

## A G E N D A



## Recommendation for Council Action

|                     |         |       |               |     |
|---------------------|---------|-------|---------------|-----|
| Austin City Council | Item ID | 21310 | Agenda Number | 23. |
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|               |           |             |                                 |
|---------------|-----------|-------------|---------------------------------|
| Meeting Date: | 2/14/2013 | Department: | Planning and Development Review |
|---------------|-----------|-------------|---------------------------------|

## Subject

Approve an ordinance adopting the Amended and Restated Strategic Partnership Agreement (SPA) between the City of Austin and Lost Creek Municipal Utility District.

## Amount and Source of Funding

## Fiscal Note

|                               |  |
|-------------------------------|--|
| Purchasing Language:          |  |
| Prior Council Action:         | May 3 & May 17, 2007: Public Hearings on original Strategic Partnership Agreement. |
| For More Information:         | Virginia Collier, 512-974-2022.  |
| Boards and Commission Action: |  |
| MBE / WBE:                    |  |
| Related Items:                |  |

## Additional Backup Information

The City amended its Municipal Annexation Plan (MAP) effective December 31, 2005, to include the Lost Creek Municipal Utility District (MUD). In 2006 and 2007 in lieu of annexation under the MAP process, the City and the District negotiated and conducted public hearings on a Strategic Partnership Agreement agreeing to certain terms and conditions related to the annexation and dissolution of the District. The MUD Board of Directors elected not to approve the proposed strategic partnership agreement. The terms and conditions of the proposed strategic partnership agreement were then arbitrated; the arbitrator approved the City's form of the agreement; the MUD appealed the decision; and in February 2008 the court of appeals affirmed the arbitrator's decision.

The primary purpose of this Amended and Restated Strategic Partnership Agreement (SPA) is to amend and restate, through contractual agreement, the following: (i) the terms and conditions of annexation of property in the MUD by the City; (ii) the relationship between the City and the MUD during the period between approval of this SPA and the date of full purpose annexation of the entire MUD; (iii) the conversion of the MUD into a Limited District; and (iv) the transfer of the water and sewer service responsibility from the MUD to the City, all in accordance with applicable provisions of Section 43.0751 of the Texas Local Government Code.

The terms of the SPA will allow the MUD to automatically convert to a Limited District effective December 15, 2015, provided the area voters approve the creation of the Limited District and authorize the Limited District to levy and collect an operations and maintenance tax to fund its operations as described in the SPA. The functions and responsibilities of the Limited District would be limited to: (i) maintaining, operating, controlling, and assuming responsibility for the Limited District Facilities located within the District Boundaries; (ii) developing and maintaining park and recreational facilities and services for the residents of the Limited District; (iii) enforcing deed restrictions within the District Boundaries; and (iv) residential landscape debris and greenbelt ladder fuel collection for wildland urban interface mitigation. The SPA authorizes the Limited District for an initial ten-year period concluding on December 15, 2025 and the renewal of the term by mutual agreement of the governing bodies of the City and the Limited District.

In the event the voters do not support the conversion of the MUD to a Limited District, the City will assume all obligations, liabilities, indebtedness, and assets of the former MUD.