



Recommendation for Action

File #: 21-3302, **Agenda Item #:** 23.

11/4/2021

Posting Language

Approve an ordinance adopting the Third Amendment to the Consent Agreement and the Second Amendment to the Strategic Partnership Agreement with Southeast Travis County Municipal Utility District No. 2 to adjust dates relating to construction of facilities and full-purpose annexation conversion.

Lead Department

Housing and Planning.

Fiscal Note

This item will have no fiscal impact.

For More Information:

Andrei Lubomudrov, Housing and Planning Department, (512) 974-7659.

Additional Backup Information:

The proposed changes amend dates in the Consent Agreement and the Strategic Partnership Agreement (SPA) between Southeast Travis County Municipal Utility District (MUD) No. 2 and the City of Austin. The changes align with previously approved amendments. The amendment to the Consent Agreement is proposed to align the date that determines when 90% of facilities in the MUD must be constructed with the date that governs when the last bond must be issued. The amendment to the SPA will align the full-purpose annexation date, contained in the SPA, with the last bond issuance date by which 90% of facilities must be complete within the MUD.

Southeast Travis County MUD No. 2

	Original Consent Agreement/SPA	Subsequent amendments	Proposed Amendments
1. Section 4.03 (Construct 90% of the Facilities)	12/30/2027	--	12/30/2037
2. Section 10.05 (Last Bond Date)	12/30/2027	12/30/2037	--
3. Section 3.08 (Full-Purpose Date) (SPA)	12/31/2023	12/31/2027	12/31/2037

History

In 2012, the City of Austin consented to the creation of the Southeast Travis County MUDs 1-4 (see location map). These MUDs are located in the City of Austin's limited-purpose jurisdiction in southeastern Travis County (Council District 2). The Consent Agreements incorporated terms and conditions regarding future development within the MUDs and the SPAs set terms for annexation and post-annexation conversion.

In 2014, Council approved an amendment to the SPAs for Southeast Travis County MUDs 2-4 to correct a scrivener's error in the full purpose annexation date. The SPA for Southeast Travis County MUD No. 2 was amended to reflect a full-purpose annexation date of 12/31/2027.

In 2017, Council approved an amendment to the Consent Agreements between the City and Southeast Travis County MUDs 1-4. The amendment changed the provisions of the Agreements relating to (1) affordable housing; (2) bonding capacity and timeline; and (3) temporary use of pump and haul operations. The MUDs secured an increase to the bonding capacity (a cap on the total authorized amount) and extended the final date to sell bonds by 10 years to December 30, 2037.

In 2020, Austin Water administratively approved a second amendment to the Consent Agreement to amend an exhibit related to water and wastewater treatment costs and reimbursements.

If approved by Council, the proposed date changes to the MUDs will constitute the third amendment to the Consent Agreement for each MUD, the first amendment to the SPA for Southeast Travis County MUD No. 1, and the second amendment to the SPA for Southeast Travis County MUDs 2-4.

Staff Recommendation

Staff recommends the proposed changes as they conform with amendments previously approved by Council. Staff from Austin Water, Parks and Recreation, Housing and Planning, Finance, and Watershed Protection reviewed the changes and did not find a negative impact.

Annexation Impact

Based on current City boundaries, Southeast Travis County MUDs 1-4 are not contiguous to the City's full-purpose jurisdiction and therefore could not be full-purpose annexed, even with the MUDs' consent. For this reason, there is no identified annexation impact from approving these amendments.

Strategic Outcome(s):

Government that Works for All.