



## MEMORANDUM

TO: Mayor and Council

FROM: Gregory I. Guernsey, Director, AICP  
Planning and Zoning Department

DATE: April 1, 2016

RE: Request for Withdrawal – Cascades Municipal Utility District No. 1 (MUD) annexation hearings

At the request of City staff, on March 3, 2016 City Council set hearings for the full purpose annexation of the Cascades Municipal Utility District No. 1 area located in the City's limited purpose jurisdiction and in Council District 5. Staff recommends Council not terminate the Consent agreement and not pursue annexation at this time. The following information provides a brief status update and summary of the Developer's efforts in recent weeks to bring the MUD into compliance with the terms of the Consent Agreement between the City, the Developer, and the MUD.

### **Background**

In August 2014, the City Council consented to the creation of the MUD. Shortly thereafter, the Developer went into default regarding an agreed payment to Austin Water for easements that was due in September 2014. The MUD did not respond to multiple requests for payment and other requests that would allow the Developer to cure or remedy the default. In February 2016, City staff sent a final notice to the Developer and MUD indicating that staff would be recommending City Council approval of an ordinance that would terminate the Consent Agreement and annex the MUD. Consequently, the Developer has since made noteworthy attempts to perform as envisioned in the Consent Agreement. These actions have brought the MUD into compliance; therefore, staff is recommending Council not terminate the MUD Consent Agreement and not pursue annexation hearings at this time.

### **Council actions in the immediate future**

Staff will work with Council to bring forward an item appointing a replacement for the City-appointed MUD Board member that recently resigned. This needs to occur no later than May 2, 2016. In addition, staff will schedule a Council briefing for the Cascades Planned Unit Development (PUD) formal development assessment. A PUD zoning case will follow, consistent with the terms of the Consent Agreement.

If you have any questions or we can provide any additional information, please contact me at (512) 974-2387 or Virginia Collier at (512) 974-2022.

Cc: Marc A. Ott, City Manager  
Sue Edwards, Assistant City Manager  
Virginia Collier, Principal Planner, Planning and Zoning Department