



Recommendation for Action

File #: 20-3018, **Agenda Item #:** 13.

10/15/2020

Posting Language

Authorize negotiation and execution of an interlocal agreement with the Shady Hollow Municipal Utility District (District) for the provision of fire protection services by the Austin Fire Department to Shady Hollow in exchange for payment by the District to the City. Related to Items 14, 15, 16, 17, and 18.

Lead Department

Austin Fire Department

Fiscal Note

This item is projected to result in annual revenue of \$279,825 for the Austin Fire Department beginning in fiscal year 2022-2023.

Prior Council Action:

September 26, 2013 - Council conducted a public hearing regarding the Strategic Partnership Agreement between the City of Austin and Shady Hollow Municipal Utility District (MUD) in accordance with procedural requirements of Section 43.0751 of the Texas Local Government Code. The public hearing was conducted and the motion to close the public hearing was approved on Council Member Spelman's motion, Council Member Martinez' second on a 7-0 vote.

October 3, 2013 - Council conducted a public hearing to consider an ordinance adopting a Strategic Partnership Agreement between the City of Austin and Shady Hollow Municipal Utility District (MUD), and regarding future full purpose annexation. The public hearing was conducted and the motion to close the public hearing and approve the first reading of the ordinance was approved on Mayor Pro Tem Cole's motion, Council Member Morrison's second on a 7-0 vote.

November 21, 2013 - Council approved Ordinance No. 20131121-070 adopting a Strategic Partnership Agreement between the City of Austin and Shady Hollow Municipal Utility District (MUD). The item was approved on Council Member Spelman's motion, Council Member Martinez' second on a 7-0 vote.

May 21, 2020 - City Council approved to approved Resolution No. 20200521-010 relating to negotiation of an amendment of the City's Strategic Partnership Agreement with the Shady Hollow Municipal Utility District, on consent on Council Member Pool's motion, Council Member Renteria's second, with an 11-0 vote.

For More Information:

Chief of Staff Rob Vires, Austin Fire Department, (512) 974-0132; Assistant Chief Brandon Wade, Austin Fire Department (512) 974-0311

Council Committee, Boards and Commission Action:

September 9, 2020 - The Public Safety Commission made Recommendation #20200909-003, recommending that the City Council authorize negotiation and execution of an interlocal agreement with the Shady Hollow Municipal Utility District (MUD) for the provision of fire protection services by the Austin Fire Department to Shady Hollow in exchange for payment by the Shady Hollow MUD to the City.

September 9, 2020 - The Public Safety Commission provided no recommendation on the fire station purchase.

Additional Backup Information:

City Council by Resolution No. 20200521-010 on May 21, 2020 directed the City Manager to negotiate with representatives of the Shady Hollow Municipal Utility District (District) to amend the City's Strategic Partnership Agreement (SPA) to accomplish to the greatest degree practical the purposes and objectives of the SPA with the exception of full-purpose annexation. Terms to be addressed included the use and disposition of the District's fire station, compensation to the City for fire service to District residents and the ownership of the District's former water and wastewater system. This item, along with several related items on this Council agenda, addresses those issues, with this item addressing by agreement with the District the compensation to the City for fire service to District residents.

The City of Austin and the District determined it would be mutually beneficial for Austin to provide fire protection services to areas or locations within the District. The Austin Fire Department (AFD) will provide firefighting services and first responder medical services to the District including, but not limited to, dispatching, emergency response, hazardous materials response, and technical assistance developing a wildfire protection plan, water rescue plan, and water system planning for fire protection, training and community programs.

The District shall pay Austin beginning Fiscal Year 2022-23. The amount due each fiscal year shall be paid in annual installments. The payment is due by January 1st of the fiscal year. Annual amounts for the Initial Term payable for each fiscal year are as follows:

FY2022-23	\$279,825
FY2023-24	\$288,000
FY2024-25	\$294,000
FY2025-26	\$299,400
FY2026-27	\$304,200
FY2027-28	\$308,400
FY2028-29	\$312,000

After the Initial Term, the amount due each fiscal year shall be paid annually for FY 2029-30 through FY 2033-34 (Second Term) as indicated in the payment schedule below. The payment is due by January 1st of the fiscal year. Annual amounts payable for the first fiscal year of the Second Term shall be determined in accordance with the formula in Exhibit A of the interlocal agreement and the amount for each subsequent fiscal year shall be increased by 3% over the amount payable for the prior year, rounded to the nearest whole dollar.

FY 2029-30	\$ (Determined by formula in Exhibit A of the interlocal agreement)
FY 2030-31	\$ (3% increase over amount in FY 2029-30)
FY 2031-32	\$ (3% increase over amount in FY 2030-31)
FY 2032-33	\$ (3% increase over amount in FY 2031-32)
FY 2033-34	\$ (3% increase over amount in FY 2032-33)

Strategic Outcome(s):

Safety.