

**AGENDA**



**Recommendation for Council Action**

Austin City Council	Item ID	12990	Agenda Number	40.
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Meeting Date:	3/8/2012	Department:	Planning and Development Review
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**Subject**

Set public hearings regarding proposed Strategic Partnership Agreements (“SPAs”) between the City of Austin and the Southeast Travis County Municipal Utility Districts 1-4 (“MUDs”) and limited purpose and full purpose annexation of each MUD. (Suggested dates and times: April 12, 2012, 4:00 p.m. at Austin City Hall, 301 W. Second Street, Austin, TX; April 26, 2012, 4:00 p.m. at Austin City Hall, 301 W. Second Street, Austin, TX).

**Amount and Source of Funding**

**Fiscal Note**

**Purchasing Language:**

**Prior Council Action:** February 17, 2011: Council approved Resolution No. 20110217-030, establishing a policy and general criteria under which municipal utility district requests will be considered.  
 April 07, 2011: Council approved Resolution No. 20110407-019, consenting to special legislation that would create the Pilot Knob Municipal Utility Districts.  
 January 26, 2012: Council set public hearings to consider a request for city consent to the creation of the Southeast Travis County Municipal Utility Districts 1-4 for March 1, 2012.  
 March 1, 2012: Council postponed the public hearing and action to March 8, 2012.

**For More Information:** Virginia Collier, Planning and Development Review Department, (512) 974-2022

**Boards and Commission Action:** Recommended by the Water and Wastewater Commission, the Environmental Board, the Parks Board, and the Planning Commission. Not recommended by the Urban Transportation Commission.

**MBE / WBE:**

**Related Items:**

**Additional Backup Information**

In February 2011, City Council approved a resolution establishing a policy and general criteria under which the City Council will consider requests to create municipal utility districts. The policy states that the Council shall consider the following criteria: adherence to the comprehensive plan, extension of public infrastructure with MUD or developer financing, affordable housing, environmental improvement, public transportation facilities, open space, green building, development standards, amenities, school and public safety sites, City provision of water and wastewater services, and financial viability.

In March 2011 Qualico CR LP submitted petitions to the City for consent to create four municipal utility districts ("MUDs") known as the Southeast Travis County MUDs 1-4.

In April 2011 City Council approved a resolution consenting to special legislation that would create the MUDs, subject to criteria that would protect the City's interests. The City's MUD policy provides for consideration of extraordinary public benefits, superior development, and enhancement of other City interests when negotiating the consent agreement.

In May 2011, the Texas Legislature created the Southeast Travis County Municipal Utility Districts 1-4 conditioned upon the City entering into a consent agreement with each MUD no later than September 1, 2012. Each MUD's enabling legislation also allows continuation of the district as a "limited district" after full-purpose annexation by the City if the district and the City enter into a strategic partnership agreement ("SPA"). The City is requiring a SPA as a condition of its consent. If the City does not consent to the creation of the district or enter into such agreements as are required by the terms of the City's consent ordinance, the MUDs will be dissolved on September 1, 2012.

These MUDs include approximately 1,604 acres located in southeastern Travis County within the City's extraterritorial jurisdiction. As part of the agreements consenting to the creation of the MUDs, the City would defer full purpose annexation of the MUDs for approximately 25 years or longer but would annex the MUDs for limited purposes upon approval of the SPAs, shortly after giving consent to MUD creation. In addition, the developer would apply for PUD zoning. Proposed future development includes a mix of land uses typical in suburban developments. The City will be the retail service provider for water and wastewater services and solid waste services.

Following staff and board and commission review, in March 2012 the City Council will conduct a public hearing and consider an ordinance consenting to the creation of the MUDs. Council must conduct two additional public hearings regarding a strategic partnership agreement and adopt the SPA after each MUD has adopted the SPA.