold stated that the architectural standards that were in place with the existing zoning were removed with the revised request due to changes in State Law which the City is no longer able to regulate architectural features. She stated that there were still site design requirements, open space features, and site elements that were tied down. Alternate Commission Member Woodruff asked if there were deed restrictions on the property. Ms. Arnold stated that she was not sure if the subject property had deed restrictions, "HOA" - homeowners' association restrictions, property owner covenants, and/or "CC&Rs" – Covenants, Conditions & Restrictions. She stated that there were overarching standards within Craig Ranch; however, she was not sure what mechanism that they use. Chairman Cox stated that Craig Ranch has guidelines and development standards. He asked if Craig Ranch's requirements would supersede the recent changes in State Law for architectural standards that a City can enforce. Ms. Arnold said yes. Mr. Martin Sanchez, Sanchez & Associates, 2000 N. McDonald Street, McKinney, TX, stated that Ms. Arnold did a fantastic job explaining the difficulty and nuance of the proposed rezoning request. He stated that Ms. Arnold, City Staff, and himself tried to work with the resident's concerns and the

constraints that Staff was under to come up with a great project. Mr. Sanchez stated that unfortunately either Staff was going to recommend denial or the residents were going to be very upset and not be in support of the proposed rezoning request. He stated that there was no way that they could satisfy everyone. Mr. Sanchez stated that Ms. Arnold went the extra mile to try to get them there. He stated that the residents also did a fantastic job working with them. Mr. Sanchez stated that Craig Ranch was originally rezoned in 2001 and described some of the processes that went along with it. He stated that two other people tried to develop the property and they had rezoned pieces of the subject property. Mr. Sanchez stated that the subject property was in bankruptcy when Mr. Anant Patel purchased it. He stated that the property was a mishmash with a number of different blocks with various zonings that didn't make a lot of sense. Mr. Sanchez stated that Spicewood was developed to the south of the subject property around 2015-2016. He stated that The Trails to the north had also been developed. Mr. Sanchez stated that those two developments changed the dynamics due to being single-family developments flanking the subject property. He stated that the core of the subject property was zoned for urban uses. Mr. Sanchez explained the current zonings on the property. He stated that multi-family uses, with a minimum of 25 units per acre with no maximum and six stories tall, were currently allowed on the property facing Hewitt Drive. Mr. Sanchez stated that was the only allowable use in this section of the property. He stated that the property facing Collin McKinney Parkway currently allowed to have live-work uses with commercial on the first floor and two to three stories of multifamily uses with a minimum density of 6 ½ units per acre. Mr. Sanchez stated that was also the only allowable use in this section of the property. He stated that currently there were heights of 8 - 12 stories of multi-family uses with densities of 80 units per acre along Alma Road. Mr. Sanchez stated that he was trying to clean up the current zoning and allowable uses on the property to make sense of it in today's environment. He stated that he was originally trying to convert the area between Hewitt Drive and Collin McKinney Parkway into 65 single-family residential units instead of a

multifamily development. Mr. Sanchez stated that he proposed to mimic the development standards of the Spicewood urban living lots with an alley down the middle. He stated that they would like the architecture to be a little different than Spicewood's development. Mr. Sanchez stated that they would like to have a more urban product. He felt that was be a positive thing for the Spicewood community. Mr. Sanchez stated that he thought the reduction in height from eight stories and twelve stories down to four stories, near The Trails near the area by Wessex Court, was a heck of a concession until he heard from the residents in The Trails. He stated that they met with the Trails' leadership during the summer and a lot of lively debates and input on the project. Mr. Sanchez stated that he ended up going back to some of the design concepts that he had already discussed with Ms. Arnold and Mr. Michael Quint, Director of Development Services. He stated that they finally came up with a concept with no more than 40 townhomes in this area of the subject property. Mr. Sanchez stated that they think it will actually end up being between 26 – 34 townhomes. He stated that he didn't know the actual number of townhomes, since they have not been designed yet. Mr. Sanchez stated that would be a transition area from The Trails to the urban core of multifamily uses on the subject property. He stated that it would be a for sale townhome product with its own small amenity area and would have interior parking with no garages facing the surrounding neighborhood. Mr. Sanchez stated that none of the townhome traffic would leak out towards the neighborhood. He stated that traffic would funnel out towards the area with a median opening. Mr. Sanchez stated that he was proposing multifamily uses to be located between the proposed townhomes and commercial hard corner on the property. He stated that to accomplish this he had to shrink the five acre commercial corner down to three acres. Mr. Sanchez felt that by doing this he was able to get everything to work. Alternate Commission Member Woodruff asked what he was trying to achieve with the multifamily portion on the property. Mr. Sanchez explained that he had to find a way to make a profit. He stated that it would require between 600 – 700 multifamily units to work, otherwise the whole development would fall apart. Mr.

Sanchez stated that they intend to build the single-family first. He stated that the townhomes should be the next to develop. Mr. Sanchez stated that would give a three year head start to allow a good amount of the multifamily in the system now to get leased up and stabilize the overall market. He stated that would give them time to determine when they were ready to pull the trigger to build half, approximately 350 units, of the multifamily development and the first parking garage. Mr. Sanchez stated that once that was leased out and stabilized they would then build the second half of the multifamily units. He reiterated that they would not build all of the multifamily units all at once. Mr. Sanchez stated that they would be the owners of the multifamily development and they plan to keep it. He stated that the last part of the development would be the retail component. Mr. Sanchez stated that they were not sure what might go in at the hard corner at this time. He stated that was why they requested "C2" – Local Commercial District to be more flexible in the allowable uses and the height. Mr. Sanchez stated that they were in this for the long haul. Alternate Commission Member Woodruff stated that three acres was not a lot of space to work with for commercial uses. Mr. Sanchez stated that he would need to go vertical on the three acres to make it worthwhile. He stated that the only way to go vertical at this location with three acres was with "C2" – Local Commercial District. Mr. Sanchez stated that he would also need vertical parking to make it work. He stated that there had been many, many design meetings with the adjacent residents and Craig Ranch Homeowners' Association (HOA). Mr. Sanchez stated that they worked hard trying to please everyone; however, it was just not possible. He offered to answer questions. Vice-Chairman Mantzey stated that the Staff Report stated that there was a misalignment of the development standards within the application as far as the setback of zero lot lines. He asked for clarification on this. Ms. Arnold gave an example of the misalignment Staff referred to in the Staff Report. She stated that the applicant was requesting a 0' setback plus a build-to-line. Ms. Arnold stated that there was a street tree requirement, so the buildings would need to be off of the street line. She stated that when the building was pulled up the other

requirements cannot be met. Ms. Arnold stated that Staff would like the opportunity to address these concerns. Vice-Chairman Mantzey asked when the ideal time was to address these concerns. Ms. Arnold stated that ideally before the item was acted upon by City Council. Mr. Sanchez stated that Staff has given them the language. He stated that they were in agreement with those issues. Commission Member Haeckler asked if the Commission was voting on this issue during the consideration of this proposed rezoning request or just the proposed rezoning. Chairman Cox stated that the Commission was only considering the rezoning of the property. Mr. Sanchez stated that they could clean up the item between now and when the item goes before City Council. Alternate Commission Member Woodruff asked if they considered making the lower level of the multifamily units along Collin McKinney Parkway retail uses. Mr. Sanchez stated that area was about eight lots. He stated that no matter how he tried to hammer out that area he was just not able to solve it. Mr. Sanchez stated that they have the choice of where to locate the office, fitness center, et cetera for the multifamily development. He stated that those could be placed at the ground floor at this location to give it a storefront feel. Mr. Sanchez stated that they could make some considerations to enhance the experience at the sidewalk with special features. He stated that he will not know that until he was working on the architecture. Alternate Commission Member Woodruff stated that he has seen other developments with first levels were originally residential with higher ceiling heights that were made ready for future retail. Ms. Arnold stated that the new House Bill # 2439 does not allow the City to enforce architectural standards. She stated that the City can no longer require that the ground floor be commercial ready. Mr. Sanchez clarified that the City cannot require it; however, he could still do it. Ms. Arnold stated that was correct. Chairman Cox opened the public hearing and called for comments. Mr. Devarup Rastogi, 7417 Kickapoo Drive, McKinney, TX, stated that he was in support of the proposed revised rezoning request. He stated that he lives in The Trails and was a member of The Trails Service Area Committee. Mr. Rastogi stated that as a member he had engaged with Mr.

Sanchez and helped set up the community meeting. He stated that they also had two other meetings with Mr. Sanchez. Mr. Rastogi stated that there have been numerous email exchanges and they have tried to share as much information with their community as possible. He stated that there were approximately 60 residents in opposition on the previous rezoning request back in May 2019. Mr. Rastogi stated that the fact that we were here was a failure of the whole system. He stated that when The Trails and Spicewood were rezoned to single family resident uses that nobody thought about the property in between these two developments and how it would impact them. Mr. Rastogi stated that they would have preferred all of this property be single family residential uses with some townhomes. He stated that he does not see a winnable pathway to get that preferred development at this location. Mr. Rastogi stated that was why they engaged fully with Mr. Sanchez. He stated that they realized that the primary focus for Mr. Patel and Mr. Sanchez was the apartments, since that was the money maker. Mr. Rastogi stated that the rest of the development would not finance what they paid for the property and development. He stated that they focused on what would impact them the greatest, which allows four story apartments to be developed. Mr. Rastogi stated that they agreed to up to 40 townhomes, which reduces traffic and parking issues and improves the quality of life. He stated that there have been concessions with the proposed apartments. Mr. Rastogi stated that the Comprehensive Plan shows all of this area as urban living and none of it as commercial. He asked the Commission to accept the revised rezoning request, since he felt it was the best choice out of the three bad choices. Mr. Rastogi stated that he feels this helps his development. He reiterated that whole area should be residential and not commercial. Mr. Terry Boles, 5900 Rutland Road, McKinney, TX, stated that he was also a resident of The Trails. He stated that he attended the Planning and Zoning Commission meeting in May 2019 and was surprised by the information that he received on the request. Mr. Boles stated that there was a lot of opposition to the first rezoning request for the subject property. He stated that he wanted to thank the Spicewood and The Trails Service Area Committees for working very

hard with Mr. Sanchez to come up with a plan that would be more palatable with the residents. Mr. Boles stated that he was in favor of the proposed revised rezoning request. He stated that he would prefer to see no multifamily, since there were thousands of multifamily units within one mile of this property. Mr. Boles stated that he understands the dynamics of the situation. He stated that the solution that Mr. Sanchez worked very hard on was much more palatable than the original request. Mr. Boles stated that it would allow a residential buffer between The Trails and the proposed apartments. He stated that it also takes into consideration all of the residents of Spicewood's current living environment. Mr. Boles felt that most of the residents in the area would support this request. He stated that there were still residents that would say that they do not want any apartments there at all. Mr. Boles stated that this revised rezoning request was much more acceptable to the community. He urged the Commission to accept Mr. Sanchez's proposal and grant the rezoning request.

Ms. Tammy Dillion, 7308 San Saba, McKinney, TX, stated that she lives in the Spicewood Addition. She stated that Mr. Sanchez has been very willing to speak with the residents about this project. Ms. Dillion stated that she was a fifth generation Dallasite and her family was in the commercial real estate business. She stated that they purchase Class B and Class C multifamily developments, which were typically at least 20 years old. Ms. Dillion stated that they rehab, restore, and retenant them. She stated that apartments get flipped a lot. Ms. Dillion stated that some owners were not local and not invested in our community, so the units begin to deteriorate. She stated that they purchase these units and reestablish the tenanting standards and so forth. Ms. Dillion stated that what concerns her was what she has seen in the Dallas – Fort Worth area during her entire life, which was a predominance of apartments going in all around them. She stated that she went out to speak with her neighbors and many stated that they did not receive a meeting notice. She stated that in 2001 when the property was rezoned there was nothing up here and State Highway 121 (Sam Rayburn Highway) was a two-lane road. Ms. Dillion stated that Mr. Sanchez stated at their meeting that what was currently allowed on

the property was six stories and up. She felt that he convinced the residents that this was a better deal by saying that he was proposing to build four stories and down. Ms. Dillion stated that nobody in the commercial real estate business was building six stories and up. She stated that would be a financial disaster. Ms. Dillion stated that four stories and down was better. She stated that nobody was going to come in to develop the property under the current zoning. Ms. Dillion stated that Central Park was built in Craig Ranch just a year ago and they have been giving away 12 months of rent free to try to get tenants. She stated that they can't lease those apartments. Ms. Dillion question why the City would allow more multifamily to come in to the area. She stated that it does not make sense for their area. Ms. Dillion stated that it would deteriorate their property values. Ms. Kathy Blank, 7605 Avondale Drive, McKinney, TX, stated that she lives in The Trails. She stated that when she came to the first Planning and Zoning Commission meeting in May 2019 that she had no idea that the zoning was so complicated. Ms. Blank stated that she appreciated the Commission giving additional time to the residents to learn about the rezoning request and process. She stated that she also appreciated Mr. Sanchez meeting with the residents to discuss the proposed development for the subject property. Ms. Blank stated that she was for the proposed revised rezoning request. She stated that she feels it was the best scenario and would be less dense. Ms. Blank stated that she was also excited about the HUB 121 development. She stated that when she purchased her property in Craig Ranch that she understood it was urban living with a mixed-use community. Ms. Blank stated that she appreciated that Mr. Sanchez made some adjustments and the leadership of The Trails and Spicewood helped with come up with a compromise that a lot of residents feel much better about. Mr. Richard Balkie, 7404 San Saba, McKinney, TX, stated that he asked for clarity at the previous Commission meeting and he got it since then. He stated that Mr. Sanchez stepped up and talked to the residents. Mr. Balkie stated that the HUB 121 development and every kind of apartment building was going in around them. He stated that they sponsored an activity in the community no too long ago that

brought in 400 people. Mr. Balkie stated that this activity flooded their community with automobiles. He stated that he appreciated the fact that Mr. Sanchez was trying to relieve the parking issue with proposing to build a bigger parking garage. Mr. Balkie stated that he would like to see the proposed single family residential development mimic Spicewood as much as possible. He stated that he wished Times Square would have worked out where they could have gone to get a drink or pizza or even a fast 7-Eleven stores there. Mr. Balkie stated that Mr. David Craig tried really hard to get commercial development; however, they were not rented out. He stated that anything would be better than what they got. Mr. Balkie stated that over the summer the community had been split. He stated that some residents were selling their properties because they were fearful for what was going to develop on the subject property. Mr. Balkie stated that they do not want to lose their property values. He restated that he supports the proposed revised rezoning request. Ms. Natalie Garner, 7304 San Saba Drive, McKinney, TX, stated that she represents Spicewood and attended all of the meetings with The Trails and Mr. Sanchez. She stated that the majority of the residents have been very scared. Ms. Garner stated that they were in favor of the proposed revised rezoning request. She stated that one of the concerns was why Mr. Sanchez can't get started on the single-family residential development now. Ms. Garner stated that there was commercial spaces at Town Center, the hard corner of the subject property, and across the street at Alma Road near the hospital. She stated that it would help them out if the Commission recommended approval of the proposed rezoning request. On a motion by Vice-Chairman Mantzey, seconded by Commission Member Doak, the Commission approved the motion to close the public hearing, with a vote of 6-0-0. Commission Member Haeckler asked Staff to describe how the area has changed over the years and give background information on the commercial. Ms. Arnold stated that Mr. Sanchez did a good job about speaking regarding the "REC" – Regional Employment Center, which was a large planning development that covered approximately 7,000 acres. She stated that the development standards and overlay district was approved in 2001. Ms.

Arnold stated that the vision was for a high density, urban, mixed-use area for the community. She stated that a lot of the footprints that you see for the residential and the commercial along and off of State Highway 121 (Sam Rayburn Highway) was indicative of that 2001 vision. Ms. Arnold stated that things have evolved since 2001. She stated that the subject property has been rezoned a couple of times since 2001. Ms. Arnold thought portions of the tract were rezoned in 2005 and the Whole Life tract was rezoned as early as 2015. She stated that those rezonings made modifications to what urban means, density, and where things go; however, the overall vision for that character and feel had remained the same. Ms. Arnold stated that the proposed rezoning request was still following that same theme and keeping on tracks with the vision for the area. She stated that one of the reasons that the single-family portion on the request was palatable to Staff was due to the residential developments to the north and south of the subject property. Ms. Arnold stated that Staff had always been supportive of that part of the rezoning request. She stated that it evolved with how surrounding development had occurred. Ms. Arnold stated that even though there had been more residential development in the area recently that it was still in keeping with the overall vision of the "REC" – Regional Employment Center. Commission Member Haeckler wanted to verify that the proposed townhomes would be a lower height than what was current allowed to be developed on the property. Ms. Arnold stated that was correct. She stated that Staff likes the introduction of the townhomes and agrees that it builds a nice transition. Ms. Arnold stated that Staff was also in support of the proposed townhomes portion of the proposed rezoning request. She stated that the biggest points of consternation for Staff was the proposed uses at the hard corner at Alma Road and Collin McKinney Parkway. Commission Member Doak asked what the zoning was across the street. Ms. Arnold stated that property was rezoned in 2014 to a "PD – Planned Development District with a layout tied down that allows for multifamily and commercial uses. Commission Member Doak stated that when that property was ready to be developed that they could also come before the Commission requesting that it be rezoned. He questioned if we

agree to shrink the commercial base on the subject property, what happens at the next rezoning request. Alternate Commission Member Woodruff asked to clarify the other property's location. Ms. Arnold stated that it was on the northeast side of the subject property. Commission Member Doak asked Staff to explain the impact of given up the two acres of commercial development. Ms. Arnold stated that this corner has long been preserved for commercial development. She stated that the likelihood of achieving meaningful commercial development at this corner would be drastically reduced with the reduction in footprint from five acres down to three acres. Ms. Arnold stated that one of the charges that Staff has was to not only look at what the Comprehensive Plan shows for the area; but, to also help further any goals and priorities of City Council. She stated that one of those goals and priorities was to help preserve, grow, and maintain the commercial tax base. Ms. Arnold stated that when Staff bundles those two things together, along with Staff's concerns with the parking garage heights and the lack of some of the neighborhood commercial services in the area, that is why Staff had to make a recommendation of denial for this request. She stated that the urban living in the Comprehensive Plan includes residential and non-residential development. Ms. Arnold stated that it allowed for residential neighborhoods and supporting services. She stated that Staff looks at that when making a recommendation as well. Commission Member Doak asked if Staff feels it was a hindrance for the commercial to decrease to three acres at this corner, while there may be improvements made on the single-family portion of the property. He asked if Staff feels it would be hard to have any meaningful commercial development on the three acres. Ms. Arnold stated that Staff relayed to the applicant, as far back as a year ago, that Staff was supportive of the introduction of the single-family and townhome residential uses; however, wanted to preserve as much potential commercial development as possible. She stated that over the course of the rezoning application they had chipped away at the overall commercial area to a point where Staff can't give a recommendation for approval of the proposed rezoning request. Ms. Arnold stated that ultimately Staff was a recommending

body and had to evaluate the City's policies, plans, and documents that were in place. She stated that as City Council and the Planning and Zoning Commission evaluates the real-world scenarios that there were other things to be considered. Commission Member Haeckler asked if it would be possible for the applicant to meet the parking requirements without building a six story parking garage. Ms. Arnold stated that portions of on-street parking, within 200' of residential or commercial uses, could be used to satisfy the parking requirement. She stated that on-street parking was one of the concerns raised by nearby residents. Ms. Arnold stated that the parking garage needed to accommodate more parking, so that it did not utilize the on-street parking allowance. She stated that was why the applicant was seeking up to six stories for the parking garage. Ms. Arnold stated that Mr. Sanchez could say whether or not they could make it work without the parking garage being six stories. She stated that her inclination was that it probably could not work and that they would have to go up in height to make the parking garage work. Alternate Commission Member Woodruff asked if the six story parking garage was proposed to meet the City's parking regulations. Ms. Arnold said yes. Commission Member Haeckler asked if the six story parking garage would be taller than the surrounding building heights. Ms. Arnold said yes. Vice-Chairman Mantzey asked if this area was on top of a hill and there was a large incline towards the proposed apartments. Ms. Arnold said yes. Vice-Chairman Mantzey wanted to clarify that it would be the highest point of the development. Ms. Arnold stated that she believed so. Mr. Sanchez stated that they could achieve the parking requirements without the six stories. He stated that since parking was such an important issue for the residents, they decided to add two more stories to the proposed parking garage to have more than enough parking. Mr. Sanchez stated that a parking deck height from floor to floor is very different from a building's height from floor to floor. He stated that six decks of a parking structure was approximately the same height as a four story apartment complex. Mr. Sanchez gave an example of the parking garage in Downtown McKinney that has five decks next door to a three story commercial building.

Alternate Commission Member Woodruff asked how they make the parking structure grades accessible to the apartment units with the difference in deck heights between the two structures. Mr. Sanchez stated that was the tricky part and the architecture determines it. He stated that you should not see a huge difference in the profiles. Alternate Commission Member Woodruff asked if language could be added that the top of the parking garage would not be taller than the top of the four story apartment complex. Mr. Sanchez stated that he didn't have an issue with adding that language as long as it was within reason. He asked for a little wiggle room that it not be exact measurements. Mr. Sanchez stated that McKinney's parking ordinance was very strange. He gave an example of a one-bedroom apartment required one parking space, a two-bedroom apartment required two parking spaces, and so on. Mr. Sanchez stated that there had to be an enclosed parking space for half of all apartment units in a development. He stated that the top floor of a parking deck was not enclosed; therefore, it does not count towards the enclosed parking provided. Mr. Sanchez stated that it is a lot more expensive than surface parking. Chairman Cox asked what could be built on the property now under the recently passed House Bill # 2439. Mr. Sanchez stated that he feels there will be a whole lot of litigation over the next 18 months regarding the new law. He stated that most of us do not know how the new laws were going to apply. Mr. Sanchez stated that the City had been severely hamstrung since the State of Texas passed the new law saying the City can no longer enforce architectural standards. He stated that the good thing was that it does not absolve a developer from having to adhere to "CC&Rs" – Covenants, Conditions & Restrictions, which were enforced by the "HOA" – homeowners association. Mr. Sanchez stated that they gave up the single family components for a different reason. He stated that the Time Square development did not work as everyone expected. Mr. Sanchez stated that the live-work unit concept has not worked in Craig Ranch for whatever reason. He stated that it does not mean that it will not work; however, just has not worked so far. Mr. Sanchez stated that it was a little ahead of its time. He gave examples of other

locations where the live-work-play developments were working beautifully. Mr. Sanchez stated that making the first floor commercial ready for the future was perfect for them, since they intent to keep it for a long time. He stated that when the City considered areas on the property becoming straight up single family, it changed the dynamics beyond market reality. Mr. Sanchez stated that now you have interjected something completely different. He stated that if Spicewood was still a live-work or a true commercial concept, then he would not be asking to change the area in yellow on the drawing from a live-work concept to single-family. Mr. Sanchez gave an example of calculating "GLA" – gross leasable area on five acres of commercial property. He then gave an example of calculating the value for two 350-unit apartment complexes. Mr. Sanchez stated that the commercial retail value never catches up with the apartment complexes. Alternate Commission Member Woodruff stated that there was also a sales tax income. Mr. Sanchez stated that he has included that on previous calculations; however, it still did not catch up. He stated that if he goes vertical with three stories instead of two stories on three acres then he has got right back to the five acres and then some. Mr. Sanchez stated that he does not know what the market will be like in the future. He stated that Mr. David Craig suggested having two to three stories of commercial with possibly having medical office or entertainment uses. Mr. Sanchez then suggested having a third parking garage and truly making it urban. He stated that he was back to giving the City maximum optimum of what he would have had with five acres of commercial development. Alternate Commission Member Woodruff asked if "C2" – Local Commercial District gave him everything. Mr. Sanchez stated that it would give him everything, except big box. Alternate Commission Member Woodruff asked what the likelihood was of developing a fast food restaurant on the corner. Mr. Sanchez stated that he could not do that and get his money back. He stated that he needs to go vertical and dense to just break even on the deal. Commission Member Taylor stated that while he would like to say he understands Staff trying to hold the tax base, he thinks this was a net win. Alternate Commission Member Woodruff stated that Staff, Mr. Sanchez, and the

residents had done a wonderful job with coming up with a plan that works for at least the two parties. He stated that the single-family and townhomes were a win-win. Alternate Commission Member Woodruff stated that the multifamily was a good use. He stated that he could not come up with any logic to say we could come up with something better for the retail component. Alternate Commission Member Woodruff stated that Mr. Sanchez explained that the parking garage would not be two stories taller than the proposed multifamily complexes. He stated that this was a win-win for all of the parties involved. Vice-Chairman Mantzey stated that he opposed the rezoning of the property to the current form. He stated that they were increasing the intensity from "C1" – Neighborhood Commercial District to "C2" – Local Commercial District located next to residential. Vice-Chairman Mantzey stated that if the single family and townhomes were already developed, then we would not consider the multifamily rezoning at the proposed location. He stated that it was buying off of current residents and using future residents as a buffer. Vice-Chairman Mantzey stated that the current multifamily layout was less intense than what the proposed rezoning request would allow. He stated that we were closing a street to allow for a larger wrap product. Vice-Chairman Mantzey stated that it was not that he was against multifamily development and have voted for it in other areas; however, he does not believe that is the location for a wrap product. He stated that it increases the intensity in that area, which was single family to the most part. Vice-Chairman Mantzey stated that the applicant was asking for more intense commercial from "C1" – Neighborhood Commercial District to "C2" – Local Commercial District. He stated that they bought off the local residents with fear of what could possibly be built under the current zoning, even though he does not believe that they could build above six stories for multifamily development. Vice-Chairman Mantzey stated that the current multifamily layout was better overall. He stated that he appreciated the developer speaking to the neighbors this time, unlike the first time the request came before the Commission. Vice-Chairman Mantzey stated that he was not against profit. He stated that we were giving away more just to make this a quick

multifamily wrap product, when there was plenty of it to the south. Commission Member Haeckler asked if the City had made a decision regarding closing of the streets. Ms. Arnold stated that the right-of-way abandonment process was outside of the purview of zoning. She stated that it would be a separate request that goes through the Engineering Department. Ms. Arnold stated that Mr. Sanchez had spoken with the Engineering Department about possibly right-of-way abandonment; however, she was not aware of a formal request being submitted to the City. She stated that the zoning case would not vest that in anyway. Alternate Commission Member Woodruff asked what would happen if City Council denied the abandonment of the right-of-way request for this property. Ms. Arnold stated that the applicant was looking at two street closures. She stated that if those were denied by City Council, then it would modify the footprint for the zoning. Mr. Sanchez stated that it was a separate process that they have been discussing with the City's Engineering Staff. He stated that they plan to submit a request before this rezoning request goes to City Council for consideration, in hopes that City Council can review both submittals at the same time. Commission Member Haeckler stated that he appreciates the developer, Staff, and the citizens for working together to come up with a solution. He stated that he feels this was a good balance. Commission Member Haeckler stated that he understands the citizens' concerns regarding the single family and townhomes and how things have changed in the surrounding area. He stated that he was in favor of the proposed rezoning request. Commission Member Doak stated that he applauds the developer and the residents working together. He stated that was how the process should be handled. Commission Member Doak stated that fear was playing a larger role in the residents accepting the proposed rezoning request. He stated that he does not like the shrinking of the commercial property on the corner area. Commission Member Doak stated that agrees with the other Commission members that there was probably not a better use for what was going on; however, there was some concern on the site. He understands that the developer thinks he can go straight up; however, he feels that was probably a lot of years down the

road. Commission Member Doak stated that he was conflicted on this request; however, he stated that he would probably support it at this point. Chairman Cox stated that he also appreciates the involvement with the citizens. He stated that the citizens would not be at this meeting if they did not care. Chairman Cox stated that the residents have a sincere interest in their property, the developer has an interest in his property, and the City also has an interest. He stated that lots of time and effort had gone into this revised rezoning request. Chairman Cox stated that he supports the request. He stated that it was well designed and will be a good plan. Alternate Commission Member Woodruff asked if there were any limitation of uses under the "CC&Rs" – Covenants, Conditions & Restrictions that were currently in place for the property. Mr. Sanchez stated that there are some limitations; however, he could not attest to them at this moment. He offered to work with Ms. Arnold to add some uses that would be restricted prior to the proposed rezoning request be presented to City Council for consideration. Mr. Sanchez stated that he could not make the site work if he tried to sell off some of the property for fast food restaurants. Alternate Commission Member Woodruff asked if the use restrictions needed to be part of the motion. Ms. Arnold stated that it would be helpful to have some guidance on what uses the Commission would like to see restricted. She stated that the Commission could give Staff a directive to go back to the applicant to call down some of the uses. Ms. Arnold stated that Staff would not be limited to exactly examples given. She requested that the Commission just give Staff a flavor of what they want restricted. Ms. Arnold stated that Staff will try to do their very best between now and the City Council meeting to identify those uses in the schedule and hit the ones that seem to be an issue. Vice-Chairman Mantzey asked if it would be cleaner to change the zoning to "C1" – Neighborhood Commercial District instead of "C2" – Local Commercial District. Alternate Commission Member Woodruff and Commission Member Doak liked this suggestion. Alternate Commission Member Woodruff stated that if the Commission moved it to "C1" – Neighborhood Commercial District and later when the applicant knew exactly what they want to do on that corner then

they could come back before the Commission with a new rezoning request. He stated that way the citizens and surrounding property owners were protected. Ms. Arnold stated that without being able to do a comparison on uses between the two zonings, she would be hesitant to be supportive of changing the zoning for the hard corner of the property. She stated that she does not want to inadvertently cut the applicant off at the knees and she wanted to make sure that Staff had a chance to diligently go through the differences. Vice-Chairman Mantzey asked if the City preferred "C1" – Neighborhood Commercial District next to residential uses and "C2" – Local Commercial District located in less intense locations. Mr. Sanchez stated that "C2" – Local Commercial District was typically located at intersections. Ms. Arnold stated that it was usually located at a hard corner of an intersection. She stated that Staff does not have a concern with "C2" – Local Commercial District at this hard corner. Ms. Arnold stated that she has some hesitation with changing the zoning to "C1" – Neighborhood Commercial District from the requested "C2" – Local Commercial District on the floor without looking at all of the changes involved. The motion by Commission Member Doak to approve the proposed rezoning request failed due to a lack of a second. Alternate Commission Member Woodruff asked that the motion include the conversation about limiting some of the uses on the property and the height of the parking garages. Mr. Sanchez stated that he would be willing to stipulate at the discretion of the Director of Planning for the City of McKinney that the parking garages and multifamily complexes are consistent in height; however, not exactly the same height. Alternate Commission Member Woodruff asked about the wording for the restriction on uses for the property. Mr. Sanchez stated that he trusts Ms. Arnold's opinion and they work well together. He stated that if they can agree to the list of uses that they are going to restrict then they would make the changes prior to the City Council meeting where this rezoning request would be being considered. Mr. Sanchez stated that if they cannot agree upon the list of uses to be restricted, then the rezoning request would need to come back before the Commission for further clarification. Ms. Arnold asked if the flavor of the restriction of uses geared

towards a reduction in heavy auto centric, drive-through restaurants, fast food restaurants, auto related uses, auto repair, and things of that nature. On a motion by Alternate Commission Member Woodruff, seconded by Commission Member Haeckler, the Commission voted to recommend approval of the item as per the applicant's request with the additions of the parking garage height be consistent with the height of the multifamily building and "C2" - Local Commercial District on the corner with removal of high vehicular focused uses as agreed upon by Mr. Sanchez and Ms. Arnold, with a vote of 5-1-0. Vice-Chairman Mantzey voted against the motion. Chairman Cox stated that the recommendation of the Planning and Zoning Commission would be forwarded to the October 15, 2019 City Council meeting.

END OF REGULAR AGENDA ITEMS AND PUBLIC HEARINGS

There were no citizen comments made during the meeting.

Commission Member Doak stated that this is exactly how the process should work with the applicant and residents working together on something that was highly objectionable at the beginning and turning it into something workable that was beneficial for all parties concerned. He stated that it was very nicely done. Commission Member Haeckler concurred.

On a motion by Commission Member Doak, seconded by Commission Member Taylor, the Commission unanimously voted to adjourn the meeting, with a vote of 6-0-0. There being no further business, Chairman Cox declared the meeting adjourned at 7:40 p.m.

BILL COX
Chairman