

One Volume Report on Petition to Create
Austin Green Improvement District No. 1 (District)
January 9, 2020

Applicant Kate Glaze
 Martin Marietta Materials, Inc.; TXI Operations, LP

Agent Steven Spears
 MG Realty Investments, LLC (dba GroundWork)

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 Kimley-Horn and Associates, Inc.

Location Austin Green is located at the intersection of State Highway 130 and Harold Green Road between the Colorado River and FM 969, approximately eight miles from downtown Austin and three miles from Austin-Bergstrom International Airport. All land within the proposed district is currently an active sand and gravel operation.

Proposed Land Use Summary

Total acreage.....	2,122 acres
Detached Residential	4,377 units
Medium Density Attached Residential	4,374 units
High Density Attached Residential/Urban Apartments.....	3,249 units
Medical/Dental office	150,000 sq ft
General office.....	600,000 sq ft
Shopping center	650,000 sq ft
Light industrial	300,000 sq ft
Open Space	708 acres
Credited Parkland	150 acres

Projected Population..... 31,920

Financial Summary

Assessed value at build-out	\$6,604,718,399
District bond reimbursables.....	\$995,000,000
Proposed District debt service tax rate	\$1.00/\$100
Proposed District maintenance service tax rate.....	\$0.10/\$100
Projected total tax rate	\$3.15/\$100

Staff Recommendation

Staff recommends City Council approve a Consent Agreement and Strategic Partnership Agreement for the Austin Green Improvement District No. 1. The District, the City, and the community in general will benefit from the construction of public improvements financed by District bonds. Superior development can be achieved through the extension of City zoning and development regulations following limited purpose annexation. Austin Water will be the sole provider of retail water and wastewater within its respective Certificate of Convenience and Necessity (CCN), and will serve the entire District with reclaimed water.

Background

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

District Proposal

The District includes 2,122 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*. In addition to the petition requesting City consent to the creation of a District, a PUD zoning application (C814-2018-0154) has been filed for this property and a concurrent review of the zoning 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
- 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 MUDs also requires staff, boards, and commissions to review the application and submit a compiled report to City Council. Following 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. If the City Council does not consent to the creation of this MUD at the conclusion of the Board and Commission reviews described above, the MUD would dissolve automatically on February 14, 2020.

City Staff Comments

The District 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. Staff has assessed the District proposal as discussed below.

Austin Energy

Austin Energy staff confirmed that this development is within Austin Energy and Bluebonnet service areas and indicated that a new substation would be required to serve the proposed Austin Green Improvement District. Coordination with these service providers will be required in the future as more information about the proposed development becomes available and additional details may be addressed in the PUD zoning ordinance.

Developer's Market Analysis

Key findings of the developer's market analysis were submitted with the District application. Of particular merit, the analysis notes that due to "its scale and unique natural features, Austin Green is well positioned to capture a substantial share of the potential development at the SH 71/130 node." The analysis provides local and regional context for future development and states that relative proximity to downtown Austin, affordable land and home values, and less

congested highways in eastern Travis County make this an area that will experience strong household growth and an increasing demand for retail and services.

District Bonds

Application materials indicate that the financial model is based on a 30-year development build out schedule. The preliminary estimate for financing construction costs for roads, parks, water, wastewater, and drainage projects proposed to serve the District is \$995 million. Austin Green is proposing a tax rate that will provide for 100% reimbursement for District facilities. The City will review and approve future debt issues to ensure compliance with the provisions of the consent agreement. If the City annexes the area for full purposes before District bonds are paid in full, the City would assume the balance of the debt and reimburse the developer for any unbonded facilities. City Policy states that the term of District bonds should be limited to 25 years.

Parkland and Open Space

Approximately 40% of the project area will be preserved for open space and parks. Most of the parkland and open space network will be contiguous with the Colorado River, providing a variety of recreational and ecological functions. Additional parks, open space and regional retention along Elm Creek will aid in addressing regional floodplain challenges as a result of Atlas 14. Austin Green will also feature neighborhood parks that are within a 5-minute walk from residences, providing active recreation, along with finger-like trails and connections to the Colorado River park, amenities, and park improvements. Preliminary cost estimates indicate that the District will issue bonds to finance \$62.5 million in park amenities such as nature trails along the Colorado River and around retention ponds, kayak and canoe launches on the Colorado River, a shared use path crossing underneath SH 130, and parking at the Colorado River Park. Further details will be included in the PUD zoning ordinance as more information about the proposed development becomes available.

Planning Considerations

Austin Green is situated at the approximate location of a Town Center on the *Imagine Austin* Growth Concept Map. According to the City's comprehensive plan, town centers are and will become areas where many people will live and work. Town centers include large and small employers, regional customer and employee bases, and provide goods and services for the center as well as the surrounding area. Town centers are expected to range in size between approximately 10,000-30,000 people and 5,000-20,000 jobs.

As part of the agreement consenting to the creation of the District, the City will annex the District for limited purposes under the provisions of a strategic partnership agreement (SPA) and defer full purpose annexation. 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. 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.

Public Safety

The District is currently in the Travis County Emergency Service District 4 (ESD) service area. The City will be required to provide public safety services to the area upon full purpose annexation. Travis County and the Emergency Service District will continue to provide these services to the area prior to annexation. In the past, some MUDs have provided sites and funding for public facilities such as fire stations.

AFD staff would like for the land plan to provide for a 2.5 net-buildable acre site for Fire/EMS Station which has access to major roadways and collector streets. Final site selection must be approved by both AFD and DSD.

Solid Waste and Recycling

Similar to if the project was annexed for full purposes, solid waste and recycling services will be provided by the City.

Transportation

Travis County voters approved a bond to extend Harold Green Road between SH 130 and Austin Colony Blvd in 2017. Austin Green has been coordinating with Travis County to provide this connection through the District connecting the Austin Colony neighborhood to FM 973. The road is intended to provide an alternative access with dedicated bike lanes and sidewalks. The applicant also plans to work with Capital Metro to address future transit needs in the area.

Water and Wastewater

The District is nearly evenly split between two Certificates of Convenience and Necessity (CCNs), the City of Austin and Southwest Water Utilities, d/b/a Hornsby Bend Utility Company, Inc. Using the City's design criteria for LUEs, the total approximate number of 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 and wastewater within its respective CCN; however, Austin Water will serve the entire District with reclaimed water as an environmental superiority benefit. 2. 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.

Watershed Protection – Environmental Officer

Staff recommends the proposed MUD bonds allocated to the following items be tied to the superiority requirements in the approved PUD zoning.

Drainage System:

All detention/retention ponds and proposed creek channels shall be built and revegetated with native grasses and tree plantings per the approved Austin Green PUD.

Water Quality/Floodplain Mitigation:

This item cannot be released before the related Drainage System items described above but can be released concurrently. All areas of proposed floodplain shall be constructed and restored to contain flood flows per the approved Austin Green PUD and the current Land Development Code at time of site plan.

Earthwork/Site Reclaiming:

All land shall be reclaimed and restored per the approved Austin Green PUD, this includes the restoration described in the proposed landscape character exhibit.

Park Amenities:

All Open Space and Parkland shall be reclaimed and restored per the approved Austin Green PUD. All Park amenities including but not limited to sidewalk trails, benches, trash receptacles, and kayak launch piers shall be built or installed.

MUD Treatment Plant:

1. Effluent quality in all permit phases shall be at least 5 mg/L Carbonaceous Biochemical (5-day) Oxygen Demand, 5 mg/L Total Suspended Solids, 2 mg/L Ammonia as Nitrogen, 1 mg/L Total Phosphorous (5/5/2/1), and 10 mg/L Total Nitrogen.
2. Ultraviolet disinfection shall be the preferred method of disinfection. Dechlorination shall be required in all permit phases if chlorine disinfection is utilized instead of Ultraviolet disinfection.
3. The discharge outfall shall either be directly into the Colorado River, or the discharge may be routed to ponds in close proximity to the Colorado River for additional pollutant removal and thence to the Colorado River. The discharge outfall shall not be to a creek. If the discharge is routed to ponds, the required effluent standard in condition #1 shall be achieved prior to discharge to any pond.

Watershed Protection – Floodplain

The floodplain office wants to be patently clear that any proposed development within the Austin Green area will need to be in compliance with code and criteria at the time of development permit application(s), including the requirements that the development is responsible for the conveyance of all stormwater flowing through the site including that which is directed to the property by other developed property or that which naturally flows through the property because of the topography; additionally, any development in the subject area must not cause an adverse flooding impact to any other properties including depth, duration, or frequency of flooding. If there are alterations to the diversion amounts across or through the site including changes to the SH130 crossing, a CLOMR will be required with a follow-up LOMR once the improvements have been completed.

The National Weather Service study, known as Atlas 14, recalculated statistics for storm event magnitudes. The results of this study indicate that large storm events happen more frequently than previously realized. The expected 100-year floodplain based on Atlas 14 analysis is similar to what we currently refer to as the 500-year floodplain. As such, for planning purposes, the

Austin Green area should use the 500-year floodplain in lieu of the 100-year floodplain in the Elm Creek watershed. Be aware that because of nature of the Highland Lakes chain, we do not expect the floodplain on the Colorado River to change because of Atlas 14 and therefore recommend utilizing the current 100-year floodplain for the Colorado River for planning purposes on river-front portions of the property. Current recommended code changes include a requirement to ensure that any buildings adjacent to the floodplain have finished floors at least 2' above the regulatory floodplain; while finished floor elevations in the ETJ is not something regulated by the City, there may be issues with compliance if the development within the Austin Green area is not in compliance with City Code at the time it is annexed into the City.

Zoning

Active development permits that allow for mining operations include minimal to no specifics of how to prepare the land for its next use. Consistent with the guidance outlined in the City's MUD Policy, the nature of this long-term development proposal would benefit from a MUD and PUD. A PUD application is currently in review. The PUD process will further define commitments for superior development.

Board and Commission Recommendations

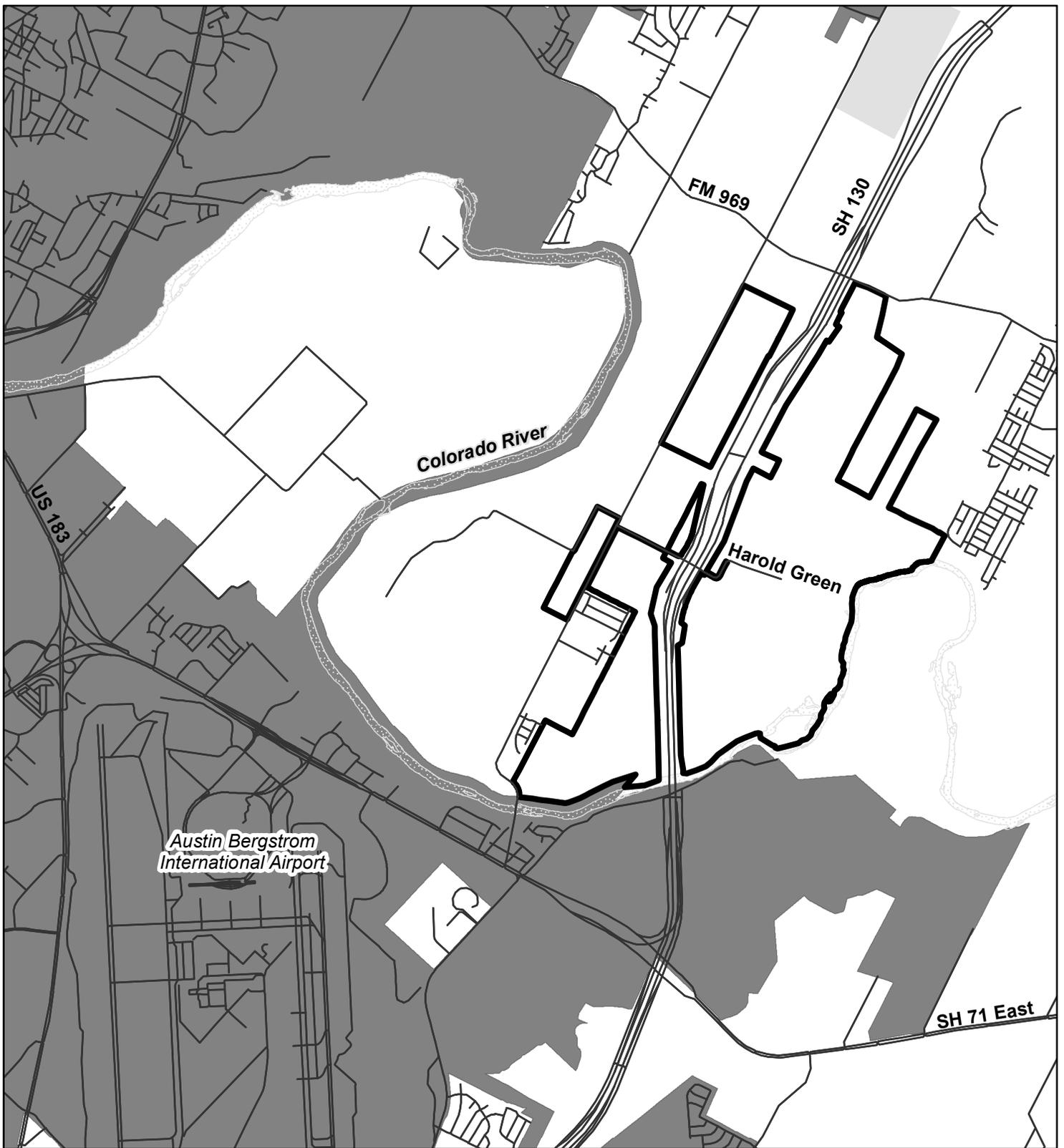
Urban Transportation Commission	04/09/19 A motion to recommend the creation of Austin Green Improvement District No. 1 failed on a 4-1-2 vote; commissioners voting against or abstaining indicated that they wanted additional information about the proposed benefits the developer was offering in the PUD zoning case before they could support the creation of the District
Water and Wastewater Commission	04/10/19 Approved on a 9-0 vote with two commissioners absent
Environmental Commission	05/15/19 Approved on a 7-0 vote with two commissioners absent, one abstaining, and one position vacant
Parks and Recreation Board	06/25/19 A motion to take no action passed on a 7-0 vote with four board members absent; board members present expressed concern regarding their role in determining superiority with respect to parkland dedication ordinance requirements regarding acceptance of land as credited acreage towards dedicated parkland

Planning Commission

07/23/19 Recommended on a 9-0 vote with three commissioners absent, one recusal

Environmental Commission

10/02/19 Approved on a 7-0 vote with two commissioners absent, and one recusal; commissioners recommended additional environmental conditions regarding effluent from the MUD treatment plant



C12M-2018-0005 Austin Green Improvement District No. 1

-  Austin Green Improvement District No. 1
-  Austin Full Purpose
-  Austin Limited Purpose
-  Austin ETJ
-  Lakes

0 0.5 1 Miles



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City of Austin
 Planning and Zoning Department
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