

## **Summary of Proposed Cascades Municipal Utility District April 3, 2013**

In January 2013, Onion Associates, Ltd. submitted a petition requesting the City's consent to the creation of the Cascades MUD. The proposed MUD includes 223 acres located along the south side of Onion Creek east of IH 35 South in Travis County, Texas. The site is undeveloped and proposed future development includes single family and multi-family residential land uses.

The City's practice regarding new MUDs is to require legislative creation in order to have certain protections for the City in the creation legislation including a City representative on the Board. Negotiation of a consent agreement would follow. On March 26, 2013, legislation was filed to create this MUD. The City Code process for applications for new MUDs requires review by staff and boards and commissions prior to action by Council. However, when MUD legislation is proposed in the City's ETJ, the sponsor typically wants the City on the record as to whether the City supports the legislation. There is a significant likelihood that a MUD bill would be brought up for legislative debate before boards and commissions have been able to hear and make a recommendation on the application. Council consideration of legislation does not limit the Council's action on the application after it has been reviewed by boards and commissions.

Under the City's adopted MUD policy, Resolution 20110217-030, requests for consent to creation of a district shall be evaluated according to the following criteria:

- Benefits to the City exceed those that would result through the standard development process or other types of districts
- Commitment to provide superior development
- Adherence to the City's comprehensive plan
- Provision of extraordinary public benefits including environmental improvement, affordable housing, community amenities, connectivity with other city infrastructure, open space, school sites, public safety sites, and public transportation infrastructure
- City land use control
- Water and wastewater service provided by the City of Austin
- Developer will contribute a portion of infrastructure without reimbursement by the MUD or the City
- MUD financing allows City to redirect CIP funds to other high priority needs
- Will not impair the City's future annexation of the MUD or adjacent property, or impose costs not mutually agreed upon, and
- Located entirely in the City's ETJ.

Staff from multiple City departments have reviewed the proposal and met with the applicant to discuss desired City outcomes as expressed in the City's MUD policy. Board and commission reviews are scheduled for April and May as required by the City Code.

The staff has assessed the benefits and drawbacks of district creation as discussed below:

**Pros to MUD Creation:**

The applicant is agreeable to incorporating many desirable elements, some of which are described below, into the Cascades at Onion Creek subdivision; these may be considered superior to a standard ETJ development as proposed in the approved preliminary plan. Examples of benefits include an agreement to forego cost reimbursement for utilities, affordable housing, tree protection, extension of the Onion Creek Trail, energy efficient construction, provision of a fire station site, use of innovative water quality controls, and enhanced pedestrian and bicycle facilities.

**Cons to MUD Creation:**

The applicant will construct a standard subdivision similar to the development described in the approved preliminary plan.

The City will be prohibited from annexing the area for full purposes for an extended period of time so that property owners would be allowed to pay taxes that support MUD bonds in lieu of city taxes which support amenities and quality of life that benefit taxpayers city wide.

The MUD may be able to expand its boundaries to another specific property in the future, dependent upon the developer closing on the property, creating further impediments to the city's ability to continue to expand its tax base and increase efficiencies in municipal service delivery.

Disorderly growth and fragmented, inefficient service delivery may occur.

This project meets the Imagine Austin criteria for full purpose annexation at this time. Accordingly, unlike in some areas of the ETJ, creation of a MUD and limited purpose annexation at this location is not necessary to allow the City to extend land use controls.