



City of Austin

Recommendation for Action

File #: 26-1353, **Agenda Item #:** 6.

5/7/2026

Posting Language

Approve an ordinance authorizing the issuance by Southeast Travis County Municipal Utility District No. 1 of Unlimited Tax Road Bonds, Series 2026, in an amount not to exceed \$4,140,000 to finance the District's share of the construction costs associated with roads and related improvements serving the District, as well as various interest and issuance costs; and waiving City Code Sections 25-9-284 and 25-9-287 to waive notice of the District's application to Council and the Water and Wastewater commission and waive Commission review of the application to the extent required. Funding: This item has no fiscal impact on the City. The debt service is fully secured and repaid through Southeast Travis County Municipal Utility District No. 1 property taxes.

Lead Department

Austin Financial Services

Fiscal Note

This item has no fiscal impact. The debt service is fully secured and repaid through Southeast Travis County Municipal Utility District No. 1 property taxes.

For More Information:

Belinda Weaver, City Treasurer, 512-974-7885, Virginia Collier, Program Manager III, 512-972-0117, Kate Castles, Principal Planner, 512-974-2709.

Additional Backup Information:

Southeast Travis County Municipal Utility District No. 1 (District), a political subdivision of the State of Texas, was created under the laws of the State of Texas by Senate Bill No. 1913, Acts of the 82nd Texas Legislature, Regular Session, Chapter 1114, now codified as Chapter 8382, Subtitle F, Title 6, Texas Special District Local Laws Code (Enabling Legislation), and operates under Chapters 49 and 54 of the Texas Water Code. The Enabling Legislation became effective May 25, 2011, and created the District, subject to the consent of the City to the creation.

The City consented to the creation of the District by Council action taken March 22, 2012 and under the terms of the consent agreement between the City, the District, and Qualico CR, L.P., a Texas limited partnership dated effective as of April 13, 2012 (Consent Agreement). The City and the District entered into a Strategic Partnership Agreement (SPA) dated as of June 4, 2012, as authorized by Section 43.0751, Texas Local Government Code, which sets forth the terms and conditions of the City's annexation of the land within the District and on which the District will continue to exist as a limited district, Southeast Travis County Limited District No. 1, in accordance with Section 43.0751, Texas Local Government Code, and the Enabling Legislation following the City's full-purpose annexation of the land within the District as provided in Consent Agreement and the SPA.

The District, which currently contains 187.72 acres of land, is located within Limited Purpose jurisdiction of the City in southeast Travis County, Texas. The District is located approximately 12 miles southeast of the central business district of the City of Austin in southeastern Travis County, Texas. The District lies generally southeast of State Highways 130 and 71. Austin-Bergstrom International Airport is located approximately 5 miles northwest of the District. Major access to the District is provided by State Highway 130 to Pearce Lane

(east), leading to Sun Chase Parkway at the District's northern boundary.

The District is required to obtain City approval for all bond sales pursuant to the Consent Agreement. The City has received a request from the District to approve the District's bond sale in the amount of \$4.14 million for road purposes consistent with a bond proposition approved by District voters in 2012.

After the proposed bond issue, the District will have no remaining authorized but unissued bonds for this proposition, with an additional \$6.0 million unissued for the Water, Wastewater and Drainage proposition, and approximately \$1.5 million unissued for the Parks and Recreational proposition.

The proceeds of the Bonds will be used to finance the District's share of the construction costs associated with roads and related improvements serving the District, as well as various interest and issuance costs.

The City is the retail provider of water and wastewater service in the District.

The District bonds are the sole obligation of the District until the City full purpose annexes the District. The first eligible date for the City to annex the District pursuant to the Consent Agreement is December 31, 2033.

City staff from Austin Water, Austin Parks and Recreation, Austin Planning, and Austin Watershed Protection reviewed the District's Consent Agreement and its amendments. The District was found to be following the terms of the Consent Agreement. Austin Financial Services and the City's Municipal Advisor have reviewed the District's proposed bond sale and recommended approval