

# Quick Facts and FAQs

## Milestone Development (Bailey/Armbruster/Persimmon)

### DEVELOPER

The Milestone Community Builders

Meetings before public governing bodies:

- ★ Tuesday, Sept. 20 City Council meeting – Buda City Council deliberated details of the proposed development during executive session and reported their discussion after executive session. Council did not vote on the Development Agreement on this date. To view the term sheet Buda City Council discussed during this meeting, please visit this [link](#).
- ★ Tuesday, Oct. 18 City Council meeting – Buda City Council will discuss the Development Agreement for the proposed project.

### ABOUT THE DEVELOPMENT

Development of +/- 775 acres in the City of Buda, Buda Extraterritorial Jurisdiction (ETJ) and Austin ETJ.

- Persimmon Development = 775 +/- acres
  - ★ Bailey Tract = 349 +/- acres
  - ★ Armbruster Tract = 426 +/- acres
  - ★ 2,800 residential units, including townhomes no apartments/multifamily
  - ★ 10 acres minimum of commercial
- Buda City/ETJ (referenced as “Property” in the Development Agreement (DA))

- 471+/- acres in the City of Buda/ETJ
  - ★ Bailey 178 +/- acres in the Buda ETJ
  - ★ Armbruster 283 +/- acres in Buda ETJ
  - ★ Armbruster 12+/- acres in the City of Buda zoned B2
  - ★ 2,100 residential units
  - ★ 10 acres minimum of commercial
  - ★ Public Improvement District (PID) / Tax Increment Refinance Zone (TIRZ) financing
- City of Austin ETJ (referenced as “Additional Property” in the DA)
  - 302 +/- acres in the City of Austin ETJ
    - ★ Bailey = 171 +/- acres in the Austin ETJ
    - ★ Armbruster = 131 +/- acres Austin ETJ
    - ★ 700 residential unit

## Where is the development?

City of Buda city limits and ETJ. Requesting a release of the ETJ from the City of Austin – Buda has submitted the request and is waiting for additional correspondence from the City of Austin

## What is the developer seeking?

The developer is seeking a Development Agreement (DA) and future Public Improvement District (PID) and Tax Increment Financing District (TIRZ) for financing. Current consideration is for the DA which will set up the rules and procedures of development within the City of Buda and Buda ETJ.

## What utilities is the developer seeking from the City of Buda?

The developer is requesting the City of Buda for utilities. 3,275 Living Unit Equivalent (LUE) - water/sewer service commitment request. If unable to reach an agreement on the DA, the Developer is separately seeking water and wastewater service for the Buda ETJ portion of the Project from the City of Buda. The developer submitted a Service Extension Request for Water and Wastewater for the Buda ETJ Only (without annexation) on Jan. 25, 2022.

## What are the next steps?

- ★ The DA was denied by the Planning and Zoning Commission on July 26, 2022.
- ★ City Council consideration of the Development Agreement on Sept. 20, 2022.

## What is the Development Agreement (DA) that the City Council is being asked to consider?

A DA is allowed under the City's Unified Development Code (UDC), [subsection 3.03.12](#) and Texas Local [Government Code Chapter 212.172](#) for land located within the city's Extraterritorial Jurisdiction. A DA provides direction for how the land will develop and may address topics such as the timing of annexation, land uses, building construction, development standards, subdivision, and infrastructure.

## What happens if the City Council denies the Development Agreement? Can the project be built without the City's consent?

The City can deny the DA, but development can still occur on the property as an ETJ project. Milestone could seek approval as a Hays County and Travis County subdivision. The City of Buda would have limited review authority within the Buda ETJ, but the project would be subject to development regulations of other governing jurisdictions. Because the project would occur in the ETJ and not within the City of Buda city limits, the City would be unable to enforce zoning regulations that could allow or prohibit certain uses. Counties do not have zoning authority meaning that an ETJ project could be built so long as minimum requirements are met. Few City ordinances are enforceable in the City's ETJ.

On Aug. 10, 2022, Milestone submitted a petition for a Municipal Utility District (MUD) as an alternative. The City has 90 days to consider the MUD petition. If the City refuses to grant consent, Milestone may submit a petition for water/wastewater service to be acted on within 120 days after receipt. If no agreement on service is executed within 120 days, consent is granted by operation of law, and the Developer may seek MUD creation from Texas Commission on Environmental Quality (TCEQ).

## What is the ETJ? What is the ETJ release being discussed with the City of Austin?

The ETJ is a designated buffer area located just outside of a city's limits. Persimmon is located both within the City of Buda's and Austin's ETJ.

Austin has a 5-mile ETJ, and Buda generally has a 1-mile ETJ. The City of Buda ETJ abuts Austin to the north and Kyle to the south and east and Dripping Springs to the west. From time to time, two cities may agree to adjust their ETJ boundaries to achieve more logical boundaries.

Austin adopted a policy related to the release of ETJ. To proceed with an ETJ exchange/release to add the Austin ETJ portion of this project to the City of Buda, the City of Buda must make a request for an ETJ adjustment directed to the Mayor with copies to the City Manager and appropriate Planning and Zoning Department staff. All adjustments are evaluated according to [Austin ETJ Policy](#) to ensure that they will not negatively impact Austin's interests.

The City of Buda has initiated this request in order to explore all possible options as it relates to this project.

## Is the City obligated to provide water and wastewater to this project?

The City is obligated to serve a small portion of this property, approximately 12- acres, that is already located within the City of Buda city limits and is within the City of Buda's water service area. The remaining portions of the property are not within Buda's CCN (See question 5) and Buda is not required to serve. The majority of Persimmon is not within other jurisdictional CCNs. However, Milestone has requested that Buda serve the entire property and is seeking a commitment of water and wastewater to serve the entire tract at 3,275 LUEs.

## What is a CCN, Certificate of Convenience and Necessity?

[The Public Utility Commission of Texas oversees the CCN.](#) A Certificate of Convenience and Necessity (CCN) grants a CCN holder the exclusive right to provide retail water or sewer utility service to an identified geographic area. Chapter 13 of the Texas Water Code requires a CCN holder to provide continuous and adequate service to the area within its CCN boundary. Municipalities and districts are not required to have a CCN to serve in areas that are not already being lawfully served by another retail public utility; however, some municipalities and districts choose to obtain a CCN to protect their service area from encroachment.

A district may not provide retail water or sewer service within the certificated service area of a retail public utility or within the boundaries of another district without the retail public utility's or district's consent, unless the district has a CCN to provide retail water or sewer utility service to that area. Similarly, a municipality may not provide retail water or sewer service within the certificated service area of a retail public utility unless the municipality has a CCN to provide retail water or sewer utility service to that area.

## What is a Public Improvement District (PID)?

A PID is a "Public Improvement District." A PID is a special district created by a city or county under the authority of Chapter 372 of the Texas Local Code. This law allows a city or county to levy an assessment against properties within the designated area, or district, to pay for improvements. PIDs can be used to finance the same infrastructure a MUD would finance but are more commonly used to fund additional infrastructure items such as sidewalks, landscaping, parks, and recreation. Most PID assessments run 20-40 years and payments end when the bonds are paid. PID assessments can also be paid in full up-front by a buyer.

A PID charges an assessment to properties within a certain area (like a new neighborhood) to build out additional infrastructure. While MUDs typically focus on utilities, PID proceeds could pay for:

- ★ Enhanced landscape
- ★ Additional open space
- ★ Lakes and fountains
- ★ Improved city parks
- ★ Shade structures
- ★ Various recreational and pedestrian improvement

## What is a Tax Increment Refinance Zone (TIRZ)?

TIRZ stands for "Tax Increment Reinvestment Zone." TIRZs are governed by Chapter 311 of the Texas Tax Code. TIRZs are used as forms of tax increment financing, which is an economic development tool to incentivize both development and redevelopment. The City is asked to reinvest some of the property taxes generated by the project back into the development to help fund infrastructure.

## What is a Municipal Utility District (MUD) and how are they created?

MUD stands for Municipal Utility District and is a subdivision of the State of Texas that is created to build infrastructure and provide services like water, sewer, and stormwater drainage in areas where a city cannot provide them.

MUDs use the sale of bonds to raise funds needed to build out infrastructure for new development. The homeowners within the MUD pay off the bonds and pay for utility services through a MUD tax.

For a MUD within Buda's jurisdiction, the City would be asked to "consent" to the creation of a MUD. If the City fails to consent, the Developer could ask for a MUD directly from the State.

## What is a TIA?

A Traffic Impact Analysis (TIA) is intended to coordinate land use and transportation facility development and to adequately assess the traffic-related impacts of a development proposal on the existing and planned thoroughfare system.

The TIA for Bailey + Armbruster is currently underway. The TIA is being conducted by LJA. A report of findings has not yet been provided by Milestone.

## Does the project have an approved TIA?

The TIA for Bailey + Armbruster is currently underway. A report of findings has not yet been provided by Milestone.

Texas Department of Transportation (TxDOT) approved a TIA for the Bailey tract alone in accordance with the terms of the letter Milestone presented on Feb. 28, 2022, which indicated that the RM 967 roundabout and the Bailey TIA were solely for that tract of land. As such, the study along with the clarifying letter satisfied TxDOT requirements for the Bailey project as presented in 2019 (474 single-family residential homes; 250 multifamily units; and approximately 60,000 square feet of commercial land use). The Bailey-only site plan includes one access driveway to serve these land uses at Armbruster's Curve on RM 967. It was anticipated the singlefamily residences would build out at a rate of roughly 100 to 150 homes per year in 2019. TxDOT will 5 of 6 issue a notice to proceed with construction on the roundabout once Milestone finalizes all payments and remits any remaining outstanding documentation (e.g., insurance certificates).

The focus of mitigation in the Bailey TIA is the new RM 967 intersection and internal construction to connect to right-of-way for parkways and arterials adjacent to the site. There were no additional external mitigation measures proposed in the Bailey TIA beyond the roundabout.

## How does the City of Buda plan on handling increased traffic on RM 967 and FM 1626?

The developer plans to install a large roundabout at Armbruster's curve as approved by TxDOT in the initial TIA.

## How does the City of Buda plan to address increased traffic on Dove Drive?

When the subdivision is developed, the connectivity streets will provide some relief with additional ways in and out of Cimarron Cove to RM 967 and FM 1626.

## What steps will the developers take to account for the slope and the amount of drainage that could potentially inundate adjacent lots?

Drainage issues are not specifically addressed in a Development Agreement. However, the developer will provide more information on drainages concerns during the subdivision process.

## What is the timing for this project?

Milestone is seeking to continue the entitlement process for these properties. They have separate applications submitted for the proposed PID and TIRZ agreements. They have also submitted a Preliminary Plat (PP 22-12) for 176.613 acres (Bailey ETJ portion) that proposes 484 residential units to be constructed in several phases. If the City chooses not to approve the DA with a PID/TIRZ, Milestone will continue with the process to gain approval for the MUD and will seek to develop the project as an ETJ Municipal Utility District without oversight by the City.

## How much water will this project require? Will it impact local water wells?

Milestone is asking for 3,275 LUE's for utilities to construct 2,800 residential units, HOA amenities, a commercial area, and provision for a school site and an emergency services facility. Milestone is requesting the City to serve the project with water and wastewater. Milestone has also submitted a service extension request with the City of Austin for water and sewer if the City of Buda declines to serve the project. If both cities refuse to provide service, Milestone could seek service from a private water supply company, develop wells onsite to serve the property, or construct a wastewater treatment plant for this project.

The LUEs requested is equivalent to an average of 0.98 million gallons/day (MGD) of water. If the property is served by the City of Buda, this supply would be provided within the current BSEACD permitted amount and contracted wholesale water supply from Guadalupe-Blanco River Authority (GBRA) and Alliance Reginal Water Authority (ARWA). However, the City would need to amend our current wholesale water agreement to acquire additional supplies. Water service by the City of Buda will not impact local domestic wells.

The Barton Springs Edwards Aquifer Conservation District (BSEACD) would regulate new groundwater supplies sought by the developer from the Edwards Aquifer or the Lower Trinity Aquifer. There are no local domestic wells currently being served from the Trinity Aquifer.

## What public park and open space improvements are planned with this project?

The City requires 1-acre of parkland for every 50-units of residential development in accordance with the [UDC subsection 4.04.02](#). Persimmon is proposing both parkland and open space within the development. The current DA defaults to the UDC for parkland requirements. The amount of parkland/open space dedication in the DA meets the standards of the UDC for an ETJ subdivision

## Why can't the City prohibit the properties from being developed at all?

Land/property owners have rights and can develop their property. Cities/jurisdictions have rules and regulations, the City of Buda has the UDC. The UDC, or Unified Development Code, outlines the rules and 6 of 6 regulations for developing a project within the jurisdiction of Buda. If a property owner meets the requirements for development the City must review and approve the individual applications submitted. The

current DA outlines the rules and exceptions that Milestone is seeking that differs from the UDC requirements.