



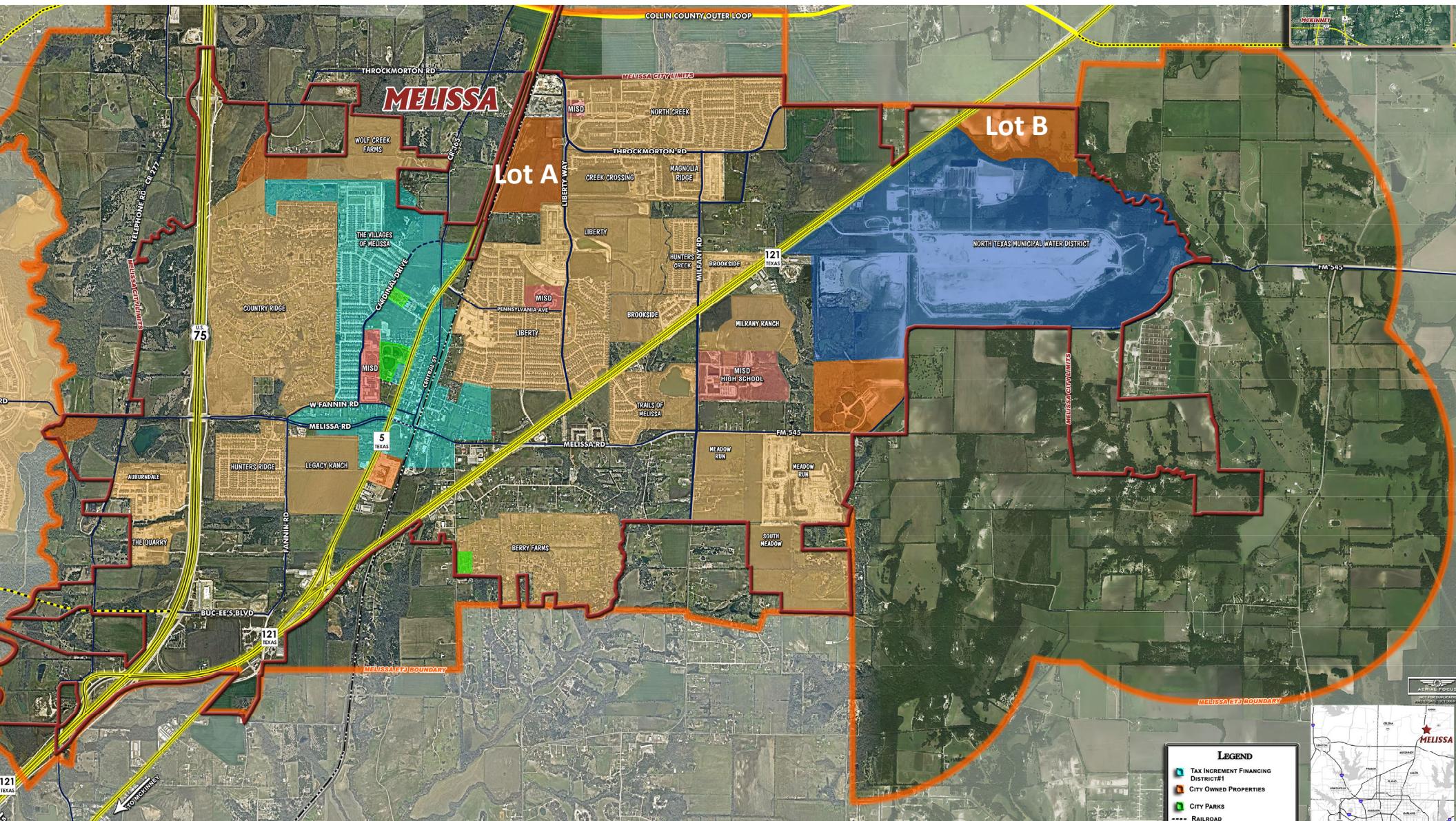
City Council Special Meeting

October 20, 2020

*** - Updated October 21, 2020**

What is being proposed?

- Petroleum storage and distribution facility at the southeast corner of CR 420 and SH 121 (Lot B), connecting from Greenville, Texas
- There are no refining elements on site (i.e. boilers, steam, or other processing (other than mixing) equipment)
- Initially a 6-tank field, maximum height of 56 feet, but expandable to 11-tanks
- Significant land buffer from SH 121 to this site (~450-<1,000 feet)
- At opening, Daily truck volume could be 100 trucks per 24-hour period (60% using SH 121; 40% using Outer Loop/other connections)
- Additional development requirements include
 - Extending water line for fire flow protection
 - Sight line analysis to identify improvements to reasonably block visibility of the site from northbound SH 121
 - Screening along CR 420 in accordance with City Ordinances
 - Improving CR 420 to a better standard for general traffic safety



The Melissa News

www.melissanews.com

Thursday, November 15, 2007

Explorer Pipeline “Moves to Melissa”

Fuel Distributor Purchases 87 Acre Tract for Facility

FROM STAFF REPORTS

MELISSA, TX — During the taping of the radio program “This Week In Melissa News”, Mayor David Dorman disclosed that Explorer Pipeline is in the early planning stages of building a gasoline and fuel distribution facility on an 87 acre tract of land it recently purchased. The tract of land purchased by Explorer is in the most northern part

of the City Of Melissa and on the east side of Highway 5 in an area designated for industrial development adjacent to the railroad tracks. The tract of land was sold to Explorer by the Miller family long-time residents of Melissa.

Mayor Dorman confirmed when contacted at his residence Tuesday evening that with authorization of the city council he has also been working in conjunction with the city

engineer on a deal in which Explorer will transfer to the City Of Melissa possibly 18 acres of the tract they just purchased. The 18 acres would be used in the future by the City Of Melissa with approval as the site for a second fire station location, city maintenance facility and an additional water storage or tower location for the city. When questioned Mayor Dorman commented that the Explorer

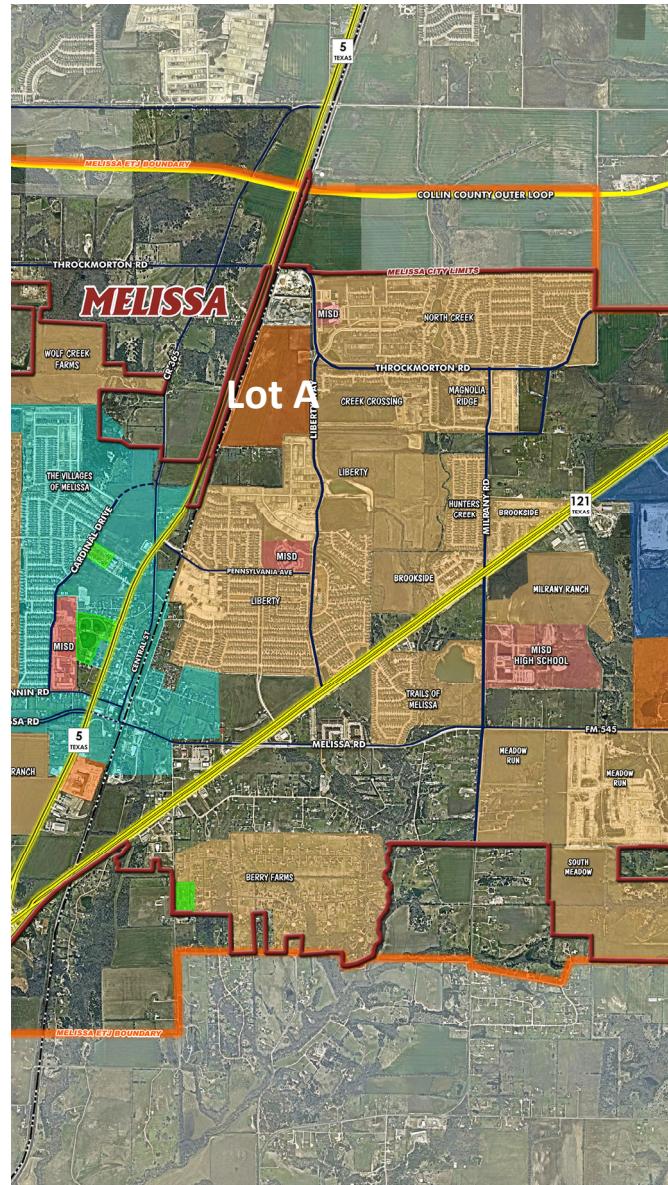
Pipeline facility when completed will add in the next 5 years over 20 million dollars to the ad valorem tax base of the city and emphasized that the proposed location is north of the city and that the recently approved Throckmorton Road bond project will allow companies in the industrial park area of Melissa to connect directly with US 75 and

See **explorer**, page

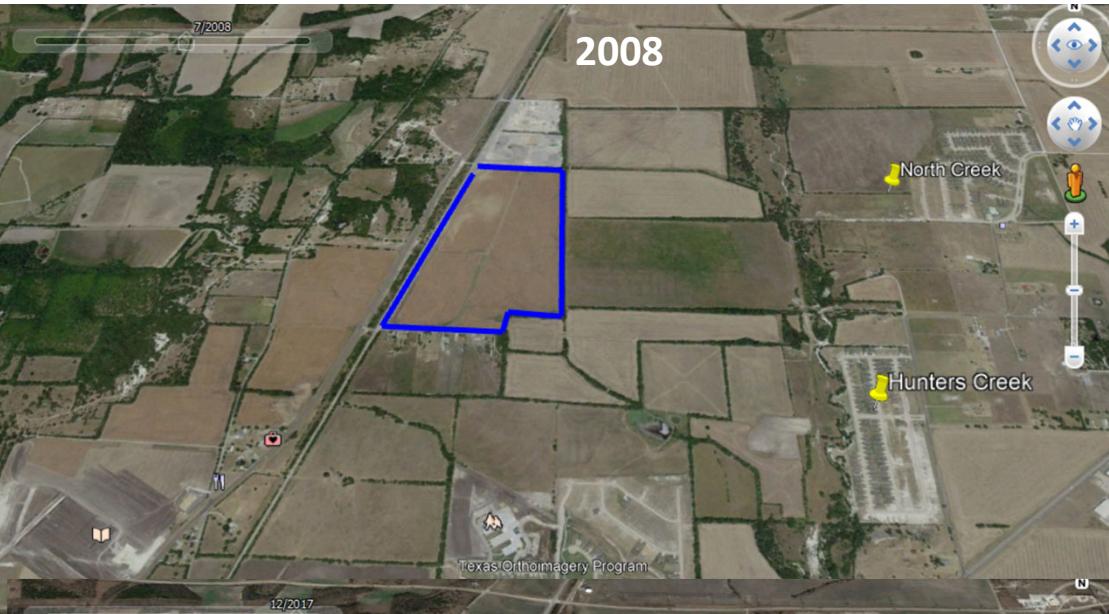
“BPC 2” Members

<div[](https://www.silvaplana.ch/lot-a/lot-a-history)

- 2007 –
 - Explorer purchased 90-acre tract (Lot A) off Throckmorton Road from private landowner
 - Intended to construct facility at this location
- 2008 –
 - National Recession halted plans for development
- 2015 –
 - City begins park development planning; need for centralized community park became clear
- 2016 –
 - Post-recession development patterns in the area surrounding Lot A strengthened the need for City to mitigate a terminal in the middle of Melissa, thus City initiated purchase Lot A Explorer tract for a central community park and water tower site.
- 2019/20
 - Conceptual planning for future park amenities on the site
 - Began Elevated Storage Water Tower project
 - Liberty Way Sidewalk link to connect to Throckmorton

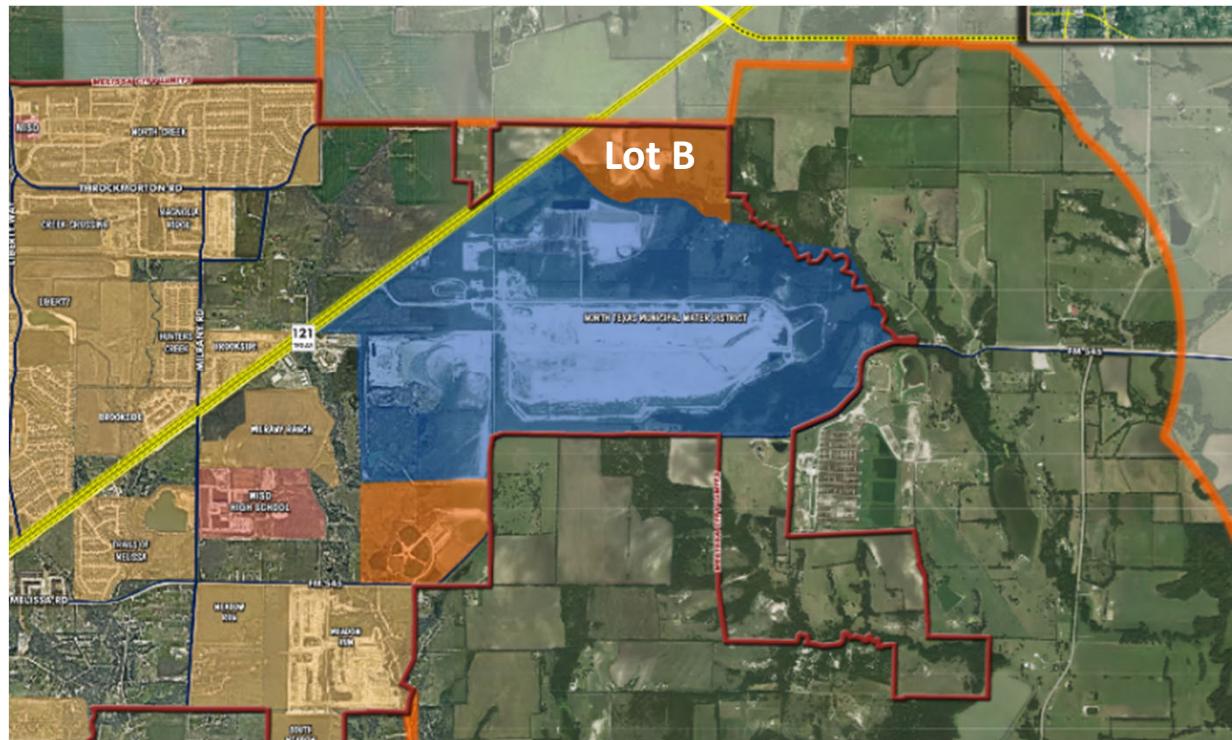


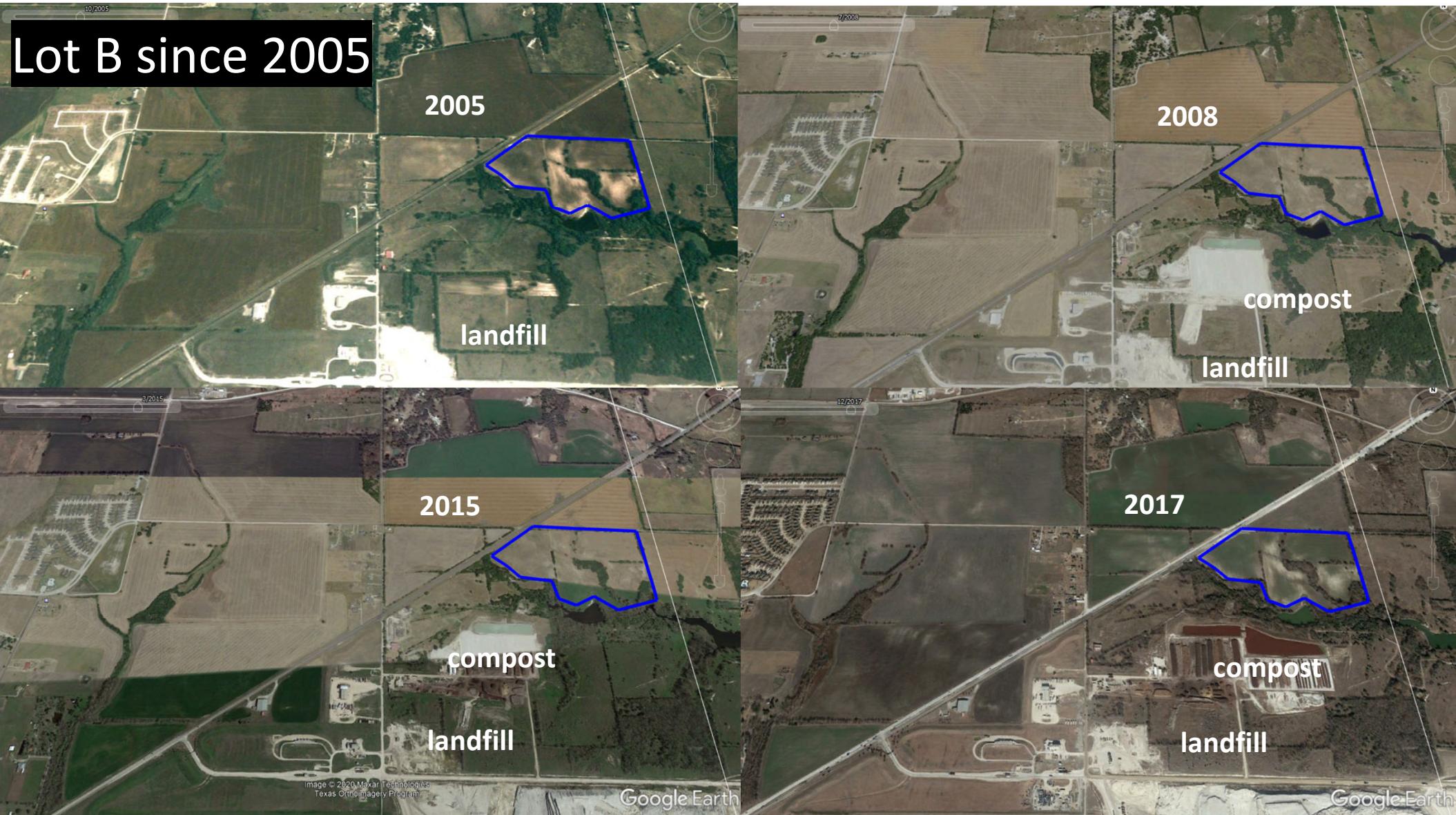
Lot A since 2005



History of Lot B

- 2006 –
 - NTMWD dedicated 88-acres (Lot B) to City for “municipal purposes only”
 - Property is the northern-most property in the City limits and ETJ along SH 121 behind the landfill
- 2016 –
 - NTMWD approved deed restriction amendment to authorize only industrial uses on Lot B.
 - The sale of Lot A by Explorer required the City to offer Explorer a 10-year option to purchase up to 40 acres on Lot B as an inducement to sell Lot A to the City.
 - If option were to be exercised, Explorer would pay then-market value for the property.
- 2019/2020 –
 - Explorer notified the City of their intent to resurrect the terminal concept on Lot B
 - Introduced US Oil as their selected operator.
 - US Oil was interested in the front 48-acres of Lot B, thus the request for the City to sell all of Lot B for the terminal development and adjacent buffer.



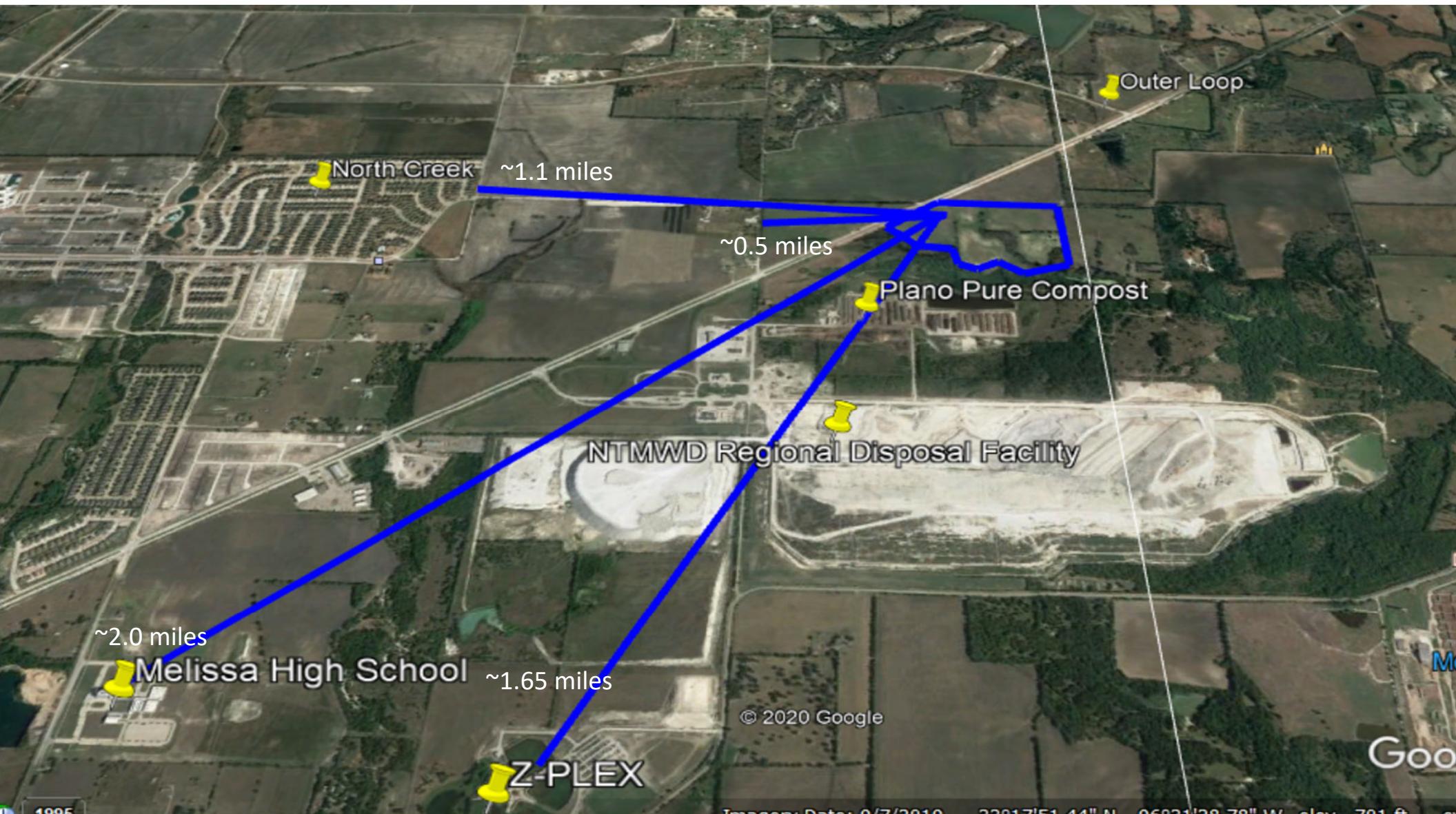


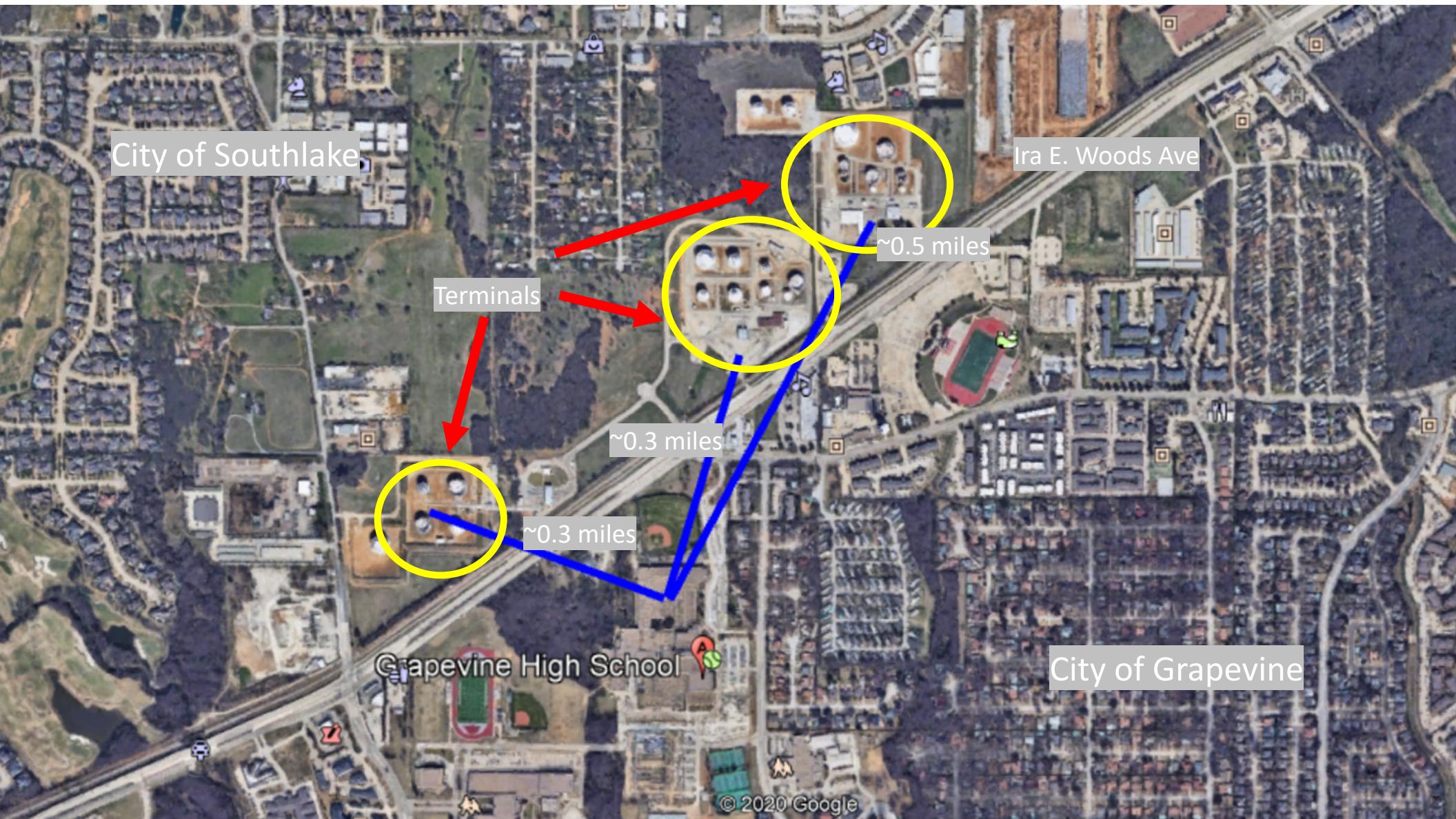
Realities

- The City did not pursue this development.
- Population growth and thus fuel demand in the region dictated this area was the target for this type of use since the early 2000's, thus the purchase of Lot A by Explorer Pipeline in 2007.
- The 2007 private property transaction cemented that Melissa would be the site for the future terminal facility to delivery fuel to the region; if not for the relocation of terminal to Lot B, the fuel terminal would have been developed on Lot A.
- Growing area has to have growing utilities
 - Landfill in Melissa
 - Water treatment plant south of Melissa
 - Electric substation in Anna
 - Atmos substation in Melissa
 - Outer Loop transmission lines
 - New Hope Transmission extension in New Hope and McKinney
- Common carrier pipelines have land use rights, arguably greater than local zoning authority
- This is not a refinery—this is a terminal for motor fuels
- One tract north, east, west of Lot B—not in City limits and no City authority on use, site design, enhancements
- The development of a terminal site is more compatible being adjacent to another industrial utility use (landfill).
- Collin College walked away from free land on Lot B due to its proximity to the landfill
- Local Industrial relocation wasn't interested in Lot B due to its proximity to the landfill

Why is the City currently involved in this transaction?

- Had to remove the possibility that a terminal could develop on Lot A, adjacent to schools and neighborhoods
- Explorer would not sell Lot A if they didn't have a backup plan for a site, thus they would likely be planning to construct terminal on the Lot A today.
- Lot B tract is zoned industrial
- NTMWD has a deed restriction on Lot B—they do not want any residential or general commercial uses adjacent to the landfill. They only want authorized industrial uses. Examples of authorized uses include:
 - Automobile Storage;
 - Concrete/Asphalt Batching Plant, Permanent;
 - Electrical Power Generating Plant;
 - Machine Shop;
 - Recreational Vehicle/Truck Parking Lot or Garage;
 - Truck Terminal; and/or
 - Truck/Bus Repair.
- This is an effort to make the best of a less than ideal situation



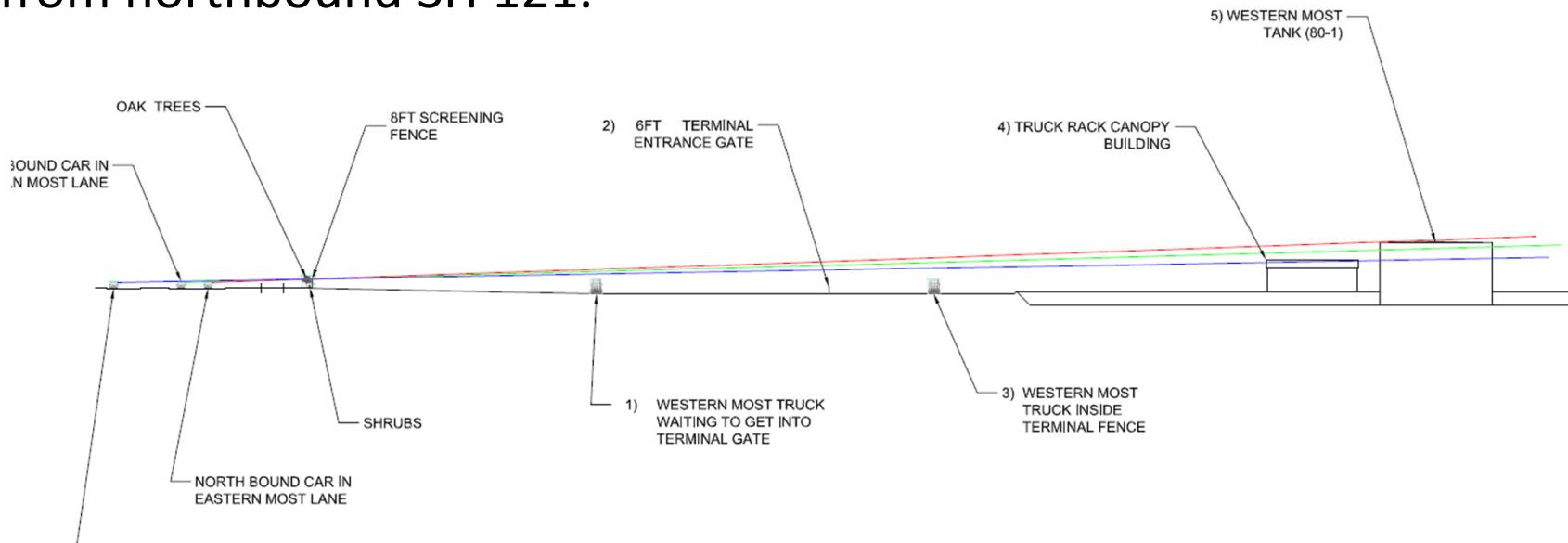


Traffic

- SH 121 currently estimated +25,000 vehicles per day
- According to developer, an estimated 100 vehicles per day (vpd) over a 24-hour period at opening
- Estimated 60% to use SH 121; 40% to utilize Outer Loop/other routes
- During peak hours on SH 121 (6a-6p), an estimated addition of 36 vehicles per day or 0.18% of average daily traffic
- If SH 121 truck traffic exceeds 125 vpd northbound from US 75 to the site, US Oil will use commercially reasonable efforts to reroute traffic around Melissa
- Various other heavy equipment currently use SH 121 as it is a public road. Those include fuel, trash, rock hauler, etc. that come through Melissa every day.

Screening – Visual Impact from SH 121

- Commitment to screening along SH 121 in an effort to visually screen from northbound SH 121 roadway.
- If facility ever expands, screening will be reviewed and updated accordingly, to continue the commitment to reasonably screen facility from northbound SH 121.



What are the benefits?

- Terminal is not in the middle of the Melissa community
- Opportunity to reinvest funds to develop the lake amenity on Lot A; Fishing was #1 desired recreational request in the Pacheco Koch 2015 survey by teens, #2 overall
- Corporate Citizens supporting Melissa Education Foundation, Chamber of Commerce, Melissa Booster Club to name a few
- Unmarketable property (Lot B) converted to taxable property, thus MISD and City benefit
- Having the terminal develop on Lot B:
 - Allows the park system to develop sooner to benefit all residents now opposed to later by reinvesting proceeds from the transaction into the community
 - Because the development would be in the City limits, City has a say on site development elements including screening, truck routing, etc.

What's Next

- Developer will process their site plan and plat prior to a conveyance, as is typically done in development
- If the site plan and plat conform to City regulations, the approval process will move through Planning and Zoning and City Council agenda items.