



**Water & Wastewater Commission
Review and Recommendation**

Commission Meeting Date:	April 10, 2019
Council Meeting Date:	May 23, 2019
Department:	Planning and Zoning Department
Client:	Virginia Collier, Randi Jenkins, and Kevin Critendon
Agenda Item	
Recommend approval of a consent agreement for the Austin Green Improvement District No. 1 (District) subject to adoption of an ordinance approving a strategic partnership agreement between the City and the District, contiguous to Council District 2.	
Amount and Source of Funding	
N/A	
Purchasing Language:	N/A
Prior Council Action:	N/A
Boards and Commission Action:	<p>April 9, 2019- To be reviewed by the Urban Transportation Commission.</p> <p>April 10, 2019 – To be reviewed by the Water and Wastewater Commission.</p> <p>April 17, 2019- To be reviewed by the Environmental Commission.</p> <p>April 23, 2019- To be reviewed by the Parks and Recreation Board.</p> <p>May 14, 2019- To be reviewed by the Planning Commission.</p>
MBE/WBE:	N/A

Special legislation approved during the 2017 Legislative Session created the Austin Green Improvement District No. 1 (formerly Rio de Vida Municipal Utility District) and provides that if the City does not consent to the District before February 14, 2020, the District will dissolve on that date. GroundWork, representing Martin Marietta Materials, Inc., submitted a petition requesting the City's consent to the creation of the District and a concurrent review of a PUD zoning application (C814-2018-0154) application is underway.

City Policy

The City's adopted MUD policy, Resolution No. 20110217-030, states that 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
- Retail 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

City Review Process

City Code requires a notice of a filed petition be given when a petition requesting the City's consent to the creation of a district is submitted. The review process for new districts also requires staff, boards, and commissions to review the application and submit a compiled report to City Council. The Austin Green proposal was distributed for review to staff from the following City departments: Austin Energy, Fire, Austin Resource Recovery, Transportation, Austin Water, Budget, Finance, Development Services, Economic Development, Law, Neighborhood Housing and Community Development, Parks and Recreation, Planning and Zoning, Public Works, Sustainability, and Watershed Protection. Boards and Commissions that are scheduled to review and make a recommendation on the petition include the Environmental Commission, Parks Board, Planning Commission, Urban Transportation Commission, and Water and Wastewater Commission. Following city staff and board and commission review, the City Council must conduct a public hearing and consider the request for city consent to the creation of a district in accordance with State law and the Austin City Code. Following approval of a consent agreement, Council must conduct two additional public hearings regarding a strategic partnership agreement (SPA) and adopt a SPA after the district's board has adopted the SPA. 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 Austin Green District will be dissolved.

District Proposal

Austin Green includes 2,126.25 acres primarily located at the intersection of State Highway 130 and Harold Green Road alongside a three mile stretch of the Colorado River in the Austin extraterritorial jurisdiction (ETJ) in eastern Travis County, Texas. The entire property is currently an active sand and gravel mining site. The District would finance infrastructure for water and wastewater service, drainage, water quality/floodplain mitigation, erosion control, site reclaiming, roads, electrical sub-station, and parks. This will prepare the site as it transitions from a mining operation into a major Town Center comprised of a mixture of proposed future land uses including a variety of compact housing types and commercial developments, connected street and trail improvements, accessible park and open space and other key community benefits consistent with the values of *Imagine Austin*. The City would be the retail service provider for water and wastewater services.

As part of the agreement consenting to the creation of the District, the City would defer full purpose annexation but would annex the District for limited purposes shortly after giving consent to its creation. After the area has been annexed for limited purposes, the Council could consider PUD zoning for the District. Upon full purpose annexation, the District would convert to a Limited District under the provisions of a SPA.

Recommendation

Staff recommends City Council approve a Consent Agreement and Strategic Partnership Agreement for the Austin Green Improvement District No. 1.



MEMORANDUM

To: Water and Wastewater Commission
From: Randi Jenkins, Program Manager *RJ*
Date: March 29, 2019
Subject: Austin Green Improvement District No. 1

This memorandum is provided in effort to offer additional information before the April 10th, 2019 Water and Wastewater Commission meeting surrounding the proposed Austin Green Improvement District No. 1 ("District"), with an anticipated Council date of May 23, 2019. The District, currently an active sand and gravel mining site, includes 2,126.25 acres owned by Martin Marietta that is primarily located at the intersection of State Highway 130 and Harold Green Road in the Austin extraterritorial jurisdiction (ETJ) in eastern Travis County, Texas. Under different ownership, the same land area sought creation by the name of Rio de Vida Municipal Utility District and ultimately dissolved due to lack of City Council approval.

GroundWork, representing Martin Marietta, submitted a petition requesting the City's consent to the creation of the District that was formed after special legislation approved during the 2017 Legislative Session and provides that if the City does not consent to the District before February 14, 2020, the District will dissolve on that date. If consent is provided, the District would finance infrastructure for water and wastewater service, drainage, water quality/floodplain mitigation, erosion control, site reclaiming, roads, electrical sub-station, and parks.

Specific to water and wastewater services, the District is currently split between two Certificates of Convenience and Necessity ("CCN"), the City of Austin ("City") and Southwest Water Utilities, d/b/a Hornsby Bend Utility Company, Inc. ("SWWC"). After dispute and litigation concerning the CCN's a settlement agreement ("Agreement") between the utilities was executed in 2003. The Agreement was further amended in 2014, and again in 2017. The amendment in 2017 replaced language to provide that a District formed within SWWC's CCN would only serve as the wholesale provider of water and wastewater service and the City, at its discretion, will serve as the retail provider of service.

The total number of approximate LUEs within the district is 11,500. Facilities are in the preliminary design stage with concept planning and have an anticipated 25-30 year build out. Austin Water staff evaluated the application materials and provided the following comments in response. 1. City will be sole provider of retail water, wastewater, and reclaimed water for the entire District. 2. All water, wastewater, and reclaimed infrastructure within District is designed and constructed to City standards and specifications. 3. Any oversizing costs are paid by the developer without City reimbursement, inclusive of waiver of City cost reimbursement policies requiring City reimbursement under certain conditions.

If consent is given for the creation of this District, Austin Water will then bring forward a Wholesale Water and Wastewater Agreement with SWWC, as well as a Cost Reimbursement Agreement for future consideration and approval. If the City Council does not consent to the creation of this MUD at the conclusion of the Board and Commission reviews, the MUD would dissolve automatically on February 14, 2020.

For questions regarding Austin Green Improvement District No. 1 please contact me at 512-972-0117.

cc: Greg Meszaros, Director, Austin Water
Kevin Critendon, P.E., Assistant Director, Austin Water
Virginia Collier, Planning and Zoning Department