



AGENDA MEMORANDUM

Public Hearing/First Reading for the City Council Meeting November 19, 2019
Second Reading Ordinance for the City Council Meeting December 10, 2019

DATE: October 28, 2019

TO: Peter Zaroni, City Manager

FROM: Daniel McGinn, AICP, Director of Planning & Environmental Services
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Voluntary Annexation and Rezoning of 446.4 acres in the London Area for King's Landing

CAPTION:

Ordinance annexing approximately 446.4 acres of land into the territorial limits of the City of Corpus Christi; and rezoning said annexed property at or near 1442 Farm-to-Market (FM) 43 from "FR" Farm Rural District to the "RS-4.5" Single-Family 4.5 District (Tract 1) and "CN-1" Neighborhood Commercial District (Tract 2) per Zoning Case No. 1019-08.

SUMMARY:

Upon request by the landowners, this ordinance annexes and rezones approximately 446 acres of land that will be developed as "King's Landing" by MPM Development LP with single-family residential and commercial lots in the area south of the Oso Creek along TxDOT's Farm-to-Market (FM) 43 and north/west of the London ISD schools. Staff recommends approval of the annexation and zoning request.

BACKGROUND AND FINDINGS:

Description of the Request

The landowners (MPM Development LP, The William Earl Hensch Trust, Anna Belle Hensch, Retta Maurine Kasper, and Corpus Christi Community Church) requested annexation and rezoning of their land, being approximately 446 acres of land located on the southside of the Oso Creek to the west and north of the London ISD schools, north of FM 43, and between the new Rivers Edge Village subdivision and the proposed London Towne subdivision. At full buildout, MPM Development plans to create 1,446 single-family lots on 363.1 acres of the subject property with a proposed zoning of "RS-4.5" Single-Family 4.5 District with minimum lot sizes of 4,500 square feet. The developer estimates the average unit sales price to be \$270,000. The remaining 83.3 acres are proposed for commercial uses (73.3 acres) and a church (10 acres). The zoning district requested for the commercial development is "CN-1" Neighborhood Commercial District. The current use of the land is farming with no residents. As required by State law for annexation, the subject property is contiguous to the current City limit line where it abuts the London Towne subdivision.

City Services to Subject Property

The landowners have agreed to a Municipal Service Plan Agreement with the City and the City Manager is authorized by City Charter to execute the agreement. The subject property is served by an existing 16-inch City water line in FM 43 and a future eight-inch City water line on the east boundary stubbing out from Braselton Homes's London Towne subdivision. A City wastewater line will be available to the subject property through the London Towne subdivision to the east. No City gas lines are in the area. The developer will have to construct three City master planned streets that will connect to neighborhoods to the east and west and provide access to the London ISD schools. The developer will construct drainage improvements in accordance with the City Stormwater Master Plan for this area that was adopted by City Council in April 2017. In its initial phases, the proposed development does not reach a threshold at which additional City Police substations, Fire stations, or City Library, Health, Animal Control, or Parks and Recreation services are needed.

Analysis of the Request

Annexation:

In order to make a recommendation on the annexation, staff conducted an internal review with each City department responsible for providing services to determine any impact to operations and any need to expand City facilities. No City-funded expansions are necessary during the initial phases of the project. Then, staff conducted a fiscal impact analysis to review the costs of providing City services against the potential revenues generated by the development. Staff estimates that the annual impact to the City's General Fund is net neutral. Staff also finds other positive benefits to annexing the subject property. Those benefits include gaining the authority to prohibit the development of incompatible land uses through zoning, which protects property values and quality of life; the authority to ensure development meets City standards in an area already served by City infrastructure; and the authority to prohibit On-Site Sewage Facilities (septic systems) in an area close to the Oso Creek where City wastewater lines will be available.

Rezoning:

The subject property is located within the boundaries of the London Area Development Plan and the future land use designation for this property is "planned development." The proposed rezoning to the "RS-4.5" Single-Family 4.5 District and "CN-1" Neighborhood Commercial District is consistent with the adopted Comprehensive Plan (Plan CC). The proposed rezoning is compatible with neighboring properties and with the general character of the surrounding area. The "London Towne" subdivision to the east is zoned "RS-4.5" Single-Family 4.5 District. No zoning exists in the other directions because those areas are outside city limits. To the west is the new Rivers Edge Village subdivision with half-acre lots. To the south is the London Independent School District campus, vacant land and one large-tract single-family lot. This rezoning does not have a negative impact upon the surrounding neighborhood.

Public Input Process

Number of Public Hearing Notices Mailed:

42 within 200-foot notification area
1 outside notification area

Responses received as of October 30, 2019:

<u>In Favor</u>	<u>In Opposition</u>
0 inside notification area	1 inside notification area
0 outside notification area	0 outside notification area

Landowners in opposition total 0.03% of the land within the 200-foot notification area.

Planning Commission Public Hearing

Following the public hearing held on October 30, 2019, the Planning Commission recommended denial of the requested zoning.

Council Action History and Future Council Actions

The proposed annexation is contiguous to the new City limits established in July 2019 with the City Council's approval of Braselton Homes's request for voluntary annexation of 161.56 acres for the future "London Towne" subdivision located on County Road 33 north of the London ISD schools. In order to develop lots connected to City wastewater lines rather than septic systems, Braselton Homes constructed a wastewater lift station in accordance with the City's Wastewater Master Plan that was approved by the City Council in May 2018 to bring sewer across the Oso Creek to serve this area. Braselton Homes will be reimbursed for this lift station from the Wastewater Trust Fund in accordance with a Reimbursement Agreement approved by City Council in May 2018. Similarly, MPM Development has requested an amendment to the City Wastewater Master Plan, which is pending Planning Commission and City Council action, to expand the lift station service area to include the entire acreage of the proposed annexation area.

ALTERNATIVES:

Since the proposed development's financial impact to the City is net neutral and there are other positive benefits to annexation described previously, no alternatives to the developer's request for annexation were considered.

FISCAL IMPACT:

Constructing 1,446 single-family dwellings at an average sales price of \$270,000 per unit and 73.3 acres of commercial development results in an annual impact to the City's General Fund of (\$17,400) at buildout. Details are summarized in the table below. Increasing the average sales price per dwelling unit to \$280,000 results in a positive net annual General Fund impact of \$47,000 at buildout.

<u>Projected Increase in General Fund Costs & Revenues¹</u>	<u>Buildout</u>
Projected Increase in Annual General Fund Expenditures	(\$2,522,000)
Projected Increase in Annual Ad Valorem Tax Revenues (M&O) ²	\$1,622,500
Projected Increase in Annual Sales Tax Revenues (General Fund)	\$223,100
Projected Increase in Annual Other General Fund Revenues ³	\$659,000
<i>Projected Net Annual General Fund Impacts</i>	<i>(\$17,400)</i>

⁽¹⁾ Rounded to Nearest \$100

⁽²⁾ Excludes ad valorem tax revenues that are designated for residential street reconstruction

⁽³⁾ Examples include but are not limited to various solid waste fees and revenue from emergency calls.

RECOMMENDATION:

Staff recommends approval of the annexation to support efficient land use where City utilities already exist and to exercise land use controls in this growing area of the community. Staff recommends approval of the zoning request to "RS-4.5" Single-Family 4.5 District allowing minimum lot sizes of 4,500 square feet on Tract 1 and "CN-1" Neighborhood Commercial District on Tract 2.

The Planning Commission makes recommendations on zoning but not on annexation. Planning Commission recommended denial of the zoning request to the "RS-4.5" Single-Family 4.5 District on Tract 1 and "CN-1" Neighborhood Commercial District on Tract 2 with five commissioners in favor and four commissioners opposed. All commissioners were present and voting.

LIST OF SUPPORTING DOCUMENTS:

Ordinance with Service Plan and Rezoning Exhibits
Landowners' Petition for Annexation
Final Report of the Planning Commission
Presentation