A U S T I N C I T Y C O U N C I L

AGENDA



Thursday, April 19, 2007

Item(s) to Set Public Hearing(s) **Item No. 31**
RECOMMENDATION FOR COUNCIL ACTION

Subject: Set public hearings regarding a proposed strategic partnership agreement (SPA) between the City of Austin and Lost Creek Municipal Utility District (MUD) (approximately 788 acres located in Travis County west of Capital of Texas Highway west of the intersection of Lost Creek Boulevard and Capital of Texas Highway). Suggested dates and times: May 3, 2007 and May 17, 2007 at at 6:00 p.m., Austin City Hall, 301 West Second Street, Austin, TX)

For More Information: Virginia Collier, 974-2022.

Prior Council Action: 12/15/05: Amendment to the City of Austin's Municipal Annexation Plan to include the Lost Creek area and begin the annexation process.

8/10/06 and 8/14/06: Annexation Public Hearings

The Lost Creek Municipal Utility District (MUD) is located in Travis County west of Capital of Texas Highway west of the intersection of Lost Creek Boulevard and Capital of Texas Highway. In December 2005, the City included the area in it's statutory three-year Municipal Annexation Plan (MAP). In accordance with the state-mandated MAP process, the MUD filed a written request for negotiation of a Strategic Partnership Agreement (SPA). After numerous meetings, the parties agreed to participate in mediation to reach agreement on the terms of a negotiated SPA. The following proposed agreement summarized below is a result of this mediation.

1. The proposed Strategic Partnership Agreement (SPA) allows the City to annex the commercial area located along Capital of Texas Highway for full purposes effective December 31, 2007.

2. Full purpose annexation of the residential properties and the Lost Creek Country Club and dissolution of the MUD will be deferred until December 31, 2015.

3. Upon execution of the SPA, the City acquires ownership of Lost Creek MUD's water, wastewater, and reclaimed water (treated effluent) infrastructure.

4. Until the annexation of the residential properties, the city extends the provision of wholesale water service to the MUD; and the MUD continues to manage and operate these utility systems, including continuous treatment for phosphorous at the wastewater treatment plant.

5. A "criticality assessment" will be performed by the City that identifies repairs and impovements that are considered maintenance items to be completed by the MUD by 12/31/2012.

6. The MUD agrees to pay an annual payment beginning on 12/31/08 through 12/31/14 in consideration for unfunded full purpose municipal services provided upon annexation and current benefits and services from the corporate city limits.

7. The MUD agrees that it will not seek or support legislation to incorporate all or a portion of itself, and will not use litigation or legislative processes to challenge the SPA or to resolve any disputes related to the agreed annexation process or service plan.