

MUNICIPAL UTILITY DISTRICT (MUD) CONSENT AGREEMENT REVIEW

CASE: C12M-2023-0157

DISTRICT: 2

LOCATION: The Moore's Crossing Municipal Utility District is located in southeastern Travis County east of FM 973 at the intersection of FM 973 and Elroy Road.

SITE AREA: approx. 785 acres

APPLICANT/OWNER: SR Development, Inc. MC Joint Venture (William G. Gurasich)

AGENT: Husch Blackwell – Racy Haddad

CASE MANAGER: Sara Groff 512-974-8074, Sara.Groff@austintexas.gov

STAFF RECOMMENDATION:

The staff recommendation is to approve the amendments to the Consent Agreement as presented.

PLANNING COMMISSION ACTION/ RECOMMENDATION:

These changes were passed on consent by the planning commission on March 12, 2024.

CITY COUNCIL ACTION:

ORDINANCE NUMBER:

ISSUES:

The application for amendments to the Consent Agreement originally included a request to transfer all TIA requirements to Travis County. After discussions between City staff and the applicant, the request for TIA requirement changes has been removed from the application. The applicant is no longer requesting any amendments to the Consent Agreement involving TIA requirements.

The current request removes Section 8.10.d of the Consent Agreement, which contains the requirement for affordable housing and dedication of approximately 6 acres to the City for a six-acre site for a joint fire station, emergency medical services, and library facility. Staff has verified that the dedication and construction of a fire station on this tract has been accomplished and therefore fulfilled this requirement. Staff has also verified that the developer is compliant with all previous affordable housing requirements.

The Developer's Commitment to pay 5% (Approx. \$1,430,168.00 over the next 10 years) to Austin Housing and Community Development should actually read 8% with the same dollar amount of \$1,430,168.00 over the next 10 years.

CASE MANAGER COMMENTS:

The application to amend the Consent Agreement was distributed for review to staff members of the following departments: Austin Water, Development Services, Fire, Law, Neighborhood Housing and Community Development, Planning and Zoning, Finance, Transportation and Public Works, and Watershed Protection. The comments from these departments have been reviewed and compiled to form the following recommendations:

- 1) Change the amount of reimbursements to the Developer for internal water, wastewater, drainage, and water quality facilities from 70% to 100%
- 2) Remove the requirement for the Developer to dedicate seven (7) acres to Austin Housing and Community Development and donate 3% of the net cash proceeds from the Bond Issue to AHCD
- 3) Add the Developer's commitment to pay an additional 5% of the net cash proceeds from the Bond Issue to AHCD
 - a) The City will receive approximately \$1,430,168.00 over the next 10 years
- 4) Add the Developer's commitment to pay the District 2% of the net cash proceeds from each Bond Issue to be invested in District park facilities
 - a) The District would receive approximately \$357,542.00 over the next 10 years

BACKGROUND:

In 1986, the City of Austin consented to the creation of the Moore's Crossing Municipal Utility District located within the corporate limits of the City in southeastern Travis County east of FM 973 at the intersection of FM 973 and Elroy Road. The Consent Agreement between the City and the MUD contains provisions regarding development requirements for future development within the MUD.

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

In 1995, special state 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 to not 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.

In 2016, the Developer brought forth Consent Agreement Amendments that contained asks for (1) increase in bond reimbursements from 70% to 100% for water/wastewater infrastructure and (2) update to the Developer's obligations for right-of-way dedication and roadway improvements. On March 23, 2017, City Council approved an ordinance that amended the Consent Agreement to allow for the right-of-way dedication and roadway improvements. However, the bond reimbursement was not approved nor was it recommended by staff. At the time, there were concerns about the amount of remaining outstanding bond debt which may have been passed on to the City at the time of full purpose annexation. C12M-2016-0006

Currently, The MUD has approved bonding authority up to \$32,000,000 of which \$12,420,000 has been issued.

EXISTING ZONING AND LAND USES:

Zoning designations located throughout the MUD include residential, community commercial, limited industrial service and public districts.

NEIGHBORHOOD PLANNING AREA: N/A

WATERSHED: Dry Creek East and Onion Creek (Suburban)

CAPITOL VIEW CORRIDOR: No

SCENIC ROADWAY: No

SCHOOLS: Del Valle Independent School District

COMMUNITY REGISTRY LIST:

Austin Lost and Found Pets
Del Valle Community Coalition
Del Valle Independent School District
Elroy Neighborhood Association

Friends of Austin Neighborhoods
Onion Creek Homeowners Assoc.
Sierra Club, Austin Regional Group

CONSENT AGREEMENT AMENDMENT PROCESS:

Section 25-9-253 of the City Code requires staff and boards and commissions determined to have an interest in this application to review and make a recommendation on the application no later than the 60th day after the date the application is filed. The City Council will act on the application no later than the second regular Thursday City Council meeting following board and commission recommendations.