

#### **Summary**

| Request:   | Zoning change from "FD" F | Zoning change from "FD" Future Development to "LI" Light Industrial |                          |  |  |
|------------|---------------------------|---|--------------------------|--|--|
| Applicant: | Jim Glasgow               | Property Owner:   | Palace Way Partners, LLC |  |  |
|            | 6531 Fox Run              |   | 6531 Fox Run             |  |  |
|            | San Antonio, TX 78233     |   | San Antonio, TX 78233    |  |  |

#### **Notification**

| Application: | March 24, 2020           | Neighborhood<br>Meeting:                    | N/A |  |
|--------------|--------------------------|---|-----|--|
| Published:   | April 12, 2020           | # of Participants                           | N/A |  |
| Posted:      | April 10, 2020           | April 10, 2020 <b>Personal:</b> April 10, 2 |     |  |
| Response:    | 1 letter of opposition ( | 1 letter of opposition (attached in packet) |     |  |

#### **Property Description**

| Legal Description:  | +/- 14.90 acre tract out of the Thomas G. McGehee Survey, Abstract No. 11,<br>Hays County |  |                                      |  |  |  |
|---------------------|---|--|--------------------------------------|--|--|--|
| Location:           | 4087 Hwy 21   |  |                                      |  |  |  |
| Acreage:            | 14.90 PDD/DA/Other: Pending Annexation  |  |                                      |  |  |  |
| Existing Zoning:    | "FD" Future Development <b>Proposed Zoning:</b> "LI" Light Industrial                     |  |                                      |  |  |  |
| Existing Use:       | Vacant / Rural <b>Proposed Use:</b> Light Industrial                                      |  |                                      |  |  |  |
| Preferred Scenario: | Area of Stability – LowProposed Designation:Area of StIntensityIntensity                  |  | Area of Stability – Low<br>Intensity |  |  |  |
| CONA Neighborhood:  | N/A Sector: N/A   |  |                                      |  |  |  |
| Utility Capacity:   | Developer is responsibleFloodplain:Nofor extended utilities.                              |  | No                                   |  |  |  |
| Historic District   | N/A   |  |                                      |  |  |  |

### Surrounding Area

|                    | Zoning | Existing Land Use                      | Preferred Scenario                   |
|--------------------|--------|--|--------------------------------------|
| North of Property: | ETJ    | FM 110; Harris Hill                    | Area of Stability – Low              |
|                    |        | Race Track                             | Intensity                            |
| South of Property: | ETJ    | Single Family / Rural /<br>Agriculture | Area of Stability – Low<br>Intensity |
| East of Property:  | ETJ    | Single Family / Rural /<br>Agriculture | Area of Stability – Low<br>Intensity |
| West of Property:  | ETJ    | Rural / Agriculture                    | Area of Stability – Low<br>Intensity |



#### **Staff Recommendation**

| Approval as Submitted X Approval with Conditions / Alternate Denial  |
|--|
| The Development Code states that a request for Light Industrial zoning in an Area of Stability – Low Intensity |
| designation is "Not Preferred" and requires additional scrutiny as outlined in the staff report. The proposed  |
| zoning change to Light Industrial is not compatible with surrounding existing uses such as rural residential   |
| and agricultural land, however, the subject property's location abutting the proposed FM 110 San Marcos        |
| eastern loop may provide justification for support as it meets the intent of an "Employment Corridor"          |
| identified on the Preferred Scenario Map. FM 110 is identified as a major transportation network and will be   |
| initially funded by a Transportation Reinvestment Zone (TRZ) to capture a portion of the increased value of    |
| development occurring along the alignment.   |

Due to the varying factors regarding current and future land configurations around the subject property, staff is providing a neutral recommendation and leaves a decision of approval, denial, or a recommendation of a lesser zoning district up to the City Council.

#### **Commission Recommendation**

| Approval as Submitted X Approval with Conditions / Alternate  | Denial |
|---|--------|
| Planning and Zoning Commission Meeting: April 28, 2020  |        |
| Speakers in favor or opposed:   |        |
| 1. (1) David Joyner (in favor)  |        |
| 2. (1) Paul Hennington (in opposition)  |        |
| <b>Recommendation from the Planning and Zoning Commission meeting h</b><br>A motion was made by Commissioner Haverland, seconded by Commissi<br>The motion carried 8-0. | • •    |
| <ul> <li>For: (8) Chairperson Gleason, Commissioner Rand, Commissioner<br/>Commissioner Dillon, Commissioner Moore, Commissioner Agnes</li> <li>Against: 0</li> </ul>   |        |

• Absent: (1) Vice Chairperson Kelsey

## 4087 Hwy 21



#### <u>History</u>

The subject property is currently located outside the City Limits in the Extraterritorial Jurisdiction (ETJ). The property is currently vacant and is adjacent to existing single family and rural/agricultural property as well as adjacent to the Harris Hill Race Track. In addition, FM 110 is proposed to be located to the north of the property. The subject property has already dedicated right-of-way in order to provide for the future construction of FM 110.

The purpose of this zoning change to "Light Industrial" zoning is to allow the development of a 14 acre industrial warehouse project. According to the applicant, the project is designed for small businesses needing 4,000 to 10,000 square foot warehouse buildings on ½ acres lots for lease. The subject property is proposed to be subdivided into 20 ½ acre lots.

The applicant is also requesting a rezoning to Manufactured Home, "MH" for approximately 45 acres abutting the subject property to the west. This request is being considered as part of a separate zoning request (ZC-20-08). Both zoning requests are being processed concurrently with an annexation request for the property.

The City of San Marcos will provide wastewater services at the site and the Maxwell Water Supply Corporation will provide water service. The developer will be responsible for extending water and wastewater facilities through the site. Pedernales Electric Service will provide electric service. *Additional Analysis* 

Upon annexation, the property will be zoned "FD", the default classification for newly annexed land. The annexation request will be considered prior to the zoning change by City Council.

Analysis of the proposed zoning request includes deliberation of existing surrounding land uses, proposed transportation networks, and the goals and policies of the Comprehensive Plan. A few major points for consideration in the analysis are as follows:

- The proposed zoning change to Light Industrial is not compatible with surrounding existing uses such as rural residential and agricultural land, however, the future FM 110 (see attached FM 110 map) adjacent to the property will most likely attract a diverse array of uses.
- The subject property's request for "Light Industrial" is designated as "NP" Not Preferred within an "Area of Stability – Low Intensity" designation on the Preferred Scenario Map as part of the Comprehensive Plan. Alternatively, the Comprehensive Plan states that "Light Industrial" zoning is to be "C" Considered in an Employment Area on the Preferred Scenario Map. While the subject property is not located in an "Employment Area", it is located between two existing areas, Whisper development and the Municipal Airport.
- The subject property is located along the proposed FM 110, which is designated as an "Employment Corridor" on the Preferred Scenario Map.

| Zoning Request | 4087 Hwy 21 | THE CI<br>SAN M |
|----------------|-------------|-----------------|
| ZC-20-07       |             |                 |

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#### • Hays County provides the following overview of the FM 110 project:

This project continues the loop east of San Marcos and involves initially constructing two travel lanes (one in each direction) with 10-foot shoulders where no road currently exists for the approximately 11.3-mile corridor and includes an interchange at SH 21 and a railroad overpass at the Union Pacific Railroad tracks. As traffic increases over time, two additional travel lanes and additional interchanges would be constructed. Initial construction costs will be funded through Transportation Reinvestment Zones (TRZs) created by Hays County and the City of San Marcos to capture a portion of the increased value of development occurring along the alignment. Caldwell County will also contribute to the project cost. The County is funding and conducting project development simultaneously for the initial stage of all three sections. TxDOT will let and manage construction of the project. Water line relocations will be in construction contracts.

Additional details regarding this analysis is outlined in the staff report and the Comprehensive Plan Analysis checklist.

| Comments from Other Departments |  |  |
|---------------------------------|--|--|
| Police                          | No issues with the proposed development. |  |
| Fire                            | No issues with the proposed development. |  |
| Public Services                 | No Comment                               |  |
| Engineering                     | No Comment                               |  |

| Zoning  | Request |
|---------|---------|
| ZC-20-0 | )7      |



| Evaluation |              |            | Compatibility of Uses & Density Criteria (Sec.4.1.2.5)   |
|------------|--------------|------------|--|
| Consistent | Inconsistent | Neutral    | compatibility of oses & Density Citteria (Sec.4.1.2.5)   |
|            | X            |            | <ul> <li>Helps prevent the impacts of high density uses on low density areas</li> <li>The subject property is located within an "Area of Stability – Low</li> <li>Intensity" designation on the Preferred Scenario Map as part of the</li> <li>Comprehensive Plan (see Preferred Scenario Map). "Special Districts",</li> <li>which include the Light Industrial zoning district, are "NP" Not</li> <li>Preferred within this designation on the Preferred Scenario Map.</li> <li>Where a zoning map amendment is Not Preferred, further scrutiny is</li> <li>required to determine consistency with the Comprehensive Plan based</li> <li>on the criteria in Section 2.5.1.4 and the district intent under Division</li> <li>4, Chapter 4, Article 1.</li> <li>Per the Comprehensive Plan, "Special Districts" such as Light Industrial</li> <li>zoning are to be "Considered" in Employment Areas on the Preferred</li> <li>Scenario Map. The subject property is located near existing</li> <li>Employment Areas (Whisper subdivision to the north and the Airport</li> <li>to the south), however, the immediately surrounding property is</li> <li>primarily rural residential low density uses. See attached Preferred</li> <li>Scenario Map for a depiction of surrounding Employment Areas.</li> </ul> |
|            |              | <u>N/A</u> | Limits changes in neighborhood density categories unless directed by<br>a small area plan or neighborhood character study<br>Studies were not complete at the time of the request.   |
|            | <u>×</u>     |            | <b>Encourages more opportunities for home ownership</b><br><i>The proposed Light Industrial zoning district would not allow for</i><br><i>residential uses.</i>  |
|            | <u>×</u>     |            | <b>Ensures a diversity of housing to serve citizens with varying needs and interests</b><br>The proposed Light Industrial zoning district would not allow for residential uses.  |



| Evaluation |              |         | Critoria for Approval (Sec. 2.5.1.4)   |
|------------|--------------|---------|--|
| Consistent | Inconsistent | Neutral | Criteria for Approval (Sec.2.5.1.4)  |
|            |              | X       | Whether the proposed zoning map amendment implements the policies of the adopted Comprehensive Plan and preferred scenario map Vision San Marcos Comprehensive Plan states that "Areas of Stability – Low Intensity" will generally maintain their existing character. The Comprehensive Plan states that "being located in an area of stability does not mean that these areas should or will not change. It means that any changes, whether new developments, zoning requests, or public improvements, should be carefully planned and implemented so that the character of the area remains." The current character of the area is agricultural and rural residential and does not complement the proposed Light Industrial zoning. However, these surrounding properties are located outside the city limits and the city does not have zoning authority to regulate the use of these properties. In addition, the proposed FM 110 abuts the subject property and may attract a diversity of uses seeking access and development along the roadway. The Preferred Scenario Map identifies FM 110 as an Employment Corridor. Employment Corridors are primarily intended to "serve major employment related land uses. Some mixture in uses including limited residential and supportive pedestrian and bicycle facilities should be incorporated." While the subject property is located adjacent to this corridor, the Comprehensive Plan states that "Special Districts", such as Light Industrial zoning are designated as "NP" Not Preferred on the Comprehensive Plan as "C" Considered are Gastation Table within an "Area of Stability – Low Intensity" designation. Other potential zoning districts that are identified on the Comprehensive Plan as "C" Considered are Character Districts, such as CD-3, CD-4, or CD-5, etc., however, these districts do not allow many industrial or warehouse and distribution uses and therefore do not meet the needs of the applicant's proposed project. |



|            | Evaluation   |            | Criteria for Approval (Sec. 2.5.1.4)  |
|------------|--------------|------------|---|
| Consistent | Inconsistent | Neutral    | Criteria for Approval (Sec.2.5.1.4)   |
|            |              | <u>N/A</u> | Whether the proposed zoning map amendment is consistent with<br>any adopted small area plan or neighborhood character study for the<br>area<br>Studies were not complete at time of request.  |
|            |              | <u>x</u>   | Whether the proposed zoning map amendment is consistent with<br>any applicable development agreement in effect<br>A development agreement is not required because the property is<br>requesting annexation into the city limits.  |
|            |              | X          | Whether the uses permitted by the proposed change in zoning<br>district classification and the standards applicable to such uses shall<br>be appropriate in the immediate area of the land to be reclassified<br>Light Industrial zoning primarily allows for industrial uses with some<br>allowances for agricultural and public/institutional uses and a few<br>commercial uses such as professional office, urgent care, building<br>material sales, indoor recreation, and gym/health clubs (see attached<br>land use matrix comparison table). Light Industrial zoning is intended<br>to "accommodate manufacturing and light industrial uses in order to<br>promote economic vitality, encourage employment growth, and limit<br>the encroachment of non-industrial development within established<br>industrial areas. Development should be operated in a relatively quiet<br>manner, and should not be obnoxious to nearby residential or<br>commercial areas." The immediately surrounding area is not<br>comprised of industrial uses and is primarily single-family, rural, and<br>agricultural properties along with an outdoor entertainment use at the<br>Harris Hill Race Track. However, the properties are currently located<br>outside the city limits and the city does not have zoning authority to<br>regulate the use of these properties. A rezoning to Light Industrial<br>would require that all proposed uses meet the standards of the<br>development code. |



|            | Evaluation   |            |  |
|------------|--------------|------------|--|
| Consistent | Inconsistent | Neutral    | Criteria for Approval (Sec.2.5.1.4)  |
|            |              | X          | Whether the proposed zoning will reinforce the existing or planned<br>character of the area<br>Approval of this zoning change would allow the property to develop in<br>a manner that is "NP" Not Preferred according to the District<br>Translation Table which states that "Special Districts", such as a Light<br>Industrial zoning district, is Not Preferred within an "Area of Stability –<br>Low Intensity" designation on the Preferred Scenario Map. The Zoning<br>Translation Table states that zoning changes to Character Districts<br>should be "C" Considered within an Area of Stability – Low Intensity<br>designation. However, the planned FM 110 will alter the existing<br>character of the surrounding area as it will be a major eastern<br>transportation loop. |
| X          |              |            | Whether the site is appropriate for the development allowed in the<br>proposed district<br>The property is vacant and shown to be in a low to moderately<br>constrained area on the Land Use Suitability Map. The site will have<br>access to the future FM 110 and will be required to construct roadways<br>and utility infrastructure within the development consistent with the<br>Light Industrial zoning district.   |
|            |              | <u>N/A</u> | Whether there are substantial reasons why the property cannot be<br>used according to the existing zoning<br>The property is currently not zoned as it is located outside of the City<br>Limits.   |
| ×          |              |            | Whether there is a need for the proposed use at the proposed<br>location<br>The proposed rezoning would allow primarily industrial uses with<br>allowances for agricultural, public, and commercial uses. The subject<br>property's location along FM 110 would allow for such uses to be<br>developed in accordance with city standards with access to a major<br>transportation thoroughfare.  |
| <u>×</u>   |              |            | Whether the City and other service providers will be able to provide<br>sufficient public facilities and services including schools, roads,<br>recreation facilities, wastewater treatment, water supply and<br>stormwater facilities, public safety, and emergency services, while<br>maintaining sufficient levels of service to existing development<br>The property is not located within the City's water service area and is<br>serviced by Maxwell Water Supply. The property is located<br>approximately 4,300 feet from the City's wastewater service area. The   |



|            |                            |            | City is currently updating the wastewater service area and following<br>the update the subject property will be located within this service area.   |
|------------|----------------------------|------------|---|
| Consistent | Evaluation<br>Inconsistent | Neutral    | Criteria for Approval (Sec.2.5.1.4)   |
|            | <u>×</u>                   |            | Whether the proposed rezoning will have a significant adverse<br>impact on property in the vicinity of the subject property<br>The surrounding property is primarily agricultural and rural residential<br>and does not complement the proposed Light Industrial zoning.  |
|            |                            | <u>N/A</u> | For requests to a Neighborhood Density District, whether the<br>proposed amendment complies with the compatibility of uses and<br>density in Section 4.1.2.5<br>This request is not for a Neighborhood Density District.  |
| <u>×</u>   |                            |            | The impact the proposed amendment has with regard to the natural<br>environment, including the quality and quantity of water and other<br>natural resources, flooding, and wildlife management<br>The property is located within a low to moderately constrained area<br>according to the Land Use Suitability Map. In addition, there is no<br>floodplain on the property.   |
|            |                            | <u>×</u>   | Any other factors which shall substantially affect the public health,<br>safety, morals, or general welfare<br>The applicant is also requesting a rezoning to Manufactured Home,<br>"MH" for approximately 45 acres abutting the subject property. This<br>request is being considered as part of a separate zoning request (ZC-<br>20-08). Both zoning requests are being processed concurrently with an<br>annexation request for the property. While the request to MH zoning is<br>not considered as part of the current zoning analysis it does serve as<br>additional background information. |