



Recommendation/Public Input

- **Development Coordinating Committee recommendation:** Approval with conditions
- **CPC vote:** Approval with conditions (6-0)
- **Public Input:** None received

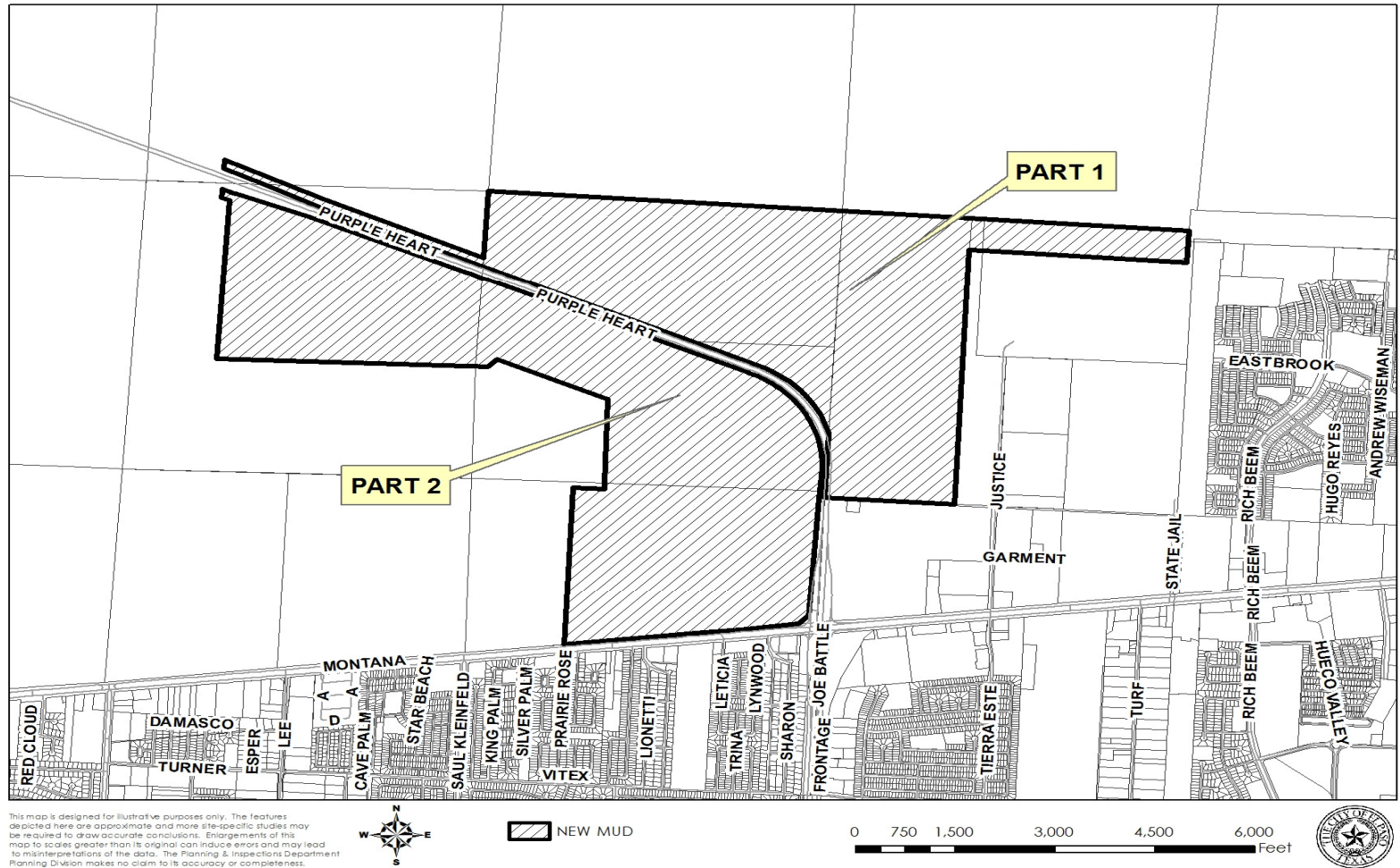
*Strategic Goal # 7 – Enhance and Sustain
El Paso's Infrastructure Network*

"Delivering Outstanding Services"



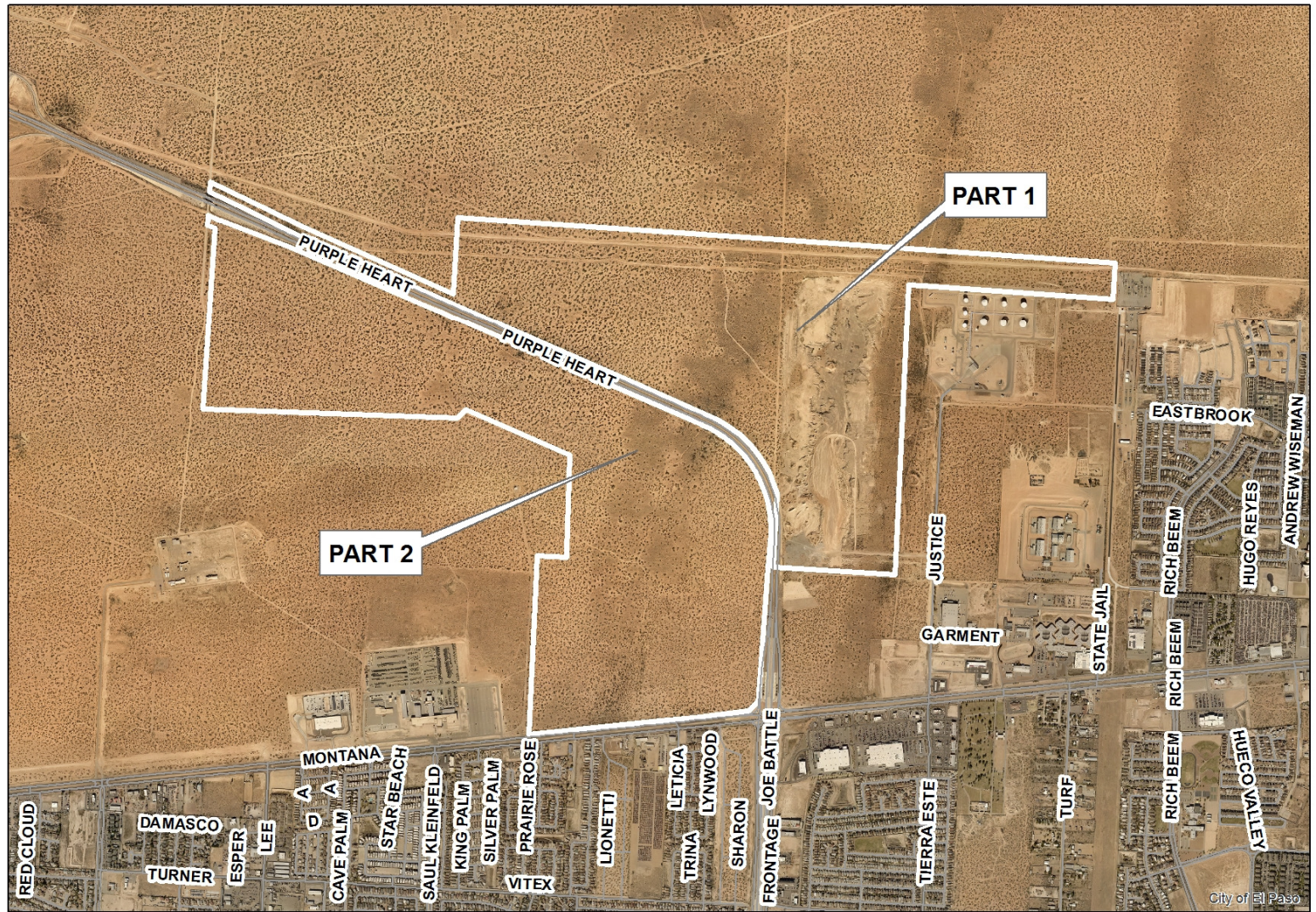
Request to create 2 Municipal Utility Districts

- On March 1, 2018, the Texas General Land Office (GLO) submitted requests to the City to create 2 new MUDS for property in the City's ETJ.
- The property is located north of Montana, on either side of Loop 375 (Purple Heart Highway) and is currently undeveloped.
- Butterfield Trail MUD #1, approximately 668 acres, west and south of Loop 375, was previously under federal control. It was acquired by GLO in 2014 in a land exchange.
- Butterfield Trail MUD #2, approximately 591 acres, is east and north of Loop 375.



Butterfield No. 1: 668 ac. (part 2)
Butterfield No. 2: 591 ac. (part 1)
Total: 1,259.20 ac.

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This map is designed for illustrative purposes only. The features depicted here are approximate and more site-specific studies may be required to draw accurate conclusions. Enlargements of this map to scales greater than its original can induce errors and may lead to misinterpretations of the data. The Planning & Inspections Department Planning Division makes no claim to its accuracy or completeness.



NEW MUD

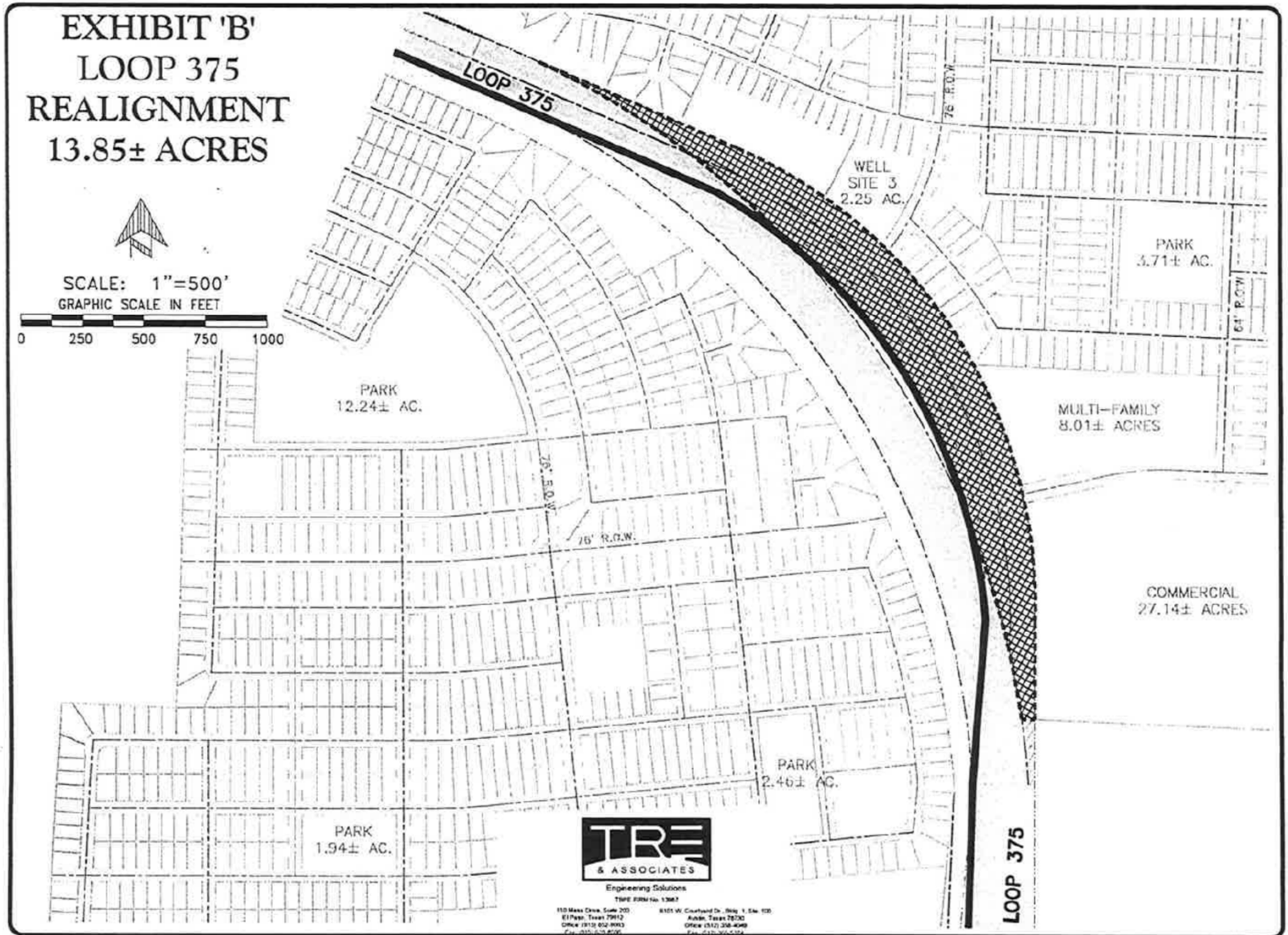
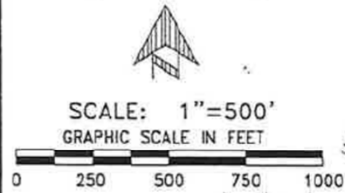
0 750 1,500 3,000 4,500 6,000 Feet



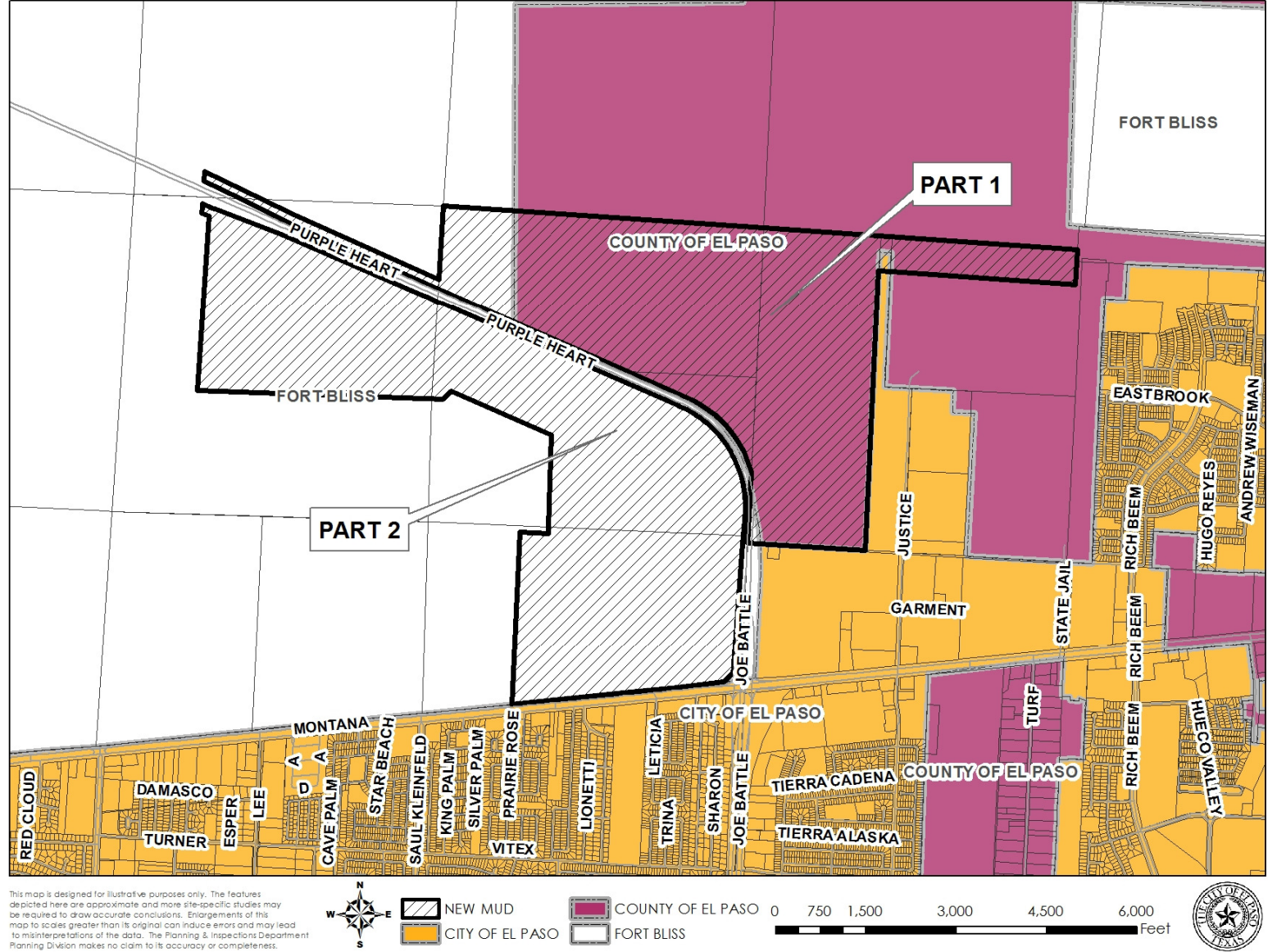
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EXHIBIT 'B'
LOOP 375
REALIGNMENT
13.85± ACRES



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What is a Municipal Utility District (MUD)?

- A MUD is political subdivision of the state originally intended as a mechanism for financing and constructing water and sewer services for subdivisions and other land developments where there are no municipal services.
- Over years their authority has been expanded to include collecting ad valorem taxes, providing fire service, police, parks and other types of services traditionally provided by municipalities.



Why did the legislature create MUDs?

- The Texas Legislature was attempting to meet the needs of developers who were ready and able to build subdivisions near municipalities but who were unable to obtain water and sewer services.
- Cities lacked capacity.
- Developers could issue bonds and collect ad valorem taxes from the residents in the district to pay for the water and sewer infrastructure.



Chapters 49 & 54 of the Texas Water Code contain provisions applicable to MUDs

No land within the corporate limits of a city or within the extraterritorial jurisdiction of a city, shall be included in a district unless the **city grants its written consent, by resolution or ordinance**, to the inclusion of the land within the district in accordance with Section 42.042, Local Government Code, and this section.

- Texas Water Code, Section 54.016

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TCEQ as regulator

- If a city does not consent and does not contract to provide the necessary services the TCEQ can allow the creation.
- The TCEQ will allow the creation if the city either does not have the ability to serve the area, or has the ability but has failed to make a legally binding commitment with sufficient funds available to do it.
- After creation the TCEQ and the Texas Attorney General regulate the MUD.

**Request:**

City's written consent to allow the creation of Butterfield Trail No. 1 and Butterfield Trail No. 2 Municipal Utility Districts.

Proposed development:

Residential and Commercial

Work to be performed:

Construction, acquisition, maintenance, and operation of a waterworks and sanitary sewer system, roads, drainage, firefighting and park facilities and services.

Financing method:

Bonds

Estimated cost of development:

Butterfield No. 1: \$64,710,000

Butterfield No. 2: \$64,830,000



Approval with conditions:

1. Property owner/developer shall comply with all City Codes relating to development within the City's Extraterritorial Jurisdiction in effect on the date the request for consent was delivered to the City.

- A land study shall be submitted prior to development if required in accordance with Title 19.
- Property owner/developer shall dedicate and improve land for public infrastructure in accordance with Title 19 requirements in the ETJ, including proportionate share of rights-of-way for arterial roads within the District as determined by the traffic impact analysis. Such dedication shall not impair the obligation of the District to reimburse developers in the District for such land or improvements thereon as otherwise permitted by applicable law or TCEQ regulation.
- All subdivision improvements shall be constructed in accordance with the applicable requirements of Title 19 and City-approved subdivision plans and specifications. City shall have the right to inspect such subdivision improvements.



Approval with conditions (cont'd.):

2. Purposes for which the district may issue bonds to the purchase, construction, acquisition, repair, extension and improvement of land, easements, works, improvements, facilities, plants, equipment and appliances is restricted to the following:

- Provide a water supply for municipal uses, domestic uses and commercial purposes
- Collect, transport, process, dispose of and control all domestic, industrial or communal wastes whether in fluid, solid or composite state
- Gather, conduct, divert and control local storm water or other local harmful excesses of water in the district and the payment of organization expenses, operation expenses during construction and interest during construction
- Construct and maintain roadways, parks, and public safety facilities

3. City shall review the district's bonds and notes prior to issuance and may place restrictions on the terms and provisions of each of the district's bonds and notes issued to provide service to the land so long as the restrictions do not render the District's bonds or notes unmarketable.



Approval with conditions (cont'd.):

4. Landowners shall negotiate in good faith to reach an agreement with the City through El Paso Water (EPW) for wholesale water and wastewater service to the districts based on cost of service rates. If such an agreement is reached, service shall be provided only to the land in the districts unless otherwise consented to by the City.
5. No additional land (other than the right-of-way relocation tract as requested in the petition for City consent) shall be added or annexed to the district without it being submitted to the City for its consent and acted upon in accordance with Chapter 54 of the Texas Water Code.
6. If the districts are created, the City and District shall enter into negotiations for a strategic partnership agreement to allow a Limited Purpose Annexation of the proposed commercial property along Montana, for the sole and exclusive purpose of imposing and collecting sales and use taxes within this property.

















Questions?

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