

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

Council Presentation
April 13, 2009

Status

- ▶ Carma has filed bills creating five "Austin Desired Development Zone Districts"

Background

- ▶ 2,900 acres (2,311 acquired or under contract); southeastern Travis County between US 183 and IH-35
- ▶ Contiguous with city limits
- ▶ Extra-Territorial Jurisdiction
- ▶ Desired Development Zone
- ▶ Utility Providers
 - Austin Water Utility
 - Bluebonnet Electric Cooperative (primarily)

Proposed Legislation

- ▶ Five districts are created by bills; districts may operate only by City consent to terms of agreement
- ▶ Districts governing boards controlled by property owners; minority of directors appointed by City
- ▶ Debt controlled by districts, subject to terms of City agreements
- ▶ District responsible for all debt, including any remaining debt after annexation

Benefits v. Risks

► Desired Benefits/Goals

- Basic infrastructure financing for City infrastructure
- Land use controls
 - Superior development, mixed use
 - Mixture of housing types, including affordable and high-end

► Risks/Costs

- No property tax for 30+ years after each district's debt is created
- Amount of sales tax to City
- Uncertainty about post-annexation debt
- Development doesn't build out as planned
- Other utilities may benefit from District

Issues

- If legislation is modified in a manner that is detrimental to the City's goals or authority
- If no agreement can be reached on debt created and terms of payment
- If competing non-City utility services are funded by the District
- If no agreement can be reached consistent with adopted PID Policy goals

Next Steps

- ▶ If legislation is passed as proposed, provides for negotiation of agreements that may address:
 - Annexation
 - Land use
 - Development standards
 - Debt issuance and payment
 - Funding mechanisms
 - Sales tax
 - Services
 - Other