

City of Georgetown Municipal Utility District Policy

(Approved by City Council July 24, 2018)

The City of Georgetown finds that the purpose of a Municipal Utility District (MUD) is to assist in closing the financial gap when a development is seeking to exceed minimum City standards, provide a robust program of amenities, and/or where substantial off-site infrastructure improvements are required that would serve the MUD and surrounding properties.

The following policies are to be used in guiding the consideration and action on requests for creation and operation of all proposed special districts, including amendments. These policies are reinforced in Section 13.10 of the UDC.

POLICY 1: Basic Requirements for Creation of MUDs

MUDs are an appropriate tool to allow urban level density neighborhoods in locations supported by the 2030 Comprehensive Plan within the city limits. The City may alternatively consider Extraterritorial Jurisdiction (ETJ) MUDs where the City may annex the property in the future. *Before consenting to the creation of a district, the City Council should consider whether the creation of the district is feasible, practicable, and necessary for the provision of the proposed services and would be a benefit to the land, and therefore warrants the City's consent, consistent with the other considerations in this policy.*

A. The City's **basic requirements** for creation of a MUD shall be that:

1. **Quality Development**. The development meets or exceeds the intent of the development, infrastructure, and design standards of City codes;
2. **Extraordinary Benefits**. The development provides extraordinary public benefits that advance the vision and goals of the Comprehensive Plan, such as, but not limited to, extension, financial contribution, and/or enhancement of master planned infrastructure, diversity of housing, and enhanced parks, trails, open space, and recreational amenities that are available to the public;
3. **Enhance Public Service and Safety**. The development enhances public services and optimizes service delivery through its design, dedication of sites, connectivity, and other features.
4. **City Exclusive Provider**. The development further promotes the City as the exclusive provider of water, sewer, solid waste, and electric utilities;
5. **Fiscally Responsible**. The development is financially feasible, doesn't impair the City's ability to provide municipal services, and would not impose a financial burden on the citizens of Georgetown in the event of annexation;
6. **Finance Plan**. The developer(s) contributes financially to cover a portion of infrastructure expenses without reimbursement by the MUD or the City and as reflected in conditions placed on the issuance of bonds by the district;
7. **Annexation**. The development will not impair the City's future annexation of the MUD or adjacent property or impose costs not mutually agreed upon.

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POLICY 2: Provide examples of “unique factors justifying [MUD] creation or amendments” to guide determinations made in the UDC

Consistent with past Council actions, require the construction of specific regional infrastructure improvements consistent with the City's comprehensive plan and master plans and that are beneficial to the City. Examples include:

- a. The acceleration of master planned public infrastructure improvements, including but not limited to, wastewater interceptors, treatment plants, and major transportation improvements, that not only provide a benefit to the developed property, but also to other surrounding properties.
- b. Conservation subdivision design that clusters development in low impact areas and maintains existing topography, scenic views, natural drainage flows and wildlife habitat.
- c. Regional trail connections located across the development, as well as off-site, to fill in gaps in the City and County trail system.

POLICY 3: Address provision of public services, and address public safety matters in the Consent Agreement

- a. Require MUD to provide facilities to enhance public services and optimize locations for service delivery.
- b. Require donation of land to City or ESD (as applicable) for new fire station or other public safety facility as determined by the City.
- c. If the City provides fire protection services within the MUD, require payment of Fire SIP fee (or similar fee) to fund fire station construction and operations.
- d. Require roadway design to enhance access and reduce response times to properties located outside of the MUD.
- e. If located outside of the City Limits, then the MUD consent agreement may, at the City's discretion, include an interlocal agreement ("ILA") to contract with the City of Georgetown for fire, police, and solid waste services on terms acceptable to the City.
- f. An ETJ MUD may provide a maintenance program approved by the City's Transportation Department that is consistent with City standards and should include appropriate consultation with the County Engineer.

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POLICY 4: Address utility service issues, and include those utility service provisions in the Consent Agreement

- a. Require all utility facilities that service the MUD to be consistent with the Utilities Master Plan.
- b. Require of the MUD that the City be the water, sewer and electric service provider where it is located within the city's single or multiple certificated service area.
- c. Require the cost to relocate any existing utility infrastructure to be borne by the developer and/or MUD, not the City.
- d. Limit cost-sharing on MUD off-site improvements to only those circumstances where the necessity for the improvement is so great that limited CIP funds are appropriate for overall system wide improvements that benefit multiple properties (i.e., regional improvements that the City can afford to participate in).
- e. Address water and wastewater rates. Generally, rates for in-City MUD customers should be the same as the rates for other in-City customers, and the rates for ETJ MUDs customers should be the same as for other out of City customers.
- f. Require specific water conservation techniques that will be used to minimize demand levels including xeriscaping, low impact development ("LID"), rainwater harvesting, grey water reuse and other strategies in consultation with GUS.
- g. Require all MUDs and their residents, whether in the City or in the ETJ, to comply with City of Georgetown water conservation and drought contingency plan-related ordinances.
- h. For all MUDS, require impact fees to be assessed at the time of final plat approval [note: Impact fee payments are eligible for reimbursement by the MUD]. For ETJ MUDS, require payment of impact fees at the time the final plat is approved. For in-City MUDS, require payment of impact fees no later than the time of building permit issuance. However, utility capacity reservation shall not occur until impact fees are paid.
- i. Address rates, treatment capacity, utility and other easements necessary for City services, capacity for dwelling units, gallons per day usage for water and wastewater, water, wastewater and electric infrastructure, permitting and design, and fiscal surety.

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"Financing Public Infrastructure via Special Districts: The Domino Effect."