

AGENDA



Thursday, June 18, 2009

**Watershed Protection and Development Review
RECOMMENDATION FOR COUNCIL ACTION****Item No. 45**

Subject: Authorize the negotiation and execution of the Whisper Valley and Indian Hills Development Agreement affecting 2,340 acres in the Desired Development Zone adjacent to State Highway 130.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Patrick Murphy, 974-2821

Prior Council Action: On May 15, 2008, Council approved a resolution directing the City Manager to negotiate a development agreement with the developers of Whisper Valley and Indian Hills. On December 18, 2008, Council approved a resolution establishing a policy for public improvement districts to fund public infrastructure and municipal services in association with development or redevelopment projects.

On May 15, 2008, Council directed the City Manager to negotiate a development agreement with the developers of Whisper Valley and Indian Hills, a project that includes approximately 2,340 acres of land in Austin's extra-territorial jurisdiction (ETJ) within the Desired Development Zone (DDZ) adjacent to State Highway 130 at its planned intersections with Decker and Braker Lanes. The Whisper Valley and Indian Hills Development Agreement would complete the first phase of the process by setting out criteria to guide the second phase, which includes limited purpose annexation, zoning, and establishment of public improvement districts (PID) for the land. The Agreement sets a target of May 1, 2010, for Council to take these actions. The Agreement is consistent with the policy that Council approved on December 18, 2008, regarding establishment of PIDs.

The developer proposes to create significant public roadway, parkland and water/wastewater improvements. The purpose of the PIDs is to finance City bonds that would help pay for some of this infrastructure. Without the PID, these improvements would be less financially feasible to construct. In exchange for PID bond financing, the developers agree to limited purpose annexation in order for the City to establish land use controls over the area. In particular, the agreement provides that when the land is limited purpose annexed the Whisper Valley property will receive planned unit development (PUD) zoning and the Indian Hills property will receive LI, CS, and MF-3 zoning. The Agreement obligates the City to defer full purpose annexation of any part of the project for which the City issues PID bonds to finance infrastructure. Generally, annexation of a tract is deferred until the land owners pay off the PID bond debt on the tract (currently anticipated to be 30 years) or the City agrees to pay that debt. This is designed to defer imposing City property taxes on the land at any time before the PID bond assessments are paid off.

The Agreement does not create PIDs, annex the property, or zone it now, nor does it commit the Council to do so in the future. Rather, the agreement calls on the Council to decide by May 1, 2010, whether to take those actions. This is designed to allow the proposed PUD zoning to undergo the required public process that will include review by the Environmental Board and Land Use Commission prior to Council action.