A U S T I N C I T Y C O U N C I L

AGENDA



Recommendation for Council Action

Austin City Council	**Item ID**	40389	**Agenda Number**	17.
Meeting Date:	3/5/2015	**Department:**	Planning and Development Review	

Subject

Approve an ordinance on first reading only adopting an amendment to the Agreement Concerning Creation and Operation of Winfield Municipal Utility Districts Nos. 1, 2, 3 and 4 ("Winfield" now renamed as "Sunfield") concerning the requirements and restrictions of the water district which includes approximately 575 acres and is located east of IH 35 along the Travis and Hays County line south of Turnersville Road in Austin's limited purpose jurisdiction. Related to Item # 18

Amount and Source of Funding

Fiscal Note

Purchasing Language:	
Prior Council Action:	
For More Information:	Virginia Collier, 512-974-2022.
Boards and Commission Action:	February 10, 2015 – Approved by the Planning Commission on a 7-0 vote with Commissioner's Varghese and Hernandez absent, with additional conditions regarding the mixture of land uses. February 11, 2015 – Recommended by the Water and Wastewater Commission on a 5-0 vote, with Commissioners Clark and Fishbeck abstaining. February 18, 2015 – Unanimously approved by the Environmental Board on a 7-0 vote. February 24, 2015 – Unanimously approved by the Parks Board on a 7-0 vote.
MBE / WBE:	
Related Items:	

Additional Backup Information

On December 30, 2014, Sunfield Municipal Utility District No. 2 (MUD 2) submitted an application to amend the Strategic Partnership Agreement between the City of Austin and MUD 2 and the Consent Agreement between the City of Austin and Sunfield Municipal Utility Districts Nos. 1, 2, 3, and 4. MUD 2, located in Austin's Limited Purpose jurisdiction, includes approximately 575 acres located east of IH 35 along the Travis and Hays County line, south of Turnersville Road on both sides of the proposed extension of Loop 4.

Background

On May 19, 2005, the City of Austin consented to creation of the four Sunfield MUDs, including Sunfield MUD 2. As part of the consideration for City consent, the City released approximately 1,500 acres of Austin's extraterritorial jurisdiction containing the other Sunfield MUDs (1, 3, and 4) that were to be developed in the City of Buda's jurisdiction and designated for residential uses. Staff recommended and Council consented to the creation of the

MUDs, and the associated bond financing based on the developer's agreement that MUD 2 would be entirely non-residential when developed.

As non-city service MUDs, the terms and conditions included as part of the 2005 Consent Agreement were limited by state law. Pursuant to the terms of a Strategic Partnership Agreement between the City and MUD 2, the City annexed this area for limited purposes in 2006 and an interim-rural residential (I-RR) zoning designation was assigned to the area.

The 2005 Consent Agreement states that the landowner shall apply for and City staff shall recommend zoning pursuant to and in accordance with the MUD 2 Land Plan, which is an exhibit to the original Consent Agreement. The adopted MUD 2 Land Plan allows only the following uses: retail, office, research & development, hospital and college/university. Although inconsistent with the original Consent Agreement, approximately 93 acres were sold to the Hays Consolidated Independent School District in early 2014 for a proposed school. The Consent Agreement also indicates that as the City approves zoning consistent with the approved Land Plan for the entirety of the MUD 2, the zoning shall supersede and replace the Land Plan. In 2014, the applicant filed a zoning application requesting Planned Unit Development (PUD) zoning that is currently in review. The MUD currently remains undeveloped.

Applicant's Proposal

The applicant proposes to amend the Consent Agreement and Land Plan to allow future development to include predominantly single and multi-family residential uses, as well as commercial uses and to accommodate the construction of a public high school. The proposed uses are not consistent with the commitments and requirements of the original Consent and Strategic Partnership Agreements and do not reflect the type of development that was the basis for Council support of the creation of the MUDs and the release of approximately 1,500 acres of Austin's extraterritorial jurisdiction. Although inconsistent with the adopted land plan, the developer sold a large portion of the MUD 2 to the Hays Consolidated Independent School District in early 2014, reducing the potential revenue to support MUD bonds. The Applicant represented to staff that the primary basis for the substantial plan change to the agreement with the developer for MUD 2 was the inability of the developer to attract any interested purchaser for the commercial property in MUD 2 and the developer's desire to not continue to hold the property.

In addition, after negotiation with various City departments, the applicant agreed to incorporate the following improvements into the original proposal:

- Austin Water will immediately serve as the retail water provider for MUD 2 (instead of waiting until the City annexes the MUD in approximately 20 years)
- Clarification regarding the commitment in the original Consent Agreement that ensures that the site be dedicated for future use as an EMS station meets the two net buildable acre new station requirement
- Park and open space concepts adequate to serve the 2,916 proposed residential units and the creation of a Limited District to maintain and operate the parks after full purpose annexation and dissolution of the MUD
- A commitment to affordable housing similar to the commitments made by recently approved MUDs

The applicant is not opposed to a Limited District; however, they are opposed to holding an election that would (i) approve the creation of the Limited District to be effective on the Conversion Date and (ii) authorize the Limited District to levy and collect an operations and maintenance tax.

The Applicant's Proposal, as submitted, did not align with 2011 MUD Policy criteria. Staff worked with the developer to ensure that any substantial changes to the terms of the agreements uphold the 2011 MUD Policy. Staff recommends Council approve the proposed amendments.

The Planning Commission voted to approve the staff recommendation for the proposed amendments to the Consent Agreement and Strategic Partnership Agreement, with additional conditions regarding the mixture of land uses as follows: (1) up to 53% residential and no less than 3% commercial, and (2) a condition that affordable housing be dispersed throughout the project.