
City Council Regular Meeting

DEPARTMENT: Development Services

FROM: Tony D. McIlwain, Development Services Director

MEETING: May 19, 2025

SUBJECT:

Consider and take possible action on a minute order to approve a master policy for Municipal Utility Districts and Municipal Management Districts. *(Staff Contact: Tony McIlwain, AICP, CFM, Development Services Director)*

SUMMARY:

Staff, working under the direction of the Council Policy and Valuation Committee, has developed a master policy for special purpose districts (SPDs) such as Municipal Utility Districts (MUDs) and Municipal Management Districts (MMDs).

MUDs are created to finance, build and maintain infrastructure and services related to water, sewer, and drainage in areas that are otherwise unmanaged by local governments. MUDs do not last in perpetuity and are typically dissolved once the bond debt has been paid off.

MMDs may issue bonds to promote, encourage and maintain economic development, employment, commerce, transportation, housing, tourism, recreation, arts, safety and public welfare within the MMD boundary. MMDs can last indefinitely as long as the property owners within the district continue to vote to maintain it.

The master policy provides a general framework that establishes expectations of a Developer and City Council. The master policy has three broad sections: Conditions for City Consent; Voluntary Annexation and Strategic Partnership Agreement; and Certificate of Convenience and Necessity (CCN) procedures.

RECOMMENDATION:

Staff recommends that the Council approve a minute order to approve the master policy for special purpose districts.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

May 6, 2024: Staff provided City Council a presentation on Municipal Utility Districts and Public improvement Districts.

August 21, 2024: The Council Policy and Valuation Committee directed staff to prepare draft policies for further discussion.

January 22, 2025: The Council Policy and Valuation Committee directed staff to provide additional information relating to Strategic Partnership Agreements (SPA).

April 23, 2025: The Council Policy and Valuation Committee directed staff to take the item forward to the full Council for consideration.

REFERENCE:

N/A

FISCAL IMPACT:

Proposed Expenditure/Revenue: N/A

Account Number(s): N/A

Fund: N/A

Account Description: N/A

STAFF CONTACT:

Tony D. McIlwain
Development Services Director
tmcilwain@burlesontx.com
817-426-9684