

City of Austin, Texas
Proposed River Place Municipal Utility District (MUD)
Strategic Partnership Agreement (SPA)
Summary of Financial Analysis, July 2009

Estimated revenues and requirements associated with annexation in accordance with the proposed terms of the strategic partnership agreement (SPA) are summarized below and are shown in millions of dollars. The cumulative cash flows cover a 25-year period and are represented in today's dollars, or net present value (NPV). Projected cash flows provide an analytical tool for assessing the expected annual financial impact to the City of a proposed annexation. *The analysis is not intended to identify or predict exact costs or revenues.*

Analyzing the City's estimated revenues and expenditures in the area proposed for annexation in accordance with the terms of the proposed SPA, which has been negotiated to provide reasonable and equitable benefits to each party, provides a \$13 million expected net present value for the cumulative 25 year cash flows to the City.

The proposed SPA projections incorporate:

- Annual property tax revenue beginning after full purpose annexation in 2017
- Requirements associated with other costs of service based on current City service delivery
- City assumption of remaining drainage, and water and wastewater debt upon full purpose annexation
- No post annexation surcharge
- City assumption of maintenance of MUD's Balcones Canyonland Conservation Plan property upon full purpose annexation
- Limited District creation upon full purpose annexation with an initial 10 year term for the purposes of maintaining and operating recreation facilities in the MUD and providing solid waste collection and disposal and single stream recycling collection and processing services
- Continued operation and maintenance of utility systems by the MUD through 10/01/14, including MUD funding for utility infrastructure repairs and improvements prior to transfer of operations and maintenance responsibilities

Sources of Funds:

General Government	\$ 43.6
Austin Water Utility	46.6
Other Enterprise Funds	10.0
Total Sources	\$ 100.2

Uses of Funds:

General Government	\$ 13.4
Austin Water Utility	46.5
Other Enterprise Funds	10.0
Total Requirements	\$ 69.9

NPV of Net Cash Flows	\$ 13.0
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