

**BRIEFING ON
SOUTHEAST TRAVIS COUNTY
AND
PILOT KNOB MUNICIPAL
UTILITY DISTRICTS**

February 9, 2012

PURPOSE OF BRIEFING

- Review background of MUD process to date
- Evaluate merits of authorizing the creation of the Southeast Travis County MUDs #1-4 and the Pilot Knob MUDs #1-5
- Discuss next steps

BACKGROUND--LEGAL

- MUDs are financing mechanisms for developers to fund infrastructure and contract for services
- Over time, statutes have significantly changed in favor of powers and authority of MUDs
- MUDs can be created without the City's consent

BACKGROUND--CITY

- February 2011
 - City Council adopted MUD Policy
- April 2011
 - City Council resolutions supported legislative creation of Southeast Travis County and Pilot Knob MUDs

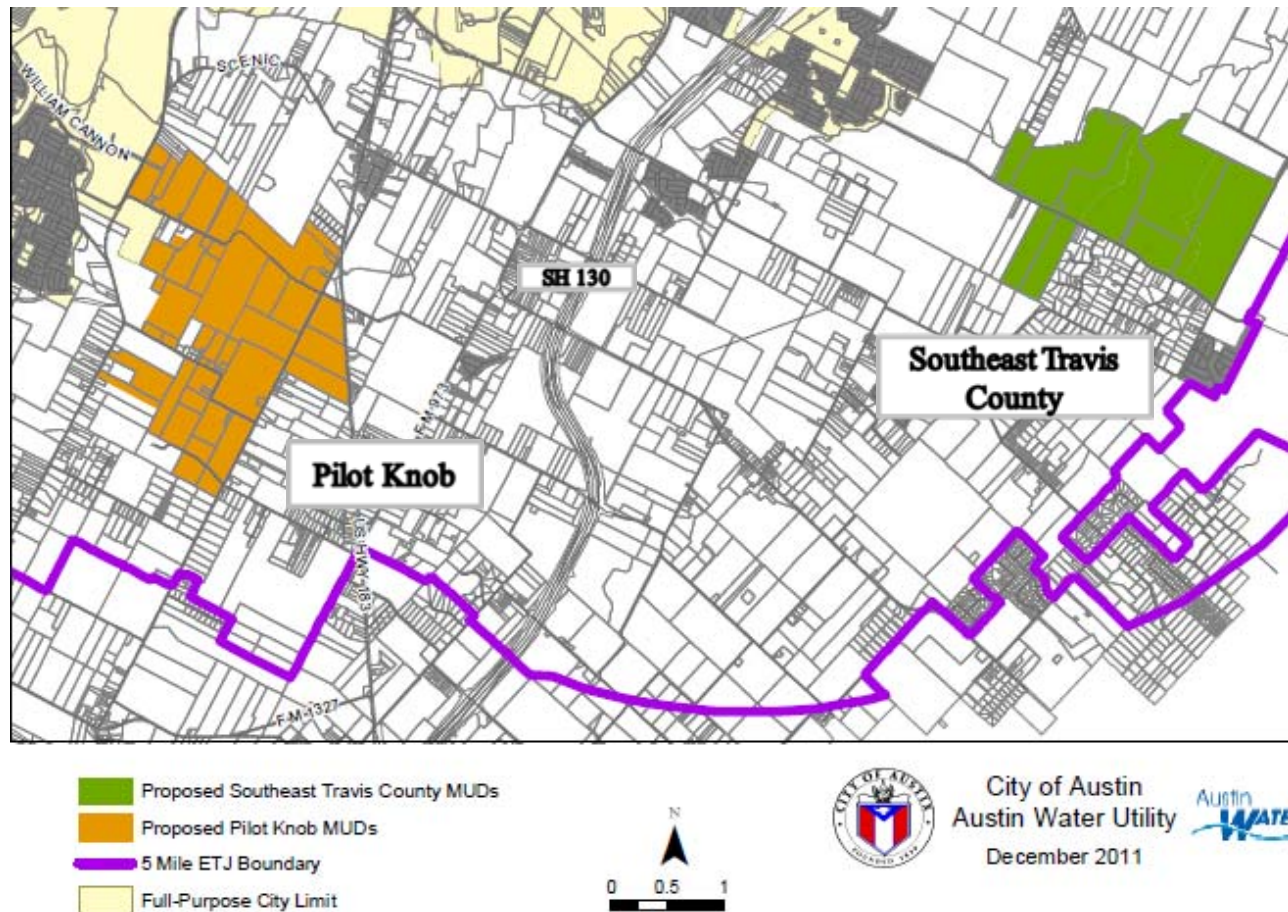
BACKGROUND—CITY (cont'd)

- September 1, 2012
 - Legislation provides MUDs will dissolve if City Council has not approved a consent agreement by this date
- Additional legislative safeguards:
 - Council authorization is required in the form of an executed Consent Agreement; the Consent Agreement is expected to require an executed Strategic Partnership Agreement
 - Council may appoint one director to each of the nine MUD boards
 - Consent agreement provisions are deemed valid and enforceable
 - Ad valorem tax within the MUDs can be required to be equal or be greater than the City's
 - Term limits are required for MUD board members

WEIGHING BENEFITS AND COSTS OF PROPOSED MUDS

- MUD policy provides for Council to determine whether “development supported by the MUD provides sufficient public benefits,” by “weighing the value of benefits to the community, and property in the MUD, against the costs to the City, including delayed annexation.”
- Summary Question for Council:
 - Does the proposed MUD provide sufficient value, in terms of what benefits are gained to warrant City Council’s approval of a Consent Agreement and a Strategic Partnership Agreement with that MUD?

LOCATION OF SOUTHEAST TRAVIS COUNTY AND PILOT KNOB MUDS



SOUTHEAST TRAVIS COUNTY AND PILOT KNOB MUDS' PROPOSED DEVELOPMENT

• <u>Mixed Use</u>	<u>Southeast Travis County</u>	<u>Pilot Knob</u>
– Total Acreage	~1,600 acres	~2,200 acres
– Projected Population	13,489	39,131
– Single-family	2,500 units	5,662 units
– Townhome	1,300 units	2,418 units
– Multi-family	780 units	6,729 units
– Commercial	560,000 sq. ft.	3,843,000 sq. ft.
– Civic		405,000 sq. ft.
– Parks and Open Space	575 acres	415 acres
– School Sites (reserved)	2	2-3
– Proposed MUD Debt:	\$102,339,356	\$482,200,000
– Max MUD Tax Rate:	\$0.98	\$0.95

SUMMARY OF MAJOR TERMS

Topic	Southeast Travis County	Pilot Knob
Electric	<ul style="list-style-type: none">• Participates in Green Building Program even though not in City electric service area	<ul style="list-style-type: none">• Participates in Green Building Program even though not in City electric service area
Water and Wastewater	<ul style="list-style-type: none">• City avoids \$13.9 million in previously Council-authorized cost reimbursement and participation agreements• Developer also pays for additional City oversizing of infrastructure not included in previous agreements (\$2 million)• Developer constructs:<ul style="list-style-type: none">• sub-regional WWTP• reclaimed water system	<ul style="list-style-type: none">• MUD pays for major infrastructure which would normally trigger City reimbursements (\$23 million)• Developer pays for additional City oversizing (estimated at \$3.5 million)

SUMMARY OF MAJOR TERMS (cont'd)

Topic	Southeast Travis County	Pilot Knob
Parks	<ul style="list-style-type: none"> • Extensive parkland and open space • Some facilities will be private and not open to the public 	<ul style="list-style-type: none"> • Extensive parkland and open space • Some facilities will be private and not open to the public
Watershed Protection	<ul style="list-style-type: none"> • Participating in a City pilot project for developing a future watershed protection ordinance • Improved environmental protection for drainage and water quality (i.e. setbacks, innovative water quality controls, reduced impervious cover, headwater protection, improved floodplain modification criteria) 	<ul style="list-style-type: none"> • Participating in a City pilot project for developing a future watershed protection ordinance • Improved environmental protection for drainage and water quality (i.e. setbacks, innovative water quality controls, headwater protection, improved floodplain modification criteria)

SUMMARY OF MAJOR TERMS (cont'd)

Topic	Southeast Travis County	Pilot Knob
Comprehensive Plan	<ul style="list-style-type: none"> • Development located in area not identified as preferred growth area (Draft Map of Imagine Austin Growth Concept Plan) 	<ul style="list-style-type: none"> • Located in preferred growth area
Affordable Housing	<ul style="list-style-type: none"> • Affordable Housing still under discussion 	<ul style="list-style-type: none"> • Affordable Housing still under discussion
Transportation	<ul style="list-style-type: none"> • Extensive multi-use trail system • Improves regional arterials • Lacks superior internal connectivity 	<ul style="list-style-type: none"> • Extensive multi-use trail system • Improves regional arterials • Internal connectivity

SUMMARY OF MAJOR TERMS (cont'd)

Topic	Southeast Travis County	Pilot Knob
Public Safety	<ul style="list-style-type: none">• Donates site for future fire station	<ul style="list-style-type: none">• Donates site for future fire station
Zoning	<ul style="list-style-type: none">• Requests PUD Zoning and agrees to limited purpose annexation	<ul style="list-style-type: none">• Requests PUD Zoning and agrees to limited purpose annexation
Solid Waste	<ul style="list-style-type: none">• Austin Resource Recovery is retail residential service provider	<ul style="list-style-type: none">• Austin Resource Recovery is retail residential service provider

WEIGHING BENEFITS AND COSTS OF PROPOSED MUDS

Summary Question for Council Restated:

Does the proposed MUD provide sufficient value to warrant City Council's approval of a Consent Agreement and a Strategic Partnership Agreement with that MUD?

- Staff recommends City Council approve a Consent Agreement and Strategic Partnership Agreement with each MUD because the City gains extraordinary benefits in:
 - infrastructure extension
 - environmental protection
 - open space
 - transportation
 - City retail utility and residential solid waste services
 - future PUD zoning

COMMISSION AND BOARD REVIEWS

- Water and Wastewater Commission--January 11, 2012 (recommended)
- Environmental Board--January 18, 2012 (recommended)
- Parks and Recreation Board--January 24, 2012 (recommended)
- Urban Transportation Commission--February 7, 2012 (not recommended)
- Planning Commission--January 24, 2012 (postponed to February 14, 2012)

NEXT STEPS

- City Council Schedule
 - Set public hearing on Consent Agreement--January 26, 2012
 - City Council Briefing--February 9, 2012
 - Conduct public hearing and act on Consent Agreement--March 1, 2012
 - Conduct public hearings on limited purpose annexation and the Strategic Partnership Agreement--April 5 and 12th 2012; act on April 12th
 - Consider PUD zoning--late Fall 2012