

Legislation Text

File #: 17-118, **Version:** 1

Presenter/Contact

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SUBJECT:

Approval of a resolution providing Veramendi Development Company, LLC. with the City of New Braunfels' consent pursuant to the Development Agreement to create the following: WID 1A and WID 1B subdistricts, and the Comal Master Water Improvement District.

BACKGROUND / RATIONALE:

The Veramendi Development Agreement adopted in 2013 contemplated the creation of subdivisions within the Water Improvement District to allow it to issue bonds for the development of the district. The development group plans to subdivide the Water Improvement District into the Comal Master Water Improvement District, and WID 1A and WID 1B subdistricts. The Comal Master Water district is a 70 acre tract, with Districts 1A and 1B comprising 358 acre and 2,017 acre tracts, respectively. Subdivisions of the master district are pursued because the master district administers infrastructure that is shared between two or more subdistricts such as trunk water and sewer lines, major roadways, regional detention, etc.

Consistent with the Development Agreement, the Water Improvement District intends to hold an election on May 6, 2017. The purpose of the election is to confirm the creation of WID 1A subdistrict, elect five directors to the Board, confirm the maximum amount of bonds the subdistrict can issue, provide authorizations for road and utility bond issuances (at a later date), and hold elections on maintenance and contract taxes. The election will allow Subdistrict 1A the ability to issue bonds for improvements made within that subdistrict. Repayment of the bonds is the responsibility of property owners in the district and is not an obligation for the citizens of New Braunfels. Prior to bond issuance, the District has to fulfill a myriad of state regulated thresholds to ensure that the bonds are issued for the appropriate purposes and that the District is financially capable of paying the debt service on the bonds. The Texas Attorney General's office and the Texas Commission on Environmental Quality will regulate the District's bond issuances.

Section 8.4 of the Development Agreement describes the requirements for subdividing the planned Water Improvement District *without further City consent* so long as certain procedural steps and criteria are fulfilled. The proposed subdivision meet all criteria set forth in this section except for the sixty (60) day notice provision. Notice of the intent to create and subdivide should have been received on or around December 18, 2016. Since the notice was not received prior to the sixty day provision, the City's consent is required.

ADDRESSES A NEED/ISSUE IN A CITY PLAN OR COUNCIL PRIORITY:

<input checked="" type="checkbox"/>	Yes	City Plan/Council Priority:	21. Ensure sustainable quality development
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FISCAL IMPACT:

There is no fiscal impact to the City.

STAFF RECOMMENDATION:

Given that the proposed subdivisions comply with the sections 8.4(i) and (ii), staff recommends the City Council provide its consent to Veramendi Development Co, LLC. for the creation of a new master district and subdistricts. The Master District is 70 acres and aligns with the boundaries of the regional stormwater facility easement. The two subdistricts are 358 (1A) and 2,017 (1B) acres, which is the remainder of the property. Sub district 1B will be further divided as the project progresses. Secondly, the division does not leave the only area that has received a final plat (Veramendi Elementary) within more than one district. Future final plats and their boundaries will align with the subdistrict boundaries.