

FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:

4/14/16

CONTACT DEPARTMENT(S):

Austin Water/ Neighborhood Housing

SUBJECT: C814-2012-0163 – Sun Chase Planned Unit Development – District 2 – Conduct a public hearing and approve an ordinance amending City Code Chapter 25-2 by zoning property locally known as 15201, 15810, 16070 Pearce Lane and 7910 Wolf Lane (Dry Creek East Watershed) from interim-single family residence (I-SF-2) and interim-single family residence-small lot (I-SF-4A) district zoning to planned unit development (PUD) district zoning. Staff Recommendation: To grant planned unit development (PUD) district zoning. Planning Commission Recommendation: To grant planned unit development (PUD) district zoning. Owner/Applicant: Qualico CR, L.P. (Vera Massaro). Agent: Armbrust & Brown, L.L.P. (Richard Suttle). City Staff: Wendy Rhoades, 512-974-7719.

ANALYSIS / ADDITIONAL INFORMATION:

The fiscal information outlined below is the result of a Consent Agreement executed in 2012 for the associated Municipal Utility District (MUD). At this time, this PUD zoning case has not been determined to have a fiscal impact beyond what was incorporated in the Consent Agreement. This is subject to change based on Council direction during future readings.

NEIGHBORHOOD HOUSING AND COMMUNITY DEVELOPMENT

The affordability requirements of the MUD consent agreement include the following:

- 10% of owner occupied units at 80% Median Family Income (MFI) at the initial offering for sale
- 10% of rental units at 60% MFI for a period of 40 years
- A financial contribution to the City's affordable housing program equal to 2% of the total "hard" construction cost reimbursements actually received by the Developer out of the proceeds of bonds issued by the District, up to maximum of \$1.8 million.

AUSTIN WATER UTILITY

Assumptions:

- Fiscal Note assumes Sun Chase PUD receives no water CRF waivers for SMART housing
- LUE's range from 3,854 and 4,791
- Capital Recovery Fee (CRF) using current approved rates of \$5,400 for water and \$2,200 for wastewater
- Current average customer bill \$78.72

Water Capital Recovery Fee Revenue:

Austin Water receives CRF revenue in a range of \$20,811,600 to \$25,871,400.

Developer receives a CRF credit of \$1,499,400. Austin Water's net Capital Recovery Fee Revenue impact range of \$19,312,200 to \$24,372,000.

Wastewater Capital Recovery Fee Revenue:

Developer receives CRF waiver in the range of \$8,478,800 to \$10,540,200. However, the developer must construct a Wastewater Treatment Plant of 300,000 gallons per day at an estimated value of \$10,350,000. This Wastewater Treatment Plant is conveyed to Austin Water for ownership, operation, and maintenance. Additionally, the developer would be responsible for future plant expansions required to meet the development needs within the MUDs. These plant contributions offset the waivers of wastewater CRFs.

Service Revenues:

Austin Water would receive average annual water and wastewater service revenues at an estimated range of \$1,744,250 to \$2,169,894 over the 17 year buildout estimate. Revenues in earlier years would be below the

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average annual revenue, while later years would be higher than the average annual revenue. For FY 2017 only, the estimated water and wastewater service revenue would be a range from \$406,195 to \$504,438.