



## MUD Q&A

We often get asked if Easton Park is within the Austin City Limits, and the answer is a little complicated. While Easton is totally part of Austin, it is located in Austin's Extra Territorial Jurisdiction (ETJ) and within one of the five Pilot Knob Municipal Utility Districts (MUD).

### So what is a MUD?

As cities grow and extend their physical boundaries, MUDs provide alternate ways for cities and developers to finance infrastructure improvements such as water, sewer, drainage, and road facilities, without putting the burden of these costs on the city itself. Making these infrastructure investments allows Easton Park to become a meaningful part of the fabric of Austin and extend the footprint of the city.

### Will Easton Park be annexed by the City of Austin?

There is definitely a possibility that our MUD could be annexed into the City of Austin's "full purpose" corporate limits sometime in the future. The City has already annexed all of Easton Park for the limited purposes of planning and zoning, which means development within our MUD is already subject to City regulation, including Austin's zoning ordinances. Austin has the right\* to "fully" annex our MUD, including Easton Park, into the City's "full purpose" corporate limits, but this wouldn't happen before December 31, 2037.\*\* At that point, the parks and open space land and facilities would be owned, operated, and maintained by either the City, the HOA, or the limited district—whatever is determined/ negotiated at that time.

### So what does all that mean in terms of taxes and city services?

Let's start with taxes. Currently, residents in our MUD pay what's called an "ad valorem" tax that provides funds for maintenance and operating purposes, and for the payment of principal, interest and associated obligations on the MUD's tax bonds.

The most recent tax rate levied by our MUD is \$0.95 on each \$100 of assessed value, and our MUD's tax rate can't be less than the City's tax rate (which is currently \$0.4431). If and when the City annexes the land in our MUD into the City's "full purpose" corporate limits, our MUD will be converted to a "limited district" within the Austin City Limits. If it's decided that the limited district will continue to own, operate, and maintain any of the park/open space land and facilities, it would need operation and maintenance funds to do that, and our Limited District would be authorized to levy and collect an O&M tax for that purpose.

### What about other city services like water, recycling and libraries?

Currently, the City provides our MUD with water, wastewater, solid waste and recycling services. Easton Park residents get their electricity through Bluebonnet Electric. "Nonresident" library cards may be available to Easton Park residents after they complete the City's application process: <https://library.austintexas.gov/mylibrarycard>

After the City annexes Easton Park into its "full purpose" corporate limits, Easton Park residents would be able to use Austin Public Library facilities, and the City would provide any other services (including retail electric services through Austin Energy) that it provides elsewhere in the City limits.

\* In accordance with a Strategic Partnership Agreement between the City and the District dated June 4, 2012

\*\* Conversion would be subject to the terms of the Consent Agreement between the City, the District, and Carma Easton LLC dated April 13, 2012.