1	RESOLUTION NO.
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3	WHEREAS, the City of Austin and Shady Hollow Municipal Utility
4	District (the "District") entered into a Strategic Partnership Agreement ("SPA"),
5	dated November 21, 2013, providing among other things for the City's automatic
6	annexation of the District's territory on December 15, 2020; and
7	WHEREAS, pursuant to the SPA, the City acquired ownership and control
8	of the District's water and wastewater system on April 2, 2018, and has since made
9	capital improvements to the system; and
10	WHEREAS, the Austin Fire Department leases and fully occupies a fire
11	station funded and owned by the District, and currently provides the bulk of the
12	District's fire service; and
13	WHEREAS, upon annexation of the District, the fire station would be
14	transferred to the City and the City would be able to assess taxes on property
15	located in the former District for City services, including fire service; and
16	WHEREAS, Senate Bill 1468, adopted by the Texas Legislature in 2019
17	and codified as Local Government Code Section 43.083, now first requires an
18	election of District residents in order for the City to proceed to annex the District
19	under the SPA; and

20	WHEREAS, as a result of the enactment of SB 1468, the District has
21	requested termination or modification of the SPA's automatic annexation
22	provisions; and

WHEREAS, the SPA requires the City and District, to the extent their
ability to comply with the SPA has been frustrated by subsequent amendments to
state law, to amend the SPA to the greatest degree practical to achieve the SPA's
original purposes and objectives; NOW, THEREFORE,

27 BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The City Manager is directed to negotiate with representatives of the District 28 to amend the SPA to accomplish to the greatest degree practical the purposes and 29 objectives of the SPA with the exception of full-purpose annexation. Terms to be 30 addressed in the negotiations shall at a minimum include the use and disposition of 31 the District's fire station, compensation to the City for fire service to District 32 residents, and the ownership of the District's former water and wastewater system. 33 34 35 ADOPTED: , 2020 ATTEST: _____ 36 Jannette S. Goodall 37 City Clerk 38 39

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