



City of Austin

Founded by Congress, Republic of Texas, 1839
Planning and Development Review Department
One Texas Center, 505 Barton Springs Road
P.O. Box 1088, Austin, Texas 78767

August 30, 2013

Dear Property Owner:

The City of Austin and Shady Hollow Municipal Utility District (MUD) are proposing to enter into a Strategic Partnership Agreement (SPA) concerning annexation and utility service.

The purpose of this letter is to inform you that two public hearings are scheduled for the proposed SPA. At the hearings, the City Council will hear and consider comments on issues related to the SPA and annexation, proposed for 2020. You are invited to attend one of the hearings to provide comments about the proposed SPA, which is further described below.

Public Hearing Dates, Time, and Location

Dates: Thursday, September 26, 2013 at 4:00 PM
Thursday, October 3, 2013 at 4:00 PM

Location: Council Chambers of City Hall, 301 W 2nd Street, Austin, Texas.

As of the date of this notice, the MUD Board of Directors has conducted one public hearing about the SPA, and the MUD has scheduled an additional public hearing for September 3, 2013. Please contact the MUD for confirmation of the date, time, and location of this hearing.

Background

The City consented to the creation of the MUD in 1980 as a tool to finance infrastructure for residential development. In late 2011, City staff and the Board of Directors of the MUD considered the possibility of a SPA to establish a timeline and procedure for annexation of the MUD. In December 2011, the MUD adopted a resolution expressing its intent to negotiate and enter into a SPA with the City. In 2012, District representatives and City staff met numerous times to explore concerns about the impact of annexation on MUD residents and agreed to delay annexation in order to ease the transition to City services.

SPA Terms

The terms of the proposed SPA include:

- 1) The City will annex the MUD for full purposes effective December 15, 2020.
- 2) The City's annexation service plan will be adopted as part of the SPA. The plan provides for full municipal services beginning in 2020, including fire and police protection, emergency medical services, maintenance of roads and drainage ways, and solid waste collection.

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- 3) The MUD will continue to operate and maintain water and wastewater systems through April 2, 2018. Thereafter, the City will assume ownership, operation and maintenance responsibilities.
- 4) The MUD will fund needed utility improvements identified in a City assessment.
- 5) The MUD will sell its office at 3910 Capistrano Trail no later than October 1, 2019.
- 6) The City will acquire all other MUD assets, including the fire station at 12010 Brodie Lane, and assume any remaining fire station debt upon full purpose annexation in 2020.

Utility Service

When the City assumes operation of the MUD's water and wastewater systems in 2018, MUD customers will begin receiving utility bills from the City. Customers in Austin Energy's service territory will see the water and wastewater components added to their existing energy bills. Customers of Pedernales Electric Cooperative will begin receiving bills from the City in place of the bills from the MUD. Annexation will not affect gas or electric service providers.

Homeowners' Association

The Shady Hollow Homeowners' Association will retain its property, including parks in the Shady Hollow area, and will continue to maintain that property.

Annexation of Out-of-District Areas

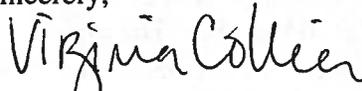
The SPA applies to property within the MUD. In order to provide the best possible municipal services to the area, City staff will recommend annexation of the adjacent areas outside of the MUD in 2020, the same year as the MUD. Annexation of these areas will follow the three-year municipal annexation plan process beginning in 2017, if the SPA is approved as proposed. Please see the enclosed map for a depiction of the MUD and out-of-district areas.

Additional Information

The enclosed Annexation Information sheet provides a brief overview of city government and some of the services you will receive from the City. If you would like to read the proposed SPA or annexation service plan, please see the Proposed Annexations Web page at <http://austintexas.gov/department/proposed-annexations>. You will find general information regarding annexation on the city's website at <http://austintexas.gov/department/annexation-extraterritorial-jurisdiction-planning>. If you have any questions regarding this annexation, you can reach me at (512) 974-2022 or Jackie Chuter at (512) 974-2613.

This letter was sent to you based on Appraisal district records which indicate that you own property within the Shady Hollow MUD. If you believe that you have received this notice in error, you may wish to contact the Travis Central Appraisal District at (512) 834-9317 to verify the information on file.

Sincerely,


Virginia Collier
Principal Planner



City of Austin, Texas

Annexation of Shady Hollow Municipal Utility District (MUD)

The City of Austin incorporated in 1891 and is comprised of over 318 square miles with an estimated population of 842,750 people.

Annexation Information

Form of Government

Austin has a council-manager form of government. The City Council is in the midst of a transition to 10 geographic districts with a mayor elected at-large. The first City elections using geographic districts will occur in November 2014. The Council hires the City Manager, who is responsible for the operation of the city.

Voting

The Mayor and Council members serve staggered 4-year terms and are elected at the City's general election in November. Residents of the City may run for office or seek an appointment to a board or commission. Citizens are encouraged to be active in the community by voting, participating in public hearings, and sharing ideas and concerns.

What does the City do?

The City of Austin offers a wide range of services for its citizens, from its extensive system of parks, preserves, and recreation centers to the John Henry Faulk Library and its twenty branches. Austin's Police Department keeps crime low compared to similarly-sized U.S. cities, and the Fire Department has the most extensive resources in the Central Texas region. City crews repair and maintain streets, including street lighting and regulatory signage. The City's watershed protection, development review, and planning staff work to ensure that future development protects Austin's quality of life. Austin owns its own electric utility and water and wastewater utility, which enables the city to offer assistance to customers to conserve energy and water.

How does the City pay for it?

The primary sources of revenue for the city's general services include property taxes, sales taxes, and transferred revenue from the two municipally-owned utilities, Austin Water and Austin Energy. Fees for services, fines, and license and franchise fees also generate revenue. The budget is adopted in September of each year, and it is effective from October 1st to September 30th of the following year.

How will my property taxes change?

Properties formerly located in the MUD will be added to the City's tax roll on December 15, 2020, and owners will receive a tax bill including City property taxes in late 2021. The City's current rate is lower than other large cities in Texas and many other central Texas cities. The City of Austin also offers exemptions for property owners who are over 65 or disabled.

Following annexation and dissolution of the MUD, residents will no longer pay MUD or Emergency Service District No. 5 taxes.

Who do I call for...?

Simply dial 311 (*Citywide Customer Information*) to be connected to any city service. You can also find information online at <http://www.cityofaustin.org>.

Where will I pay my utility bill?

Shady Hollow MUD customers will receive a final bill for water and wastewater from the MUD in April or May, 2018. After that time, the City of Austin will issue bills.

Shady Hollow Homeowners' Association (SHHOA)

The Shady Hollow HOA will continue to maintain neighborhood amenities and enforce deed restrictions after annexation.

City Parks and Recreation

The Austin Parks and Recreation Department oversees more than 19,511 acres of land containing 275 parks, 15 nature preserves, 39 greenbelts, 20 recreation centers, and 50 swimming facilities. Parks are open for public use each day from 5 A.M. to 10 P.M. unless otherwise posted.

City Libraries

The Austin Public Library system includes twenty-two facilities located all over the city. In addition to borrowing items from the library's collections, residents may take advantage of computer training, internet access, online research databases, interlibrary loans, and youth programs.

City Zoning and Development Review

City zoning promotes compatibility of adjacent land uses. After annexation, unzoned properties will be assigned interim zoning. Property owners may submit requests for permanent zoning. The City also

regulates the subdivision of land and commercial site planning and enforces building codes for your safety. Permits are required for new construction, additions, and major remodeling jobs.

City Code Compliance

The City's Code Compliance officers ensure that buildings and lots meet adopted standards by notifying owners of improper conditions and working with them to correct the problems. Structures and fences in need of repair, overgrown grass and trees, improper storage of vehicles, and other nuisances may be reported to 311 for action.

City Solid Waste Services

The City will provide curbside pick-up of garbage, recycling, and yard trimmings to all single-family residential customers and upon request to commercial and multifamily property owners. Residents may also utilize the Household Hazardous Waste Facility.

