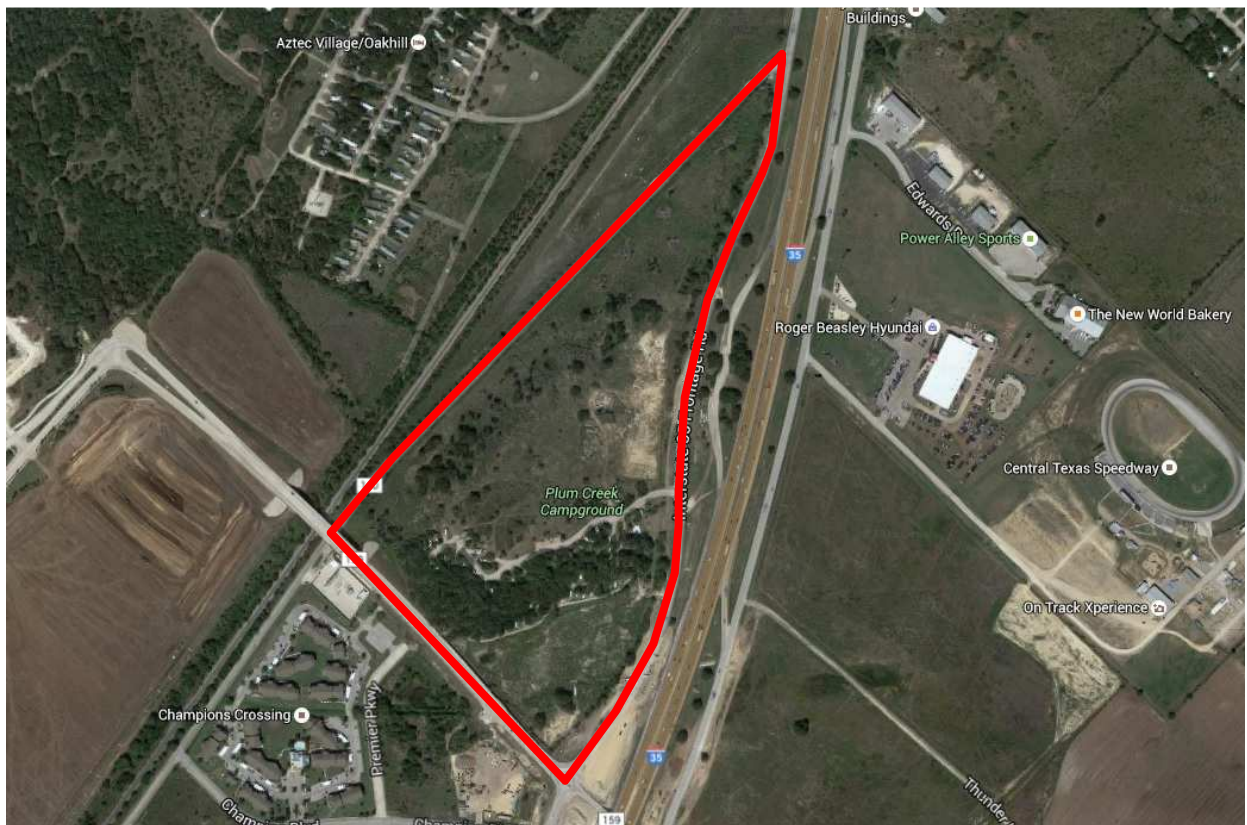


Property Location	24800 IH 35 South
Owner	PGI Investments, LLC 19511 South Comal River Drive Cypress, Texas 77433
Owner's Representative	Hugo Elizondo, Jr., P.E. Cuatro Consultants, LTD 3601 Kyle Crossing, Suite 'B' Kyle, Texas 78640
Request	Rezone 47.74 acres from AG (Agriculture) to <b>'W'</b> (Warehouse) RS (Retail Services)

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### Vicinity Map



The site is located at the city's southern border with the City of San Marcos, in the northwest corner of the intersection of Interstate 35 south and Yarrington Road. The property is currently zoned AG (Agriculture), and is partially developed with a recreational vehicle campground. Of adjacent properties inside the city limits, there is one to the northwest across Post Road, and it is zoned RS (Retail/Services). The only

other city property on the west side of I-35 within reasonable proximity to the site is northwest of the railroad right of way, and is zoned M-3 (Manufactured Home Park). The applicant seeks to rezone the 47.74 acres to ~~W (Warehouse District), a commercial zoning category “to provide locations for outlets offering goods and services to a targeted segment of the general public as well as industrial users.”~~ *RS (Retail Services), a district that permits ...”general retail sales of consumable products and goods within buildings of products that are generally not hazardous and that are commonly purchased and used by consumers in their homes, including most in-store retail sales of goods and products that do not pose a fire or health hazard to neighboring areas, e.g., clothing, prescription drugs, furniture, toys, hardware, electronics, pet supply, variety, department, video rental and antique stores, art studio or gallery, hobby shops and florist shops., and the retail sale of goods and products (in the following listed use areas) to which value has been added on site, including sales of goods and services outside of the primary structure as customary...”* See clarification, below.

## **Conditions of the Zoning Ordinance**

### **§53-1205 – Amendments**

...

(d) Referral of amendment to planning and zoning commission. Upon its own motion, a request by the planning and zoning commission, or the receipt of an administratively complete petition and application to zone or rezone a lot, tract or parcel of land, which petition and application has been examined and approved as to form by the city manager, shall be referred to the planning and zoning commission for consideration, public hearing, and recommendation to the city council. The council may not enact a rezoning amendment until the planning and zoning commission has held a public hearing and made its recommendation to the city council, or has made a final vote on the matter without obtaining a majority, on the zoning or rezoning of the property.

(e) Action by the planning and zoning commission. The planning and zoning commission shall cause such study and review to be made as advisable and required, shall give public notice and hold a public hearing as provided by state law, and shall recommend to the council such action as the planning and zoning commission deems proper...

## **Comprehensive Plan Text**

The subject site is located in the ‘New Settlement Community’ character area, and contains a portion of the ‘Regional Node’ at Yarrington and I-35, with a slight majority of the property located in the Regional Node.

In ‘New Settlement’, it is recommended that the allowable zoning districts be limited by right to R-1-1, R-1-2 CC and NC; and AG, E, HS, M-2, M-3, R-1-A, R-1-T, R-2, R-3-1, R-3-2, R-3-3, RS, T/U and UE conditionally.

In 'Regional Nodes', it is recommended to assign R-1-C, R-3-2, R-3-3, CC and NC zoning by right; and CBD-1, CBD-2, E, HS, R-3-1 and RS conditionally.

~~The Warehouse zoning category is only recommended for the 'Employment District', a section of the city located in the far northeast corner of Kyle's corporate limits, which is not served by Kyle water (the region is served primarily by Goforth water, and partially by Monarch water as well) nor wastewater.~~

New Settlement "Character": "Stretching over both Plum Creek and I-35, the New Settlement District is comprised primarily of farm fields and new residential developments that are being carved out of former farm fields. Northwest to southeast roadway patterns are strong, while northeast to southwest connections are lacking. Traditional residential enclaves predominate in the New Settlement District, aggregated in neighborhoods of unique housing forms. Private and public spaces are clearly separate, with the public domain defined by shared neighborhood amenities and the private domain defined by privatized landscapes. Public space is not encroached on by private functions. The New Settlement District has a lower density and intensity of development than the adjacent Mid-Town District, and the open character of the landscape should evoke the agricultural heritage of the District. Physical and visual portioning and division of land should be avoided where possible in this District."

New Settlement "Intent": "The flat land and large parcel size in the New Settlement District result in a high level of development potential, which is beginning to be realized through market-driven demand for new housing stock. The City of Kyle should seek to capitalize on this "developability," while emphasizing community amenities, enhancing the neighborhood lifestyle through shared spaces, and improving connectivity within and without the District. The unique water features, such as creekways and detention/retention facilities, in the New Settlement District should be utilized as form-giving elements and corridors for connections. Use patterns should be established that complement residential development and facilitate beneficial land use transitions. In this way, the New Settlement District should serve as a transition between the higher intensity of use within the core Districts and the low intensity of use of the Farm District."

Regional Node 'Character': "Regional Nodes should have regional scale retail and commercial activity complemented by regional scale residential uses. These Nodes should represent the character and identity of Kyle, and signal these traits to the surrounding community. Regional Nodes have a radius of approximately 1/3 of a mile so that they are walkable, but are able to contain a greater range of uses at a larger scale than those found in Local Nodes. Appropriate uses may include grocery stores, retail shopping centers, multi-family housing, and municipal services, such as libraries and recreation centers."

Regional Node 'Intent': "The primary goal of the Regional Nodes is to capture commercial opportunities necessary to close Kyle's tax gap. To achieve this goal, these Nodes should draw upon anticipated regional growth and aggregate density to enhance value and activity levels in a concentrated and visible location. Regional Nodes should provide a mixture of uses that complements regional commercial activity, as well as

encourage high intensity residential development. These Nodes should respond to other regional areas of growth, specifically along I-35 and FM 1626, and to growth toward Hwy 21, SH 45 and SH 130. The anchor of each Regional Node should be regional commercial uses, and Regional Nodes should have a high level of development intensity.”

## Recommendation

### Benefits:

- The site’s location at an interchange of Interstate 35 lends itself to support high-intensity commercial/retail/employment services geared to the needs of both the local region, and super-region of the state, as well as larger-scale industrial operations that don’t fit in or directly adjacent to established in-town neighborhoods.
- A current plan shows the Hays County “West Side Parkway” (RR150 re-alignment) emerging from the city’s southwest side and crossing I-35 at this location, essentially increasing the Yarrington Road street category from collector to county arterial.
- ~~High-intensity commercial land uses generate considerable high impact vehicle traffic. It is best to limit the reach of these trips into the city by keeping them as close to major transportation routes as possible.~~

### Challenges:

- ~~The request fails to meet the intent of the Regional Node and the New Settlement character area as listed in the Kyle Comprehensive Plan.~~
- ~~There is not now, nor will there be for some time, Kyle wastewater service available at the site. There is a plan that is being designed for a wastewater line to serve the entirety of the southwest quadrant of the city (including this site), but the exact date that project will be let and installed are not yet finalized. The best estimate for an in-service date of the required lift station and that sewer line is currently the middle of 2017.~~

~~Staff believes it’s not insignificant that the city Comprehensive Plan does not support the establishment of high intensity commercial uses in this region of the city. In the past, applications have been brought forward that were considered and approved on the basis that they were located on border regions where the use was acceptable; this is not the case for this application. By the strict terms of the Comprehensive Plan, the Kyle’s Warehouse district is not recommended outside of the most northeast region of the city.~~

~~Additionally, the application is probably premature for 2016, in that there is no development potential at the property’s highest and best use until such time that the off-site wastewater utility line can be permitted, installed, and brought into service. That timeline will be no less than 18 months, and likely 24 months.~~

~~Temporal objection notwithstanding, at some point in the near future the site will have utility service available, and once that occurs, the property -- with its proximity to interstate and rail, and it’s remote location from established stable neighborhoods -- will be well suited to those uses permissible in the Warehouse district.~~

~~This application for Warehouse zoning which will facilitate high-density, high-turnover commercial and employment uses is completely appropriate for the location proposed.~~

Since this application, in its original form, was submitted as Z-15-021, and subsequently postponed, there have been considerable reconsiderations on the part of the applicants, PGI. Discussions and negotiations among the applicants, the applicants' representation, and the cities of Kyle and San Marcos, have revealed to the development team an opportunity for the project to successfully move forward with a designation and operation as 'Retail Services' (RS).

In January of this year, the applicants' representatives notified staff --both verbally and in writing-- that (1) they sought to re-convene the zoning case through the Mayor & City Council process, and (2) they would appreciate the opportunity to amend the request to apply the more restrictive RS upon adjudication on February 7. Once the meeting has convened, and the application is being discussed in open session, the applicant can formally make their request known to the Council, and the Council is then completely within their privilege to assign the RS designation, as it is more restrictive than W, the original request.

## **Attachments**

- Application
- ~~Letter of intent~~
- Overhead map of the subject vicinity