

AGENDA



Recommendation for Council Action

AUSTIN CITY COUNCIL**Regular Meeting: November 29, 2018**Item Number: **007****Financial Services**

Authorize negotiation and execution of the first amendment to the Estancia Hill Country Annexation and Development Agreement, concerning annexation and development of approximately 600 acres in southern Travis County, west of IH 35 South, approximately eight-tenths of a mile south of the intersection of IH 35 South and Onion Creek Parkway. Related to Items #6 and #44.

District(s) Affected: District 5

Lead Department	Financial Services - Controller's Office.
Fiscal Note	This item has no fiscal impact.
Prior Council Action	June 20, 2013 - City Council authorized negotiation and execution of the Estancia Hill Country Final Annexation and Development Agreement
For More Information	Diana Thomas, Controller, 512-974-1166

Additional Backup Information:

The Estancia project includes approximately 600 acres located in southern Travis County west of IH 35 South, approximately eight tenths of a mile south of the intersection of IH 35 South and Onion Creek Parkway. This area is currently in the city's limited purpose jurisdiction in Council District 5.

On July 1, 2013, the City of Austin and the developers of the Estancia Hill Country project entered into the Estancia Hill Country Annexation and Development Agreement (“Agreement”) authorized by Sections 43.035 and 212.172 of the Texas Local Government Code. This Agreement established development regulations for the property, provided that the area will be annexed initially for limited purposes, and delayed full purpose annexation. The City Council also authorized the creation of a Public Improvement District (“PID”) and planned unit development (“PUD”) zoning for the area. The purpose of the PID is to finance City bonds that would help pay for infrastructure for the proposed development. The Agreement obligates the City to defer full purpose annexation of any part of the project for which the City issues PID bonds. This is designed to defer imposing City property taxes on the land at any time before the PID bond assessments are paid in full.

The City has previously issued bonds to finance certain PID improvements in the aggregate principal amount of \$12,590,000 of which \$9,895,000 is currently outstanding.

The Developer has requested amendments to provisions of the Agreement relating to (1) the extension of time the City is prohibited from completing full purpose annexation of the area; (2) the public parkland exhibit; and (3) the wastewater service commitment.

Staff recommendation regarding the three part request

- (1) The Developer has proposed an amendment to increase the time the City is prohibited from annexing the area for full purposes from the year 2029 to the year 2034: **Staff agrees with this request and recommends approval of an amendment to Section 5.01 (b) of the Agreement granting an additional five years before the area becomes eligible for full purpose annexation under this contract.**
- (2) The Developer has proposed amendments to the public parkland exhibit to reflect shifts in parkland area as well as the calculations for parkland dedication required by the Agreement: **Staff recommends approval of the proposed Exhibit “B” to replace in its entirety the original Exhibit “B.”**
- (3) The Developer’s proposed amendment to the wastewater service commitment provides additional clarification regarding the maximum number of Living Unit Equivalents (“LUEs”) associated SERs for the project: **Staff agrees with this proposed language to update and provide clarification to provisions found in Section 6.03 of the Agreement.**