

# AGENDA



## Recommendation for Council Action

Austin City Council	Item ID	68255	Agenda Number	15.
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Meeting Date:	3/2/2017	Department:	Planning and Zoning
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### Subject

Approve an ordinance on second and third reading adopting the Fourth Amendment to the Agreement Concerning Creation and Operation of Moore's Crossing Municipal Utility District and authorize negotiation of further amendments that may be mutually agreeable to the parties including proceeding toward a Strategic Partnership Agreement (District 2).

### Amount and Source of Funding

### Fiscal Note

Purchasing Language:	
Prior Council Action:	February 6, 1986 - City Council granted its consent to the creation of the Moore's Crossing Municipal Utility District. February 9, 2017 - City Council approved the Fourth Amendment on first reading.
For More Information:	Virginia Collier, Planning and Zoning Department, (512) 974-2022
Council Committee, Boards and Commission Action:	January 10, 2017 - Reviewed by the Urban Transportation Commission. No action taken. January 11, 2017 - Not approved by the Water & Wastewater Commission on a 6-0 vote with Commissioner's Blanding and Maia abstaining and Ho, Kellough and Parker absent. January 24, 2017 - Approved by the Planning Commission with recommendations, on a 10-2-1 vote with Commissioners Kazi and Vela absent and Nuckols abstaining.
MBE / WBE:	
Related Items:	

### Additional Backup Information

On December 5, 2016, Moore's Crossing Municipal Utility District (MUD) submitted an application to amend the Consent Agreement (Agreement) between the City and the MUD. The request is to amend provisions of the Agreement relating to (1) the amount of reimbursements to the developer for internal water, wastewater, drainage, and water quality facilities; and (2) the developer's obligations for right-of-way dedication and roadway improvements.

On February 2, 2017, the developer requested that the City Council consider this item on first reading only to comply with the Code requirements and allow the developer to work on an amendment that provides benefits as suggested by the Planning Commission.

On February 9, 2017, City Council approved the Fourth Amendment to the Agreement on first reading.

In response to Council questions and concerns discussed at the February 9, 2017, Council meeting, the developer provided the attached information regarding how an increase in reimbursement would (1) change the tax rate for MUD residents, (2) result in additional MUD taxes for community benefits, and (3) impact affordability.

#### **Background**

In 1986, the City consented to the creation of the MUD located in southeastern Travis County, east of FM 973 at the intersection of FM 973 and Elroy Road. The MUD was created to operate within the corporate limits of the City.

In 1994, the first amendment to the Agreement deferred by five years the first possible date for the City to dissolve the MUD because of delays in starting the development within the MUD.

In 1995, special legislation afforded several municipal utility districts in the Austin area the option to provide tax relief to their residents by petitioning the City to alter the annexation status of land in the municipal utility district from full purpose to limited purpose. The MUD did so in September of 1995.

In 1998, the second amendment to the Agreement provided for a reduction in the amount of reimbursement to the developer not to exceed 70% of the actual cost for design and construction of internal water, wastewater, drainage, and water quality facilities.

In 2003, the Agreement and Land Plan were amended again to reflect the amount and location of land to be dedicated to the City for parkland, affordable housing, and for sites for fire stations, emergency medical services, and library facilities and to update the proposed alignment of Elroy Road and Ross Road.

The MUD has previously issued bonds in the aggregate principal amount of \$12,420,000 of which \$9,495,000 is currently outstanding. The MUD also currently has remaining \$19,580,000 authorized but unissued in bonds for water, wastewater, and drainage facilities. The MUD is not currently scheduled for annexation; however, when the City does annex the MUD, the City would assume all obligations otherwise assigned by law to a municipality that annexes a district, including any outstanding debt.

#### **Staff Recommendation Regarding The Two Part Request:**

- 1) The applicant's proposed amendment is to increase the allowed reimbursement to the developer from MUD bonds from 70% to 100% of the actual cost of the design, engineering, and construction of internal water, wastewater, drainage, and water quality facilities: Staff does not recommend approval of an amendment that would increase the developer reimbursement to 100%. Although increasing the allowed reimbursement would reduce the investment required of the developer, remaining outstanding debt may be passed on to the City at the time of full purpose annexation.
- 2) The applicant's proposed amendment to update provisions found in Section 8.10 (f) regarding to the developer's obligations for right-of-way dedication and roadway improvements: Staff agrees with this request and recommends approval of an amendment to the Agreement that ensures any right-of-way dedication or roadway improvements constructed by the developer (1) meet the City Drainage Criteria Manual (DCM) and current code, and (2) are consistent with other adopted roadway plans and agreements; and also that Section 8.10 (7) related to traffic impact analysis in the current Agreement remains.