



## Recommendation for Action

**File #:** 20-3115, **Agenda Item #:** 18.

10/15/2020

### Posting Language

Authorize negotiation and execution of an amendment to the Strategic Partnership Agreement with the Shady Hollow Municipal Utility District (District) terminating provisions related to the annexation of the District in December 2020. Related to Items 13, 14, 15, 16, and 17.

### Lead Department

Management Services

### Fiscal Note

This item has no fiscal impact.

### Prior Council Action:

September 26, 2013 - Council conducted a public hearing regarding the Strategic Partnership Agreement between the City of Austin and Shady Hollow Municipal Utility District (MUD) in accordance with procedural requirements of Section 43.0751 of the Texas Local Government Code. The public hearing was conducted and the motion to close the public hearing was approved on Council Member Spelman's motion, Council Member Martinez' second on a 7-0 vote.

October 3, 2013 - Council conducted a public hearing to consider an ordinance adopting a Strategic Partnership Agreement between the City of Austin and Shady Hollow Municipal Utility District (MUD), and regarding future full purpose annexation. The public hearing was conducted and the motion to close the public hearing and approve the first reading of the ordinance was approved on Mayor Pro Tem Cole's motion, Council Member Morrison's second on a 7-0 vote.

November 21, 2013 - Council approved Ordinance No. 20131121-070 adopting a Strategic Partnership Agreement between the City of Austin and Shady Hollow Municipal Utility District (MUD). The item was approved on Council Member Spelman's motion, Council Member Martinez' second on a 7-0 vote.

May 21, 2020 - City Council approved to approved Resolution No. 20200521-010 relating to negotiation of an amendment of the City's Strategic Partnership Agreement with the Shady Hollow Municipal Utility District, on consent on Council Member Pool's motion, Council Member Renteria's second, with an 11-0 vote.

### For More Information:

Rey Arellano, Assistant City Manager, Management Services, (512) 974-2222.

### Additional Backup Information:

City Council by Resolution No. 20200521-010 on May 21, 2020 directed the City Manager to negotiate with representatives of the Shady Hollow Municipal Utility District (District) to amend the City's Strategic Partnership Agreement (SPA) to accomplish to the greatest degree practical the purposes and objectives of the SPA with the exception of full-purpose annexation. Terms to be addressed included the use and disposition of the District's fire station, compensation to the City for fire service to District residents and the ownership of the District's former water and wastewater system. This item, along with several related items on this Council agenda, addresses those issues, with this item terminating the agreement for the automatic

annexation District as part of the overall agreement with the District.

The SPA provided for automatic annexation in December 2020; however, SB 1468 now requires an election to be held for property owners to approve the annexation. Council directed the City Manager to negotiate with the District to resolve the issues stated above, which has resulted in the District indicating it will agree, by related items, to enter into a fire service agreement with the City and to sell the District's fire station to the City. Further, the City has indicated it will agree, by related item, to transfer back to the District the District's former water and wastewater system. With the resolution of these matters through these agreements, the City is prepared also to amend the SPA to terminate the annexation provisions.

**Strategic Outcome(s):**

Safety.