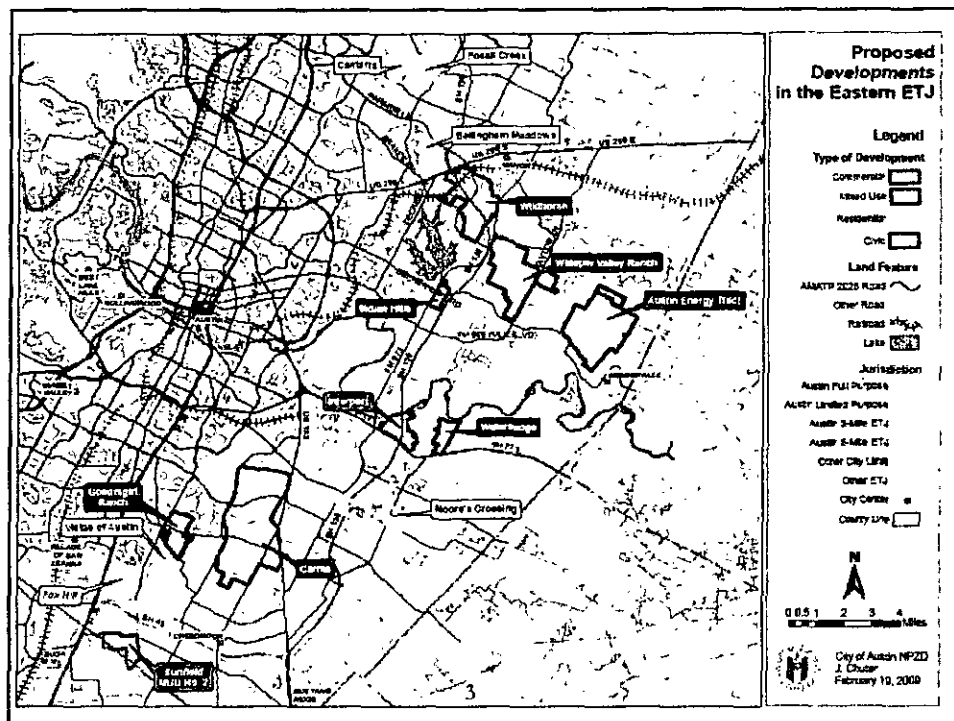


Proposed Legislation Creating Special Districts in Austin's Desired Development Zone

Austin City Council Briefing
March 12, 2009

Carma Easton Project Summary

- 2900 acres
- Southeastern Travis County between US 183 and IH-35
- Contiguous with city limits
- Austin Water Utility
- Austin Energy & Bluebonnet Electric Cooperative



Special District Legislation

- Creates 5 districts
- Provides multiple types of governmental powers
 - Conservation and reclamation district
 - Municipal utility district
 - Municipal management district
 - Public improvement district
 - 380 grants
 - Housing finance corporation
 - Industrial district
 - Municipal drainage utility

Special District Legislation (cont.)

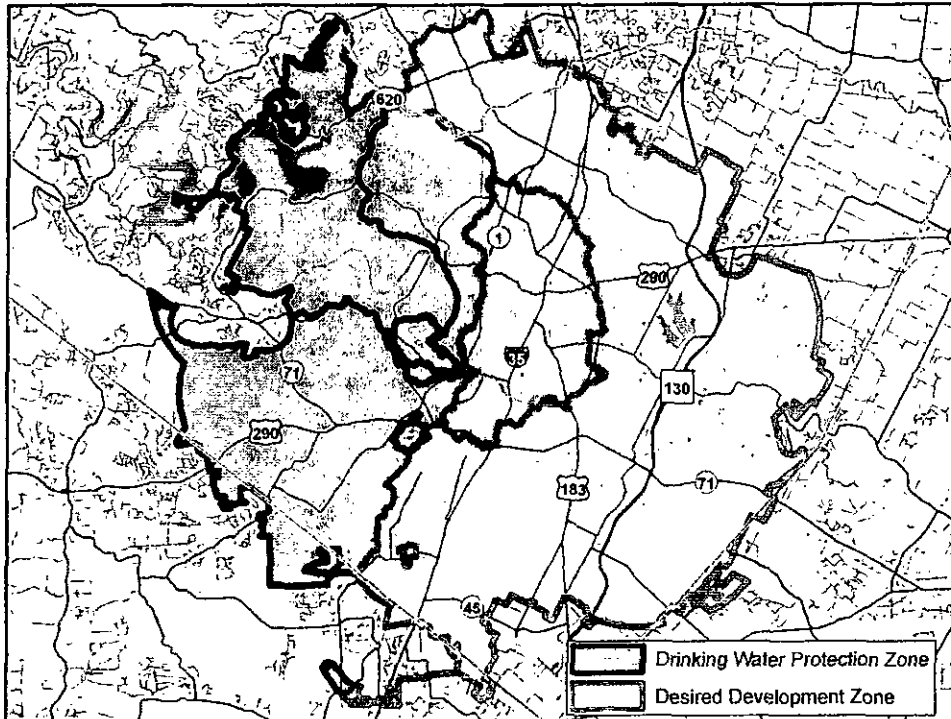
- Municipal-type powers
 - Taxation (sales, property, and hotel)
 - Annexation
 - Debt issuance
 - Assessments
 - Grants
 - Tax increment financing
 - Eminent domain
 - Contract for services

5

Special District Legislation (cont.)

- City consent for board election of permanent directors and district operation
- Addressed in related agreements
 - District exercise of powers
 - Continuation of districts after annexation
 - Limited and full purpose annexation
 - Land uses and development standards

6



City's Desired Development Zone Goals

- Goals
 - High quality development - sustainable, affordable, mixed use
 - Extension of public infrastructure
 - Land use controls
 - Environmental protection
 - Provision of public services
- City PID policy was adopted to address these goals
 - First PID proposal is nearing completion

SH 130 and Carma Proposal Differences

SH 130

- Governing board controlled by City
- Districts created by City
- Debt issued and directly controlled by City

Carma

- Governing board controlled by property owners
- District created by bill; district operation only by City consent
- Debt controlled by districts, subject to City agreements

9

Considerations

- Limited time to review proposed legislation and proposed agreements
 - New type of district
 - Potential precedent-setting
- Legislative process
- Composition of governing board
- Proportion of sales tax revenue to City
- Feasibility of limited district to be responsible for outstanding debt upon annexation
- Council direction

10