



Legislation Text

File #: 2019-0263, **Version:** 1

Consider a resolution authorizing the Mayor to execute a Consent and Development Agreement with KB Home Lone Star, Inc. and Round Rock Municipal Utility District No. 1 regarding the development of 356 acres of land.

The consent and development agreement for the creation of Round Rock Municipal Utility District (MUD) No. 1 is between the City, the owners of the Caffey & Ohlendorf property and the MUD. The Caffey & Ohlendorf property, approximately 356.48 acres of land, is scheduled for annexation into the City on June 27, 2019, is the area that will be contained in the MUD. The SF-3 (Single Family - Mixed Lot) and C-1a (General Commercial - Limited) zoning districts are scheduled to be applied to it at the time of annexation.

The purpose of the MUD is to provide the developer of the property an alternate way to finance the necessary infrastructure within its boundaries, including water, sewer, drainage and road facilities. Managed by a Board elected by MUD property owners, the MUD may issue bonds to reimburse a developer for authorized improvements, using property tax revenues and user fees received from water and sewer services to repay the debt. Since the MUD will be within the City limits, all City services will be provided to the residents. Property taxes from both the City and the MUD will be applied to the properties within the MUD. The agreement includes a bond limit amount of \$48 million dollars for the MUD. The total tax rate, combining the City's tax rate and the MUD's tax rate, is expected to be comparable to the total tax rate of nearby MUDs that are outside of the City's limits.