City of Plano Planning and Zoning Department 1520 K Avenue Plano Texas 75074

1/10

April 18, 2024

Mr. McDowell,

Please accept this letter as the applicant's formal request to appeal the Planning and Zoning Commission's recommendations to deny ZC2024-005. Please advise if anything further is required to process our appeal.

Thank you,

Nelson Lo

PLANNING & ZONING COMMISSION

ZONING CASE FINAL REPORT

April 16, 2024

Eric Hill. Assistant Director of Planning

Jeanna Scott, Building Inspections Manager

Melissa Kleineck, Lead Planner Justin Cozart, Sr. GIS Technician

Christina Sebastian, Land Records Planning Manager

Dorothy Alatorre, Sr. Administrative Assistant - Neighborhood Services

DATE:

CC:



MB

TO: Honorable Mayor & City Council FROM: Planning & Zoning Commission Mike Bell, AICP, Development Review Manager acting as Secretary of the Planning & VIA: **Zoning Commission** SUBJECT: Results of Planning & Zoning Commission Meeting of April 15, 2024 AGENDA ITEM NO. 3 - ZONING CASE 2024-005 PETITIONER: TALO TWO, LLC Request to rezone 0.9 acres located at the northeast corner of Tokalon Drive and National Drive from Regional Employment to Regional Commercial. Zoned Regional Employment and located within the State Highway 121 Overlay District. Project #ZC2024-005. DENIED: 5-3 Speaker Card(s) Received: Support: Oppose: Neutral: Letters Received Within 200' Notice Area: Support: 1 Oppose: 0 Neutral: 0 Petition Signatures Received: Support: 0 Oppose: 0 Neutral: 0 Oppose: Other Responses: Support: 1 3 Neutral: 1 **RESULTS:** The Commission denied the item. To view the hearing, please click on the provided link: https://planotx.new.swagit.com/videos/302674?ts=6513 PM/ko

PLANNING & ZONING COMMISSION

STAFF PRELIMINARY REPORT: APRIL 15, 2024



AGENDA ITEM NO. 3

PUBLIC HEARING: Zoning Case 2024-005

PETITIONER: Talo Two, LLC

CASE PLANNER: Parker McDowell

DESCRIPTION: Request to rezone 0.9 acres located at the northeast corner of Tokalon Drive and National Drive **from** Regional Employment **to** Regional Commercial. Zoned Regional Employment and located within the State Highway 121 Overlay District. Project #ZC2024-005.

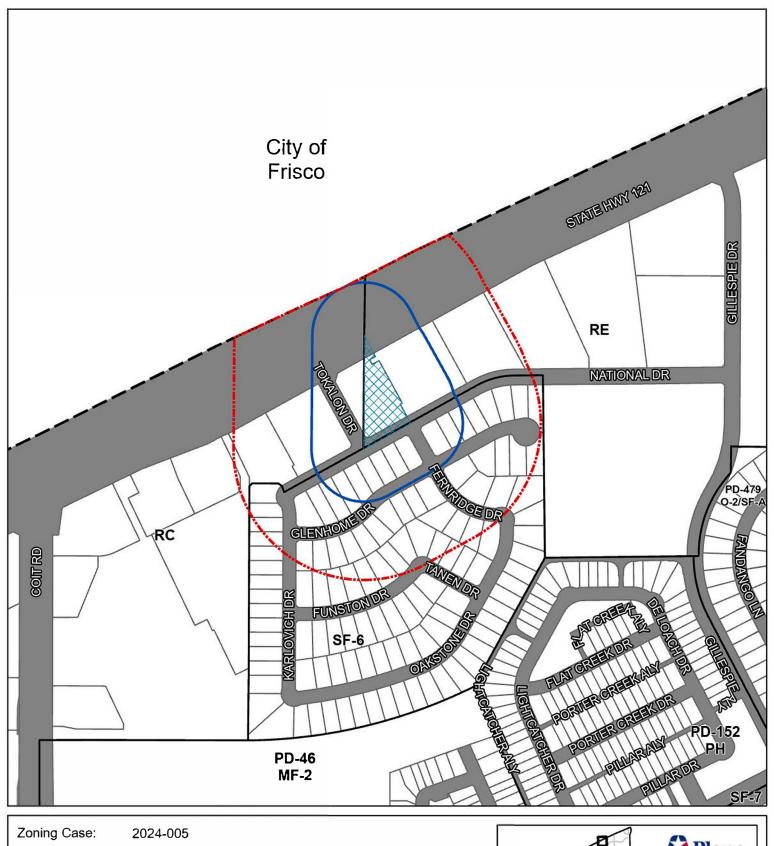
SUMMARY:

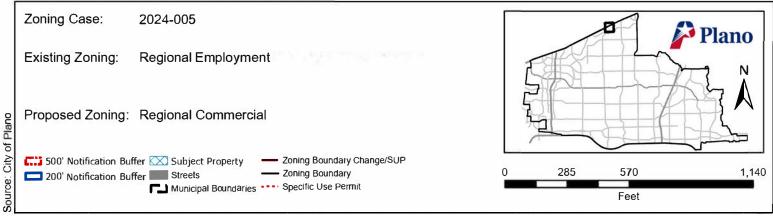
The request is intended to remove "split zoning" on a 1.1-acre property at the southeast corner of State Highway 121 and Tokalon Drive. Split zoning is where a single lot or parcel is divided into two or more zoning districts. In this case, the property is zoned a combination of Regional Employment (RE) and Regional Commercial (RC). The applicant is requesting to rezone the entire property to RC to allow for retail uses. Major topics of consideration in this request include:

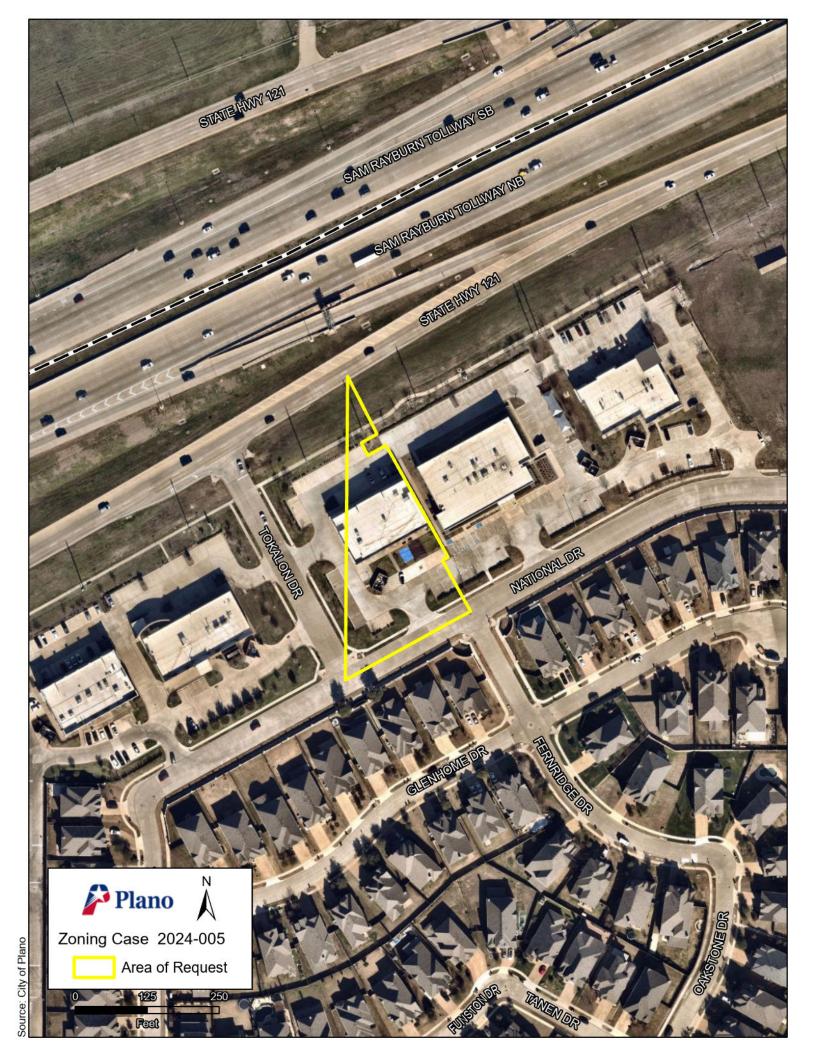
- RE and RC Zoning The RE and RC districts are intended to work in conjunction with each other along State Highway 121 and the Dallas North Tollway, with RC primarily allowing office and limited manufacturing uses along the corridors, and RC intended to provide retail and service uses at appropriate nodes. Although the applicant's request could be seen as a minor adjustment to zoning district boundaries, staff believes the adjacent Tokalon Drive is a more appropriate boundary between the two districts; however, that would result in the property being fully zoned RE rather than RC zoning requested by the owner.
- <u>Site-specific considerations</u> The property is currently developed with a structure approximately 95% within the RE zoning district. As the building is almost entirely within the RE district, this is not a minor adjustment but would result in significant changes to the land uses previously allowed on the site.
- Zoning for retail uses The request to allow additional retail uses is inconsistent with the recommendations of studies regarding the overabundance of retail zoning in Plano, including the Retail Study of Underperforming and Vacant Retail Areas, City of Plano Shopping Center Review, and Housing Value Retention Analysis.

<u>Conformance to the Comprehensive Plan</u> – The request is generally consistent with the Expressway Corridors (EX) future land use category of the Future Land Use Map; but, similar to the retail studies listed above, it is inconsistent with the Redevelopment of Regional Transportation Corridors Policy, the Revitalization of Retail Shopping Centers Policy and Land Use Policy Action 4 (LU-4) of the comprehensive plan.

For these reasons, staff recommends denial of the request.







STAFF PRELIMINARY REPORT - INTRODUCTORY REMARKS

The applicant is requesting to rezone the subject property from Regional Employment (RE) to Regional Commercial (RC) to allow for additional retail uses.

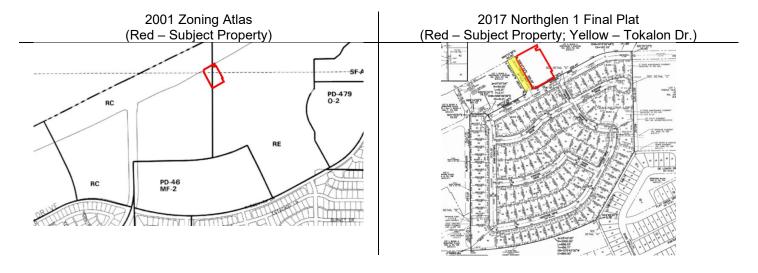
<u>Zoning</u> – Sections 10.1100.1 and 10.1200.1 of the Zoning Ordinance state the purpose of the RC and RE districts, respectively, as follows:

- Regional Commercial (RC): The RC district is a cultural district intended for use in conjunction
 with an RE district in high visibility locations which are of regional cultural importance to the
 community due to its significance for generating economic investment. It provides for retail and
 service uses at appropriate nodes within the corridor of specified tollways and expressways
 serving Plano and surrounding communities, in addition to office and limited manufacturing uses.
 The district's standards are designed to ensure compatibility between various uses within a
 corridor and surrounding residential neighborhoods.
- Regional Employment (RE): The RE district is a cultural district intended to provide for office and limited manufacturing uses in high visibility locations which are of regional cultural importance to the community due to its significance for generating economic investment that are consistent with the regional status of certain tollways and expressways serving Plano and surrounding communities. Some retail uses are also appropriate when developed in conjunction with the primary uses. The district's standards are designed to ensure compatibility between the various uses within a corridor and surrounding residential neighborhoods.

History

The RE and RC zoning districts in this area were originally established in October 2000. At the time, the boundary between the two districts continued farther south, and all the land within RE and RC was undeveloped. The area south of the subject property was later rezoned to Single-Family Residence-6 (SF-6), and the alignment of Tokalon Drive (yellow) was established with the plat of the Northglen 1 residential subdivision in 2017.

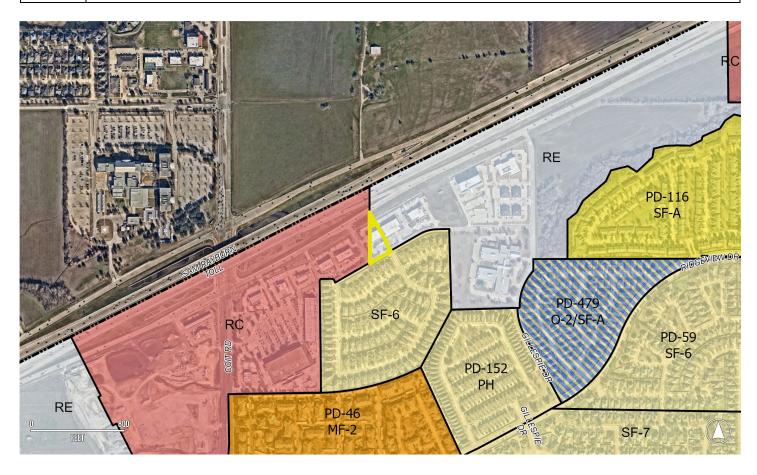
Also, in 2017, a request to rezone the subject property from RE to RC to allow for additional retail along the expressway frontage was denied by the City Council (8-0).



AGENDA ITEM NO. 3 (04/15/24)

Surrounding Land Use and Zoning

North	The property to the north across State Highway 121 is an undeveloped property located within the City of Frisco.
East	The property to the east is zoned RE and is developed with medical office.
South	The properties to the south across National Drive are zoned Single-Family Residence-6 (SF-6) and developed with single-family residences.
West	The property to the west across Tokalon Drive is zoned RC and developed with a medical office.





VISION: "Plano is a global leader, excelling in exceptional education, abounding with world class businesses and vibrant neighborhoods" GUIDING PRINCIPLES: Plano Today. Plano 2050. Plano Together.

1 Future Land Use Map



Expressway Corridors (EX)

The Expressway Corridor future land use category applies to development along major expressways serving regional and interstate commerce. Development in these corridors is expected to include a mix of retail, service, office, restaurant, medical, hotel, and technology-based uses. Uses should be served by parking structures to reduce surface parking and encourage efficient use of land.

Residential Areas & Environmental Health - Due to noise and health impacts of expressways, residential development should be considered in limited circumstances where needed to revitalize declining commercial centers. Use of the Expressway Corridor Environmental Health Map is crucial to ensure that buildings are adequately designed to protect sensitive land uses, such as schools, housing, and day cares.

US 75 Corridor Redevelopment - As the oldest of Plano, expressways the US 75 (Central developed Expressway) was with auto-centric service-oriented uses geared towards highway commuters. Revitalization and redevelopment is desired provide additional employment opportunities improve general aesthetics along the corridor.

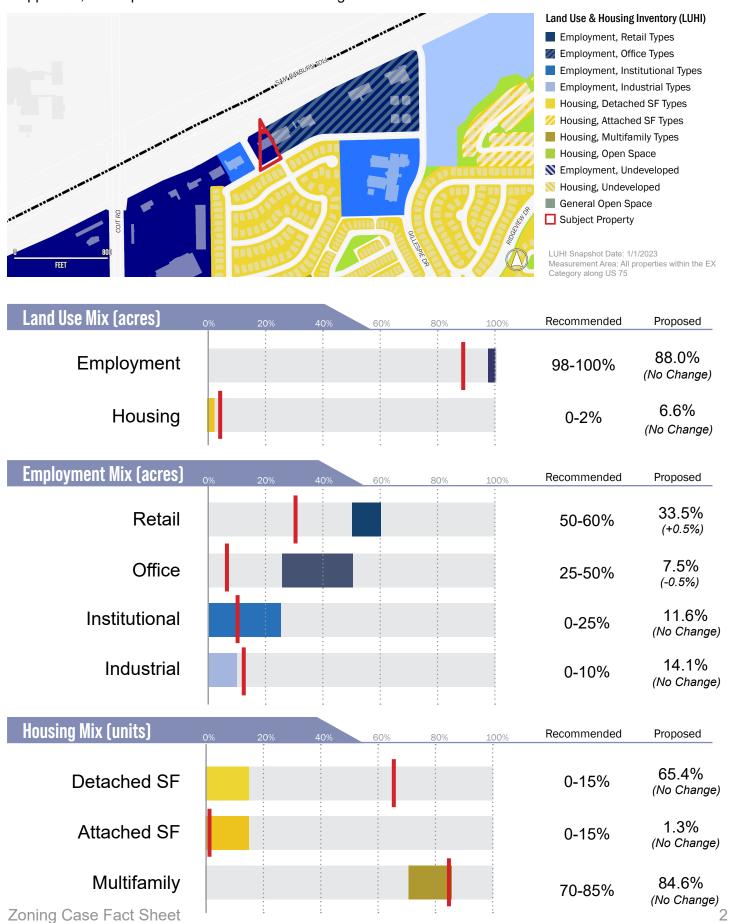
PRIORITIES

- 1. Redevelopment of the US 75 Corridor
- Protecting sensitive uses in Environmental Health Areas
- Limiting residential uses to redevelopment of underperforming commercial centers

2 Mix of Uses



If approved, the request would result in the following Mix of Uses:

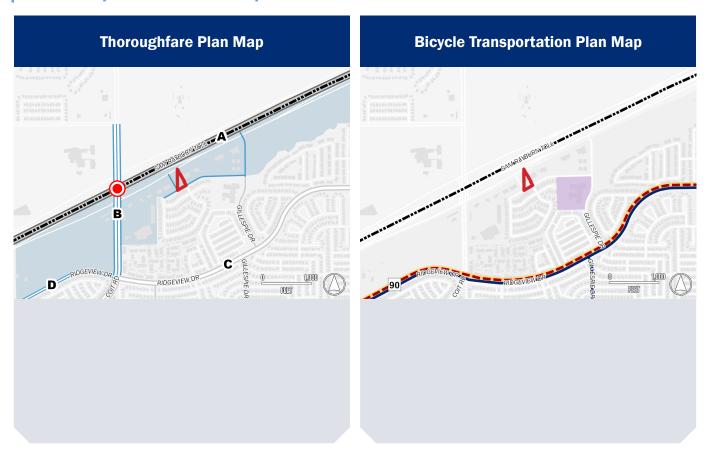


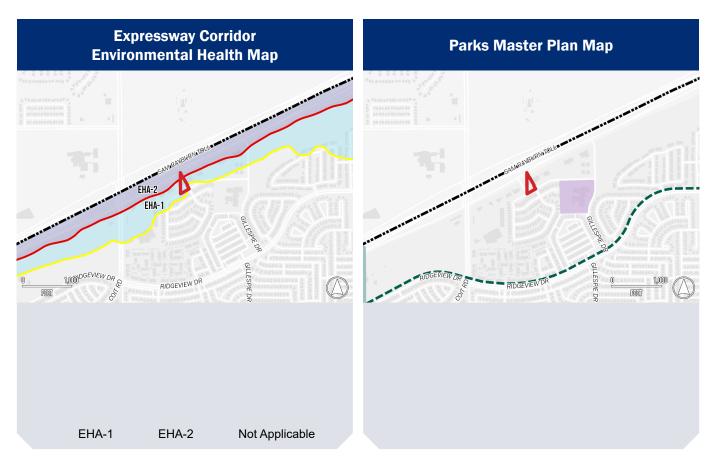
3 | Desirable Character Defining Elements



DESIRABLE CHARACTER DEFINING ELEMENT	RECOMMENDED BY COMPREHENSIVE PLAN	APPLICANT PROPOSAL
Building Heights	1 to 20 stories	
Density	SF: 10 to 40 DUA MF: 20 to 75 DUA	
Intensity	Moderate to High (50 to 75% Lot Coverage)	
Open Space	10% to 20% Passive Open Space	
Parking Orientation	Structured parking preferable to surface lots	
Block Pattern & Streetscape	Wide Blocks Corporate Commercial Streets	
Multimodal Access		
1. Automobiles	HIGH: Direct access from frontage roads/major streets	
2. Transit	LOW: Served by bus at major intersections	
3. Micromobility	MEDIUM: Connected to trails and bike routes	
4. Pedestrians	LOW: Mostly served by perimeter sidewalks	

4 | Other Comprehensive Plan Maps





5 | Comprehensive Plan Policies & Actions

CORE POLICIES: The following policies are applicable to all zoning cases. No specific analysis of these policies are provided in the staff report as these serve as the fundamental basis for all staff recommendations.



Land Use: Plano will support a system of organized land use to provide housing and employment choices aligned with the market, where new and redevelopment areas respect the viability and quality of life for existing neighborhoods, businesses, and institutions.



Redevelopment & Growth Management: Plano will protect and preserve the well-established built environment of Plano and prevent overcrowding by requiring new growth and redevelopment to respect the unique development patterns, suburban character, housing needs, infrastructure capacity considerations, and fiscal constraints of our community.

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LAND USE-RELATED POLICIES: The following policies are applicable on a case-by-case basis depending upon the type, location, and general nature of the request. Refer to the staff report for analysis of these policies with the respect to the proposed zoning change, where applicable.



Redevelopment of Regional Transportation Corridors: Plano will encourage reinvestment and redevelopment of identified regional transportation corridors to create cohesive developments that incorporate well-designed commercial, retail, and housing opportunities, where those uses are appropriate according to the Future Land Use Map and other related Comprehensive Plan standards.

Applicable

Not Applicable



Revitalization of Retail Shopping Centers: Plano will encourage reinvestment, revitalization, and redevelopment of underperforming neighborhood retail corners to accommodate a viable combination of local commercial, retail, and entertainment uses. Where appropriate transitions can be maintained, redevelopment may present opportunities to introduce residential uses and improve access.

Applicable

Not Applicable



Special Housing Needs: Plano will support the special housing needs or residents including seniors, people with disabilities, and low- to moderate-income households through inclusive regulations and programs and actions furthering the goals stated in the Consolidated Plan. Proposed locations for special housing needs should be afforded the same health and safety considerations as other housing.

Applicable

Not Applicable



Transit-Oriented Development: Plano will proactively encourage development within walking distance of existing and planned transit stations to create an integrated mix of uses including residential, employment, retail, and civic spaces.

Applicable

Not Applicable



Undeveloped Land: Plano will reserve its remaining undeveloped land for high quality development with distinctive character, prioritizing businesses offering skilled employment. New housing in these areas will only be considered appropriate where it is consistent with the Future Land Use Map and other related Comprehensive Plan standards.

Applicable
Not Applicable

OTHER POLICIES/DOCUMENTS: Additional policies may apply where applicable:

Envision Oak Point (2018)

Downtown Vision & Strategy Update (2019)

Spring Creekwalk Master Plan (1990)

Preservation Plano 150 (2018)

FOR RESIDENTIAL AND MIXED-USE DEVELOPMENTS ONLY: The following actions from the Redevelopment & Growth Management (RGM) Policy are applicable to requests for mixed-use developments:

RGM5: Ensure that any rezoning requests for multiuse development include:

Applicable

Not Applicable

- A) No more than 50% square footage for residential uses. Requests should also conform with other identifying elements (density, building heights, etc.) in the applicable Dashboard descriptions.
- B) Phasing requirements that prevent the disproportionate completion of residential uses prior to nonresidential uses within the development. Nonresidential square footage must constitue a minimum of 33% of all square footage approved for occupancy during development (e.g., every 2 square feet of residential development requires at least 1 square foot of nonresidential development; and
- C) Key design features provided prior to, or concurrent with, the construction of any residential uses. These include elements of the development supporting the long-term value to the overall community, and specificially any new residents, such as open/green space, amenities, street enhancements, and trails.

RGM8: Limit new residential development to areas that are appropriate based on individual site considerations and consistency with the Future Land Use Map and Dashboards. Multifamily developments should also meet a housing diversification or economic development need of the city, including transitoriented development, special housing needs (as defined by the city's Considered Plan), or be constructed as part of a high-rise 10 stories or greater.

Applicable

Not Applicable

6 | Findings Policy

RGM1: Mix of Uses, Density, & Building Height

In accordance with the Redevelopment and Growth Management (RGM) Policy Action 1, zoning change requests that do not conform to the mix of uses, density, and building heights as described in the Dashboards are **disfavored**. Requests that do not conform to these criteria may be occasionally allowed when found:

- Consistent with the Guiding Principles of the Comprehensive Plan; and
- Substantially beneficial to the immediate neighbors, surrounding community, and general public interest.

RGM5: Mixed-Use Developments

In addition, the Redevelopment and Growth Management (RGM) Policy Action 2 requires findings when approving a mixed-use development that exceeds 50% square footage for residential uses and/or does not conform to other identifying elements (density, height, etc.) in the applicable Dashboard.

Are Findings Required?

Yes, because the request does not comply with the Mix of Uses of the associated Dashboard.

Yes, because the request does not comply with the Building Heights of the associated Dashboard.

Yes, because the request does not comply with the Maximum Density of the associated Dashboard.

Yes, because the request dis inconsistent with Action RGM5 (for mixed-use developments).

No, findings are not required.

STAFF PRELIMINARY REPORT – CONFORMANCE TO THE COMPREHENSIVE PLAN

The proposed request has been reviewed for conformance with the Comprehensive Plan. Major factors included in the analysis are provided below, but the Comprehensive Plan Fact Sheet has more specific details about the request based on the request and the associated concept plan.

<u>Guiding Principles</u> – This set of Guiding Principles to the Comprehensive Plan establishes overarching themes that apply to all policies and actions and express values for Plano Today, Plano 2050, and Plano Together. Since the principles do not stand alone but are used in concert with one another and carry across the Plan as a whole, each principle must be judged through a lens that incorporates all other principles to be fully and accurately understood. As such, the Commission is encouraged to review the full list of Guiding Principles and judge zoning requests through the lens of all principles.

Future Land Use Map Category & Dashboard

<u>Future Land Use Category</u> – The subject property is located within the <u>Expressway Corridors (EX)</u> category of the Future Land Use Map (FLUM), which should consist of a mix of retail, service, office, restaurant, medical, hotel, and technology-based uses. The applicant's request to rezone the subject site from RE to RC to allow for additional retail uses generally meets the description of the EX category, as retail uses are supported within these areas.

FLUM – EX Description and Priorities					
Description	Meets				
Priorities	Redevelopment of US 75 Corridor	Not Applicable			
	Protecting sensitive land uses in Environmental Health Areas	Not Applicable			
	Limiting residential uses to redevelopment of underperforming	Not Applicable			
	commercial areas				

<u>Mix of Uses</u> – The request is consistent with the Mix of Uses within the EX Dashboard. The Employment Mix recommends 50-60% Retail Types. If approved, the request would result in 33.5% Retail Types within the Expressway Corridors in the 121 measurement area, consistent with the recommended threshold.

FLUM – EX Mix of Uses	
Land Use Mix	Meets
Employment Mix	Meets
Housing Mix	Not Applicable

<u>Desirable Character Defining Elements</u> – The proposed zoning change is located on a property with an existing building, and no changes are proposed to the site with this request. Therefore, the Desirable Character Defining Elements section of the EX dashboard is not applicable to this request.

FLUM – EX Desirable Character Defining Elements
Not Applicable

Other Comprehensive Plan Maps

The scope of the request would not require improvements applicable to the Thoroughfare Plan Map, Bicycle Transportation Plan Map, Parks Master Plan Map, or Expressway Corridor Environmental Health Map.

Other Comprehensive Plan Maps

Not Applicable

Policies & Actions of the Comprehensive Plan and Other Studies

Redevelopment of Regional Transportation Corridors Policy, Revitalization of Retail Shopping Centers Policy and Land Use Policy Action 4 (LU-4) — These policies and action emphasize the need for reinvestment, revitalization, and redevelopment of underperforming retail sites where recommended by the Future Land Use Map and other policies. Approximately 0.25 miles west of the subject site, at the intersection of Coit Road and State Highway 121, is an existing retail shopping center, and a new retail shopping center currently under construction on RC-zoned property. As discussed further in this report, Plano has an overabundance of retail-zoned land, and adding more retail zoning would only contribute to the retail challenges within the city. Therefore, this request is not aligned with these recommendations.

Retail Study of Underperforming and Vacant Retail Areas and City of Plano Shopping Center Review — The city has two studies pertaining to this request, the Retail Study of Underperforming and Vacant Retail Areas and the City of Plano Shopping Center Review. The Retail Study of Underperforming and Vacant Retail Areas encouraged a variety of land-use policy strategies, including:

- 1. Limiting the extension of retail-zoned land;
- 2. Avoiding retail zoning at every major intersection and corner;
- 3. Using key intersections to create cores of development that differ from each other in character, function, and purpose; and
- 4. Rezoning property from current retail classifications to an alternative, including mixed-use, residential, office, lodging, or other.

This request is not consistent with the recommendations.

The City of Plano Shopping Center Review was an update to the Retail Study of Underperforming and Vacant Retail Areas. It noted that Plano dealt with both a demand for new residential development as well as having a handful of its shopping centers facing large vacancies. When the study was completed in 2013, it noted that Plano had 16 million square feet of retail for its 265,000 population, or 65 square feet per capita—three times the national average. Overall, the rezoning of the subject site to allow for additional retail uses is not supported by these studies.

<u>Housing Value Retention Analysis</u> – This study focuses on "the factors that impact change of home values over time." It notes that aging four-corner retail and retail intersections serve as neighborhood gateways. As these retail centers age, they lose retail anchors, leading to low-quality retail with high vacancy rates, which is an issue commonly noted east of Custer Road and west of U.S. 75. This process drives down nearby housing values. Further, the study found it essential to revitalize retail

centers to keep neighborhoods healthy relative to curb appeal for potential buyers, perceptions of the community, safety, and the quality of neighborhoods. Therefore, rather than adding more retail zoning, this study would recommend the city focus its efforts on revitalizing existing centers. With these issues in mind, the addition of more retail would not be supported by the *Housing Value Retention Analysis* study.

Comprehensive Plan Policy Summary Table

Although the request includes elements that meet the description, priorities, desirable characterdefining elements, and mix of uses of the EX Dashboard, it is inconsistent with applicable policies and actions of the Comprehensive Plan and adopted retail studies.

Policy or Study	Analysis
Future Land Use Map and Dashboards:	
Description & Priorities	Meets
Mix of Uses	Meets
Character Defining Elements	Not Applicable
Thoroughfare Plan Map	Not Applicable
Bicycle Transportation Plan Map	Not Applicable
Parks Master Plan Map	Not Applicable
Expressway Corridor Environmental Health Map	Not Applicable
Redevelopment of Regional Transportation Corridors Policy	Does Not Meet
Revitalization of Retail Shopping Centers Policy	Does Not Meet
Land Use Policy Action 4 (LU4)	Does Not Meet
Retail Study of Underperforming and Vacant Retail Areas	Does Not Meet
City of Plano Shopping Center Review	Does Not Meet
Housing Value Retention Analysis	Does Not Meet

STAFF PRELIMINARY REPORT – ANALYSIS & RECOMMENDATION

<u>RE and RC Zoning Boundary</u> – The RE and RC districts are identical in area, yard, and bulk requirements, as well as other development standards. However, the requested RC district allows for retail and restaurant uses by right, whereas the existing RE district places square footage limitations on retail and restaurant uses in order to provide a focus on employment uses. Although the request could be seen as a minor adjustment to zoning district boundaries to remove split zoning, staff believes Tokalon Drive would be a more appropriate boundary between the two districts in this area for the following reasons:

- 1. The majority of the 1.1-acre property (65%) and of the existing building (95%) are located within the RE zoning. Relocating the boundary to Tokalon would bring this site fully within RE zoning, which is harmonious with the six other lots to the east on this block. This change would require renotice and is not possible as an outcome of this case, as it stands.
- 2. The State Highway 121 and Coit Road intersection includes two large shopping centers: one existing at the southeast corner and another currently under construction at the southwest corner, both located within RC zoning. These two shopping centers already form an adequate node of retail and service uses that are consistent with the purpose of the RC zoning category. Moving the RC boundary farther east would promote strip retail along the expressway frontage.

<u>Site specific considerations</u> – The property is currently developed with a structure approximately 95% within the RE zoning district. As the building is almost entirely within the RE district, this is not a minor adjustment, but would result in significant changes to the land uses previously allowed on the site.

Zoning for retail uses – RC zoning allows similar uses to the Retail zoning district but contains standards unique for developing property "within the corridor of specified tollways and expressways." In 2003, City Council adopted the Retail Study of Underperforming and Vacant Retail Areas initiated by the cities of Carrollton, Richardson, and Plano. This study examined the retail market conditions in the three cities and offered alternatives to address underperforming and vacant retail properties. The study identified Plano as having an overabundance of retail zoning resulting in commercial decline.

SUMMARY:

The applicant is requesting to rezone from RE to RC to allow for additional retail uses for the existing commercial development. The area has adequate retail development, and the request is not in conformance with the recommendations and policies of the Comprehensive Plan. For these reasons, staff is not in support of the request.

RECOMMENDATION:

Recommended for denial.

