



# City of Denton

City Hall  
215 E. McKinney Street  
Denton, Texas  
www.cityofdenton.com

---

## AGENDA INFORMATION SHEET

**DEPARTMENT:** Department of Development Services

**DCM:** David Gaines

**DATE:** November 15, 2022

### **SUBJECT**

Consider adoption of an ordinance of the City of Denton, Texas regarding a Municipal Services Agreement, pursuant to Tex. Loc. Gov. Code Sec. 43.0672, between the City of Denton and IR2 Holdings LLC for the provision of city services to approximately 18.60 acres of land, generally located approximately 500 feet north of US 380 (University Drive) and east of Thomas J. Egan Road; approving a schedule of annexation; authorizing the City Manager to execute the agreement; and providing an effective date. (A22-0001, 380 and Thomas J Egan, Ron Menguita)

### **BACKGROUND**

The applicant, Justin Toon, on behalf of the property owner, IR2 Holdings LLC (hereafter referred to as "Owner"), has submitted a petition for voluntary annexation of approximately 18.60 acres of land. The subject property is currently undeveloped and is generally located approximately 500 feet north of US 380 (University Drive) and on the east side of Thomas J. Egan Road. This voluntary annexation complies with Subchapter C-3, Chapter 43 of the Texas Local Government Code.

Approval of this Municipal Services Agreement is the first of several steps required for a voluntary annexation based upon the requirements of TXLGC Sec. 43.0672 and the City's Charter as outlined below.

1. Approval of a Municipal Services Agreement
2. Annexation Public Hearing
3. First Reading of Annexation Ordinance
4. Publication of Annexation Ordinance
5. Second Reading and Adoption of Annexation Ordinance

The first three of these items are on this agenda. Following the first reading of the annexation ordinance, the ordinance must be published in the newspaper, and the second reading is required to occur at least 30 days following ordinance publication.

The Future Land Use designation for the subject property is Light Industrial.

Light Industrial is intended for tracts of land that are appropriate for light industrial activity. Primary uses include light manufacturing, assembling, and warehousing and distribution, and include associated supporting uses, such as offices, retail, and restaurants. Light Industrial areas should have adequate access to infrastructure, including the transportation network. It is important in future development that transitions to adjacent sensitive land uses are considered.

On April 12, 2022, the applicant submitted a petition for a voluntary annexation (A21-0001) of the subject property. On the same day, the applicant submitted a zoning change request application (Z22-0006) to rezone three tracts (tracts 60797, 528224 and 164415), of which two of the tracts (tracts 528224 and 164415) are the subject property proposed for annexation. The intent of the applicant was to rezone all three tracts at one time to a Light Industrial (LI) Zoning District after the subject property was annexed. It was the applicant's desire to receive approval of the annexation with the condition that the zoning change request of all three tracts to a LI Zoning District would be approved.

Staff informed the applicant that the City cannot conditionally annex property, and that zoning cannot be considered on a property concurrent with its annexation. Staff also informed the applicant that per Section 3.1.4 of the DDC, newly annexed land is assigned a placeholder designation of Rural Residential (RR) Zoning District until the City Council initially zones the property. Because of these procedural limitations, the applicant opted to move forward at the time with only the rezoning of the 9.56-acre tract (tract 60797) of land within the City limits from a Residential 2 (R2) Zoning District to a Light Industrial (LI) Zoning District. If this zoning change request to LI District was approved, then the applicant expressed that he would move forward with the annexation and subsequent initial zoning request of the subject property to a Light Industrial (LI) Zoning District.

On September 27, 2022, City Council approved the zoning change of the 9.56-acre tract of land (tract 60797), which is located directly south of the subject property. Upon annexation and subsequent initial zoning of the subject property (tracts 528224 and 164415), the applicant intends to develop all three tracts into a Light Industrial use.

Anticipating that the petition to annex will be approved, the applicant submitted an initial zoning application for the subject property (Z22-0019), which is currently under review. The public hearings for the initial zoning will be scheduled after the City Council approves the annexation (should that occur). The public hearings for the initial zoning cannot be noticed and scheduled until the property is annexed into the City.

As part of the applicant's initial zoning request application for the subject property, the applicant has submitted a Conceptual Site Plan that shows a single industrial warehouse building, approximately 240,440 square feet. The building extends across all three tracts, fronting on Thomas J. Egan Road. The building is sited on the western portion of the property, along Thomas J. Egan Road, due to the existing floodplain and Environmentally Sensitive Areas located on the eastern portion of the property. Refer to Exhibit 3 – Applicant's Conceptual Site Plan for more details on the applicant's proposed industrial development and existing conditions. It is important to note that, if the annexation is approved, it does not bind the applicant to the Conceptual Site Plan.

US 380 (University Drive) is a primary arterial and Thomas J. Egan Road is a secondary arterial roadway. Per the applicant's Conceptual Site Plan, access to the property will be primarily from Thomas J. Egan Road with three driveway entrances proposed at this time. As a secondary arterial, Thomas J. Egan Road requires a 55-foot right-of-way dedication from the centerline.

There is an existing gas well drilling and production site located within the ETJ within 1,000 feet of the subject property, generally to the northeast of the property.

Currently there is an existing 18-inch gravity wastewater line that runs north/south through the property. The nearest water line is approximately 4,000 linear feet to the east of the property.

The subject property has potential Environmentally Sensitive Areas (ESAs) - Floodplain ESA and Riparian Buffer ESA - within the eastern portion of the property. The subject property also has FEMA floodway and floodplain within the eastern portion of the property.

According to the applicant all three tracts are intended to be developed in one phase, as one lot. After the successful annexation and subsequent zoning of the two tracts to LI, a Zoning Compliance Plan will be required to ensure zoning regulations and development standards are met, followed by platting and approval of Civil Engineering Plans for the development of the property.

Due to recent changes in annexation law, under Subchapter C-3 (TXLGC Sec. 43.0672) a municipality that elects to annex an area upon request of owners must first negotiate and enter into a written Service Agreement with the owners of the land in the area for the provision of services in the area. Prior to these changes to the annexation laws, a Service Plan was required in lieu of a formal Service Agreement. The attached Municipal Services Agreement contains the City's standard Service Plan for annexations regarding streets, water, wastewater, police and fire protection, and park services.

**PRIOR ACTION/REVIEW (Council, Boards, Commissions)**

No prior action/review.

**OPTIONS**

1. Approve
2. Deny
3. Postpone Item

**EXHIBITS**

1. Agenda Information Sheet
2. Site Location Map
3. Conceptual Site Plan
4. LLC Member's List
5. Draft Municipal Services Agreement Ordinance
6. Presentation

Respectfully submitted:  
Tina Firgens, AICP  
Deputy Director of Development Services/  
Planning Director

Prepared by:  
Ron Mengueta, AICP  
Principal Planner