

## City of Dripping Springs | Heritage Development-PDD # 5 Staff Report for City Council

### Project Overview

The proposed Heritage project is approximately 189 acres located in the heart of Dripping Springs. It is characterized by a variety of residential project types, parks, open space, and trails, and commercial uses compatible with the surrounding community. The project will be annexed into the city limits, and the zoning classification will be Planned Development District (PDD) # 5. Many of the public improvements will be funded through a Public Improvement District (PID). The City’s PID Policy is attached to this report as “Attachment B.”

### Project Timeline

The table below is an overview of key dates pertaining to Heritage PDD and Annexation and Development Agreement. It is not an exhaustive list, but provides dates when drafts were submitted, presentations, and P&Z and City Council meeting dates during which the project was discussed. City staff and consultants met several times on dates not included on this list to review draft documents.

<u>Date</u>	<u>Action</u>
<i>Oct. 27, 2015</i>	Applicant submits drafts and meet with staff and consultants
<i>Jan. 6, 2016</i>	Meeting between development team, staff and consultants
<i>Jan. 11, 2016</i>	Development team-Parks and Recreation Commission briefing
<i>Jan. 12, 2016</i>	City authorizes voluntary annexation proceedings
<i>Jan. 26, 2016</i>	Development team-P&Z briefing (PDD and PID)
<i>Feb. 1, 2016</i>	Development team-Historic Preservation Commission briefing
<i>Feb. 8, 2016</i>	Development team-Transportation Committee briefing
<i>Feb. 12, 2016</i>	Development team-revised PDD drafts submitted to the City along with PID SAP and Finance Agreement
<i>Feb. 16, 2016</i>	Annexation Public Hearing # 1
<i>Feb. 17, 2016</i>	Annexation Public Hearing # 2
<i>Feb. 23, 2016</i>	Development team-P&Z briefing (PDD and PID)
<i>Mar. 8, 2016</i>	-Annexation-Institution of Proceedings -Transportation Committee met with HDR and Heritage developers to review Traffic Capacity Analysis
<i>Mar. 17, 2016</i>	Conference Call- City Staff, Consultants, and Applicant representatives
<i>Mar. 22, 2016</i>	-P&Z briefing (PID informational) -P&Z briefing and public hearing (PDD) -City Council Meeting - PID Public Hearing -City Council-PDD concept plan presentation
<i>May 4, 2016</i>	Special called P&Z meeting for recommendation of PDD Ordinance
<i>April 18, 2017</i>	Annexation Institution of Proceedings – City Council approves resolution
<i>May 23, 2017</i>	P&Z Workshop-presentations only, no action taken
<i>June 12, 2017</i>	P&Z special meeting for recommendation

<i>June 13, 2017</i>	City Council workshop-presentation only, no action taken
<i>June 20, 2017</i>	Possible City Council Action: <ul style="list-style-type: none"> <li>• PDD Zoning Ordinance</li> </ul>
<i>July 11, 2017</i>	Possible City Council Action: (last day for annexation adoption before expiration) <ul style="list-style-type: none"> <li>• Annexation Adoption</li> <li>• PDD Zoning Ordinance</li> <li>• Annexation and Development Agreement</li> <li>• Wastewater Service Agreement</li> <li>• PID Creation</li> <li>• PID Finance Agreement</li> <li>• PID Service and Assessment Plan</li> </ul>

### Public Benefits

The following public benefits will be provided in Heritage:

- Wastewater facilities
- Water facilities
- Entryway monument
- Offsite roadway
- Collector roadways
- Detention ponds
- Package plant
- Trails, parks, and open space
- Landscaping and hardscaping

Most of the improvements listed above will be funded through the PID, and some will be funded by Stratford Land Company.

### Function of the PDD

The Planned Development District (PDD) is a zoning classification that has its own standards regarding setbacks, impervious cover, design standards, and so on. After careful consideration, a PDD is adopted by City Council and becomes part of the Zoning Ordinance.

PDDs are designed to allow for unique and superior-quality developments to occur. Land uses and design standards for PDDs are tailored to fit the physical features of the site and to achieve compatibility with existing and planned adjacent uses. A PDD allows flexibility in zoning and design standards to create a mixed-use, compact development.

The proposed Heritage PDD will provide a minimum of 28 acres of parks and open space, an amenity center, and will also include a variety of housing types suited to the needs of several demographic segments of the population.

### Public Concerns

In 2016, several residents have reached out to City Hall to expressed concerns about the proposed Heritage project. A list of concerns, along with strategies to address them, are summarized in the table below.

<b><u>Concern</u></b>	<b><u>Strategy</u></b>
<ul style="list-style-type: none"> <li>-Request traffic study regarding impact of additional traffic created by Heritage on HSR, RR 12, Springlake Rd. and US 290</li> <li>-Request no road accessibility into HSR via Shane Ln. and Golden Eagle or any other connection between HSR and Heritage</li> </ul>	<ul style="list-style-type: none"> <li>-Traffic Study submitted to City and reviewed by the Transportation Committee</li> <li>-Traffic Impact Analysis to be submitted at time of first plat</li> <li>-Any connection to Shane Ln. is not part of Heritage project</li> <li>-Connection to Shane Ln is indicated in City's Transportation Plan</li> <li>-A connection between 290 and Shane Ln. will likely be constructed by the ISD and City (not a part of the Heritage development)</li> </ul>
<ul style="list-style-type: none"> <li>-Request Development Parcel A to be comprised of entirely detached single-family homes abutting any portions of HSR Section II.</li> <li>-Request 8 foot stone wall buffer separating Development Parcel A and portion of HSR, Section II</li> </ul>	<ul style="list-style-type: none"> <li>-Development Parcel A will include single-family detached homes, garden homes, and townhomes. Commercial use is also slated but will be located along the roadway and not abutting HSR</li> <li>-A 25' setback will be required for lots in Parcel A abutting HSR</li> </ul>
<ul style="list-style-type: none"> <li>-Impact on City water and sewer</li> </ul>	<ul style="list-style-type: none"> <li>-Wastewater Agreement is being drafted and will be completed by the time of the project approval</li> <li>-Water is provided by the WSC, not the City. Water provision for Heritage is being worked out between the developer and the WSC</li> </ul>

### Transportation

A Traffic Impact Analysis (TIA) will be submitted with the first plat. The Applicant also provided to the City a capacity and analysis study (Traffic Study). The study results showed that the proposed transportation network was sufficient to handle the volume of traffic expected to be generated. The Traffic Study was reviewed and approved by the Transportation Committee.

On March 8, 2016, the Transportation Committee along with a consultant from HDR met with the Heritage development team to review the Traffic Study. At this meeting Heritage presented the results of their traffic capacity analysis and received committee recommendations. One of the significant recommendations was to realign the intersection at RR12. The original intersection at RR12 was proposed at Brookside. This alignment was not optimal especially given the intersection improvement Old Fitzhugh Road and RR12. Redesigning this entry point to Heritage was a challenging undertaking. Realignment would require coordination with three separate property owners and involve significant cost and effort on behalf of the city. Following this meeting several actions were undertaken:

1. Develop alternative options for entry realignment.
2. Contact affected property owners and determine feasibility of the alignment, potential costs, and possible timeline.
3. HDR conduct a review of the traffic capacity study by Heritage and provide any comments.
4. Committee members were tasked to conduct a final review of the Heritage Road plan and provide any final input.

At the February 22, 2016 Transportation Committee meeting, the Committee focused on these issues. After considerable discussion it was determined that realigning the intersection at RR12 was not feasible at this time. Considerable discussion was also given to a left turn lane on the main East-West Road in Heritage. Given the traffic capacity analysis, a left turn lane was deemed not required at this time. However, the landscaping islands will allow the city to pursue that option, if required, at a future date. Additionally, the Committee focused on the proposed slip streets and how they would affect traffic flow in the community. The committee deemed the slip street concept acceptable, pending review of the fire department for emergency access. At the end of discussion, the Committee voted (5 For, 1 Against) to approve the Heritage transportation concept plan, pending any final comments from HDR on the traffic capacity analysis.

#### Offsite Roadway and Trail Agreement

The Offsite Road and Trail Agreement covers the construction by the Owner of the offsite portion of the Roger Hanks Parkway road extension from the west property line of the Property to the intersection with Golden Eagle Drive, or another location as necessary to line up with the portion of the Roger Hanks extension being constructed by Dripping Springs Independent School District (“DSISD”) in order to provide a continuous roadway from the Property to US 290. Otherwise, the Owner shall deposit funds with the City. Additionally, the Owner is required to construct an offsite trail extension from the Property to Mercer Street or shall otherwise deposit funds to the City. A new exhibit for the Roger Hanks roadway extension is incorporated in the Annexation and Development Agreement and will be provided at the meeting. This Agreement does not eliminate the Heritage Project’s duty to pay for other facilities, including roadway facilities, if such improvements are required under the Code.

#### Wastewater Agreement

#### SUMMARY OF HERITAGE AGREEMENT<sup>1</sup>

1. CITY PROVIDES RETAIL WASTEWATER SERVICE (§ 2.1)
  - a. 700 LUEs total.
2. THREE STAGES OF SERVICE (§ 2.2)
  - a. STAGE 1 (First Amendment) -- 150 LUEs upon Construction of Stage 1 Facilities (First Amendment)
  - b. STAGE 2 (Third Amendment or Discharge) -- 330 LUEs upon:
    - i. Issuance of Amendment 3
    - ii. Completion of 3<sup>rd</sup> Amendment Facilities; and
    - iii. Owner’s construction of Stage 2 Onsite and Heritage Stage 2 Fields

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<sup>1</sup> This is only a summary actual Contract language should be consulted for definitive interpretation.

OR (If Owner elects to forgo 3<sup>rd</sup> Amendment Facilities per 2.5(a))

- i. Issuance of Discharge Permit
    - ii. Completion of Discharge Permit Facilities; and
    - iii. Owner's Construction of Stage 2 Onsite facilities
  - c. STAGE 3 (Discharge) – 220 LUEs upon:
    - i. Issuance of Discharge Permit
    - ii. Completion of Discharge Permit Facilities and Force Main Improvements (unless owner forgoes participation as allowed by 2.6(e)); and
    - iii. Owner's Construction of Stage 3 Onsite facilities
3. IMPACT FEES
    - a. Owner Pays Impact Fees (§ 2.3(a)) (§ 5.1)
    - b. STAGE 1 – Owner pays \$1,500 w/in 45 days of Effective Date, remainder upon pulling building permit
    - c. STAGE 2 and STAGE 3 -- upon pulling building permit
  4. RESERVATION FEES (§ 5.2)
    - a. STAGE 1 – \$50/month after 1<sup>st</sup> Amendment Facilities are operational
    - b. STAGE 2 and STAGE 3 – None
  5. RELEASE OF LUEs
    - a. Failure to pay Reservation Fees
  6. EFFLUENT TRANSMISSION LINE (§ 2.4)
    - a. Payment Cap: [Amount not yet specified] (§ 2.4(b))
      - i. If cost exceeds payment cap – City and Heritage splits costs above cap
    - b. Built as part of 3<sup>rd</sup> Amendment facilities or as Discharge Permit Facilities (§ 2.4)
    - c. If Owner builds Onsite WWTP, the Treated Effluent Line will not be built (§ 2.8)
  7. THIRD AMENDMENT FACILITIES (§ 2.5)
    - a. City to file within 90 days of Effective date
    - b. Owner can await Discharge Facilities or build Onsite WWTP instead of proceeding with 3<sup>rd</sup> Amendment facilities
      - i. Election must be in writing after issuance of permit is final and City determines 3<sup>rd</sup> Amendment facilities are needed.
    - c. Payment Cap: [Amount not yet specified] (§ 2.5(d))
      - i. If cost exceeds payment cap – City and Heritage splits costs above cap
  8. DISCHARGE PERMIT FACILITIES AND FORCE MAIN FACILITIES (§ 2.6)
    - a. Owner may give City Notice and decide to build Force Main Improvements itself, but cost shall not exceed Owner's Pro-rata share (§ 2.5(c))
      - i. If Owner doesn't collect pro-rata share, Owner gets an impact fee credit

- b. Owner can elect to forgo Force Main Improvements, and City shall be required to serve only what is possible (§ 2.6(e))
9. 210 REUSE (§ 2.7)
- City does conversion to 210
  - Owner gets free of charge for 3 years after water becomes available
  - City must obtain 210 approval
  - City to use best efforts to provide Heritage with 210 water in the event of shortage
10. TEMPORARY ONSITE WWTP (§ 2.8)
- If Stage 2 or Stage 3 LUEs are not available in a timely manner, Owner may build Onsite WWTP.
    - Election must be made before issuance of 3<sup>rd</sup> Amendment
  - If Owner makes election, Owner needs not fund:
    - Discharge Permit Facilities
    - The Force Main Improvements
    - Third Amendment Facilities
      - Note: The Treated Effluent Line is built as part of 3<sup>rd</sup> Amendment facilities or as Discharge Permit Facilities (§ 2.4)
  - After completion, Onsite WWTP will be dedicated to City
  - Onsite WWTP can't be used for service outside of development (§ 2.9)
11. REMOVAL OF WWTP
- Within 120 days after Discharge Facilities are completed, City will accept wastewater at City System
  - Owner pays for decommissioning

### **FUNDING & CONSTRUCTION**

FACILITY	CITY FUNDING	OWNER FUNDING	RESPONSIBILITY TO BUILD
<b>First Amendment Facilities</b> (everything needed for First Amendment except Stage 1 Facilities) (§ 1.15) (§ 2.3)	100%		City
<b>Stage 1 Facilities</b> (Onsite + lines to get to existing City lines) (§1.24) (§1.28)		100%	Owner
<b>Stage 2 Onsite Facilities</b> (§1.24) (§1.29)		100%	Owner
<b>Stage 3 Onsite Facilities</b> (§1.24) (§1.30)		100%	Owner

FACILITY	CITY FUNDING	OWNER FUNDING	RESPONSIBILITY TO BUILD
<b>Effluent Transmission Line</b> (§ 2.4(a))	½ of anything over cap	Pro-rata between Owner and anybody who uses it to obtain capacity + ½ of anything over cap	Owner
<b>Heritage Stage 2 Effluent Disposal Fields</b> (may be built in phases) (construction and removal) (§ 2.5(b)) (§ 2.7(e))		100%	Owner
<b>Third Amendment Facilities</b> (§ 1.33) (§ 2.5(d))	½ of anything over cap	Pro-rata between Owner and anybody who uses it to obtain capacity + ½ of anything over cap	City
<b>Force Main Improvements or Agreed Alternative</b> (§ 2.6)		Pro-rata by Owner and other users of the Force Main Improvements	City
<b>Discharge Permit Facilities (excludes Force Main Improvements)</b> (§ 2.6(a))	100%		City
<b>Onsite Temporary WWTP and Decommissioning</b> (§ 2.9)		100%	Owner

### Sustainable Places Project

The proposed PDD.5 “(Heritage)” Project (196 ac.) represents just over a quarter (26.2%) of the larger (749 ac.) Study Area of the 2011-13 “Sustainable Places Project” (SPP).

The SPP was guided by six “Livability Principles.”

A very brief comparison of the SPP recommendations for each, and how Heritage Project addresses them, is summarized as follows:

<u>Feature / Principles</u>	<u>Sustainable Places Project</u>	<u>PDD.5 / Heritage Project</u>
Land Area	749 ac.	189 ac.
Total Dwelling Units	966 DU’s w/ Variety of Mix	700 DU’s w/ Variety Proposed
Housing Choices	Multiple Housing Choices.	Multiple possible residential

	All kinds of housing for All kinds of people.  Residential Choices: 5-8ksf lots, 3-5ksf lots, Apts. Total: 966 DU's / 5.1 DU/ac.	Products: SFD, Garden Home, Village Condo, Courtyard  Housing 2-4 Family DU's, Townhomes, Multi-Family. Total: 700 DU's / 3.57 DU/ac.
Mobility Options	Multiple Housing Choices. All kinds of housing for All kinds of people.	Trail System provided. Sidewalks & Bike Lanes Provided on Streets.
Economic Prosperity	Live / Work / Shop / Learn. Jobs + Services available For Area Residents.  Proposed: 40ksf Office; 20 ksf TC/NC Retail	Permitted Uses "Commercial U  Proposed: Min. 20ksf "Commer @ Amenity / Neighborhood Ce "G" ***Additional "Commercial Us Allowed @Parcels "F" & MF portions of Parcels "B, C, & D"...
Healthy Communities	Healthy Bodies and Minds Recreation, Health, Food & Civic Activities.	Greenbelt Open Spaces Pocket Parks, Amenity / Recreation Center, Trails, etc
Concentrated and Balanced Growth	Contributes to Town-Making. Pedestrian-Fr Mixed-Use Environments.	"Town Center" Neighborhood, close to Schools and two (2) Historic Districts
Environmental and Natural Resources	Protect Natural Areas & Resources. Waterw Open Space, Existing Trees.	Water Quality Buffer Zone & Greenbelt; Selective Tree Preservation; Pocket Parks

### Annexation and Development Agreement

The Annexation and Development Agreement includes the following provisions:

#### Article 2. Definitions

- 2.11. Escrow Agreement: The agreement between Owner and City executed on the same date as this Agreement that provides for the PID Dissolution Petition to be held in escrow.
- 2.12. Exterior Design and Architectural Standards Ordinance: Article 24.03, Exterior Design and
- 2.16 Architectural Standards, of Chapter 24, Building Regulations of the City of Dripping Springs Code of Ordinances.
- 2.25 Water and Wastewater Infrastructure: Collectively, the water and wastewater infrastructure described in the Water Service Agreement and the Wastewater Utility Agreement.
- 2.26 Wastewater Service and Impact Fee Agreement: The Nonstandard Wastewater Service Agreement between City of Dripping Springs and Owner executed on the same date as this Agreement.

#### Article 3. General Provisions



- 3.2 Minor Changes. Minor changes can be made by the Administrator without action by City Council and Planning and Zoning.
- 3.3 Amendments. Amendments or changes to this Agreement, the PDD-5, or PD Master Plan shall not be considered a waiver of vested rights.
- 3.4 Project Phasing. Each phase will have its own impervious cover, dwelling units, and parkland.
- 3.5 Annexation and Development. The Property will be annexed under Section 212.172 of the Local Government Code.

#### Article 4. Offsite Road and Trail Agreement

Offsite Road and Trail Agreement is referenced in the Annexation and Development Agreement.

#### Article 5. Water, Wastewater, Wells; Water Conservation Plan

- 5.1 Water. Dripping Springs Water Supply Corporation will be providing water.
- 5.2 Wastewater. Wastewater Service and Impact Fee Agreement.
- 5.4 Water Conservation Plan.
- 5.5 Water Reuse Ordinance. SLF is funding the effluent transmission line pursuant to the Wastewater Service and Impact Fee Agreement, and thus the Property shall not be subject to the reuse fees or charges otherwise applicable to developments, including any fees or charges for contribution for reuse infrastructure construction under the City's Water Reuse Ordinance.

#### Article 6. Development Standards

- 6.1 PDD-5 Ordinance.
- 6.2 Design Review and Enforcement. An HOA will be created and maintained to do design review and enforcement
- 6.3 Compliance. Development will comply with building codes and PDD 5.
- 6.4 Alternative Compliance. The CCRs shall provide for and enable changes over time in the architectural design standards without requiring the revision of PDD-5.

#### Article 7. Applicable Rules & Regulations

- 7.1 Intent. This Agreement and the PDD-5 authorize certain Property uses and development on the Property, provide for the uniform review and approval of plats and development plans for the Property.
- 7.2 Applicable Rules. Permits and Site Plans shall comply with the Agreement, PDD-5, and city ordinances.
- 7.3 Owner's Right to Continue Development. Guarantees that the City will not impose a moratorium on building or development within the property; and the City will not impose land use or development regulations that will limit the rate or timing of land use approvals (preliminary plats, final plats, site plans, building permits, certificates of occupancy, or other necessary approvals).
- 7.4. Approvals. The City agrees that preliminary plats, final subdivision plats, and construction documents submitted in accordance with this Agreement will be reviewed and processed in accordance with the Code in effect on the Effective Date hereof as modified by this Agreement, the PDD-5, and the Additional Heritage Agreements (as may be applicable.)

- 7.5 Conceptual Plan. The City confirms that the Conceptual Plan in Exhibit B to PDD-5 complies with the City’s Master Plan, Comprehensive Plan, and the Sustainable Places Project.
- 7.6 Fiscal Security for Improvements PID Finance Agreement controls. Otherwise, the Owner shall be required to provide fiscal security prior to any final plat approval. Standard two (2) year maintenance bond upon acceptance of the public improvements.
- 7.7 Payment of Costs. Owner shall pay 100% of the cost of all public and private improvements and 100% of all cost overruns of public and private improvements and shall not seek reimbursement from the City unless authorized in the PID Finance Agreement.
- 7.8 Fees & Development Review Expenses: Owner pays fees under the “Agreement for Payment of Fees and Development Review Expenses incurred by the City for the Heritage Public Improvement District”.

#### Article 8. Additional Matters

- 8.1 Amenity Center. Owner shall construct an amenity center.
- 8.2 Lighting shall be in compliance with Article 24.06 of the City’s Code of Ordinances (“Outdoor Lighting Ordinance”). Owner agrees that all restrictive covenants for the Project shall reinforce this provision and be applied to all construction and builders. Signage in the Project shall be in compliance with the PD Signage addressed in PDD-5 through a Master Sign Plan.
- 8.4 Annexation/Zoning:
  - 8.4.1 Timing for Annexation: Development Agreement is request for annexation.
  - 8.4.2 Land Uses: PDD-5.
- 8.5 Public Improvement District will be created to pay for public improvements. The PID Financing Agreement shall provide the method of reimbursement for the public improvements and shall control over any inconsistent provision in this Agreement.
- 8.4 Disannexation and Dissolution if project fails.

#### Article 9. Term and Amendment

- 9.1 Term. Forty-five (45) years.

#### Comprehensive Plan and Citywide Trails Plan

A brief summary of how Heritage supports elements of the City’s Comprehensive Plan and Citywide Trails Plan:

Proposed trails are integrated in Heritage, and connect with other trails that are indicated in the Citywide Trails Plan. A network of sidewalks and trails will be constructed in Heritage, and bike lanes will be included along the main boulevard. This also ties in with the Dripping Springs Comprehensive Plan, which calls for inclusion of bike lanes and pedestrian facilities in new neighborhoods. The proposed parks and trails in Heritage will help implement the Comprehensive Plan’s goal of offering a variety of recreational activities and facilities to foster an active community. Additionally, the Comprehensive Plan supports a diversity of housing types, and encourages higher densities in areas deemed appropriate. Heritage proposes a mix of housing products, including single-family detached, townhomes, garden homes, duplex/quadplex, village condominiums, courtyard housing, and multifamily.

### Prior P&Z Recommendation-2016

On May 4, 2016 the Planning and Zoning Commission held a special meeting for review and consideration of PDD # 5. The Commission recommended approval of the ordinance with a vote of 4-0. In the motion to approve, the Commission recommended striking out the last sentence in Section 2.4: PD Master Plan, which said: “Although some of these features may not be reflected on the PD Master Plan, the City acknowledges that their inclusion in this Ordinance satisfies the requirements of Section 5.6.1(b) of the PD Ordinance.” This has since been struck from the ordinance. The meeting minutes are attached as “Attachment A.”

### P&Z Workshop

On May 23, 2017, the Planning and Zoning Commission conducted a workshop (no action taken) for the purpose of reviewing the most recent PDD 5 and Annexation and Development Agreement documents. Ocie Vest, Senior VP of Entitlements with Stratford Land, gave a presentation about the Project on behalf of the Owner, and explained the project land use, amenities, development documents and approvals timeline. City Staff and consultants provided an overview of PDD 5, Annexation and Development Agreement, and also briefly discussed the Offsite Roadway and Trail Agreement.

### P&Z Recommendation 6/12/2017

The Planning and Zoning Commission held a Special meeting on June 13, 2017 to consider recommendation on the Annexation and Development Agreement and PDD – 5. The Commission heard presentations from Ocie Vest with Stratford Land, and also from City staff and consultants. After considering the items, the Commissioners motioned (5-0 in favor) to approve PDD – 5 and the Annexation and Development Agreement, subject to the City receiving the following documents in a form mutually acceptable by all Parties: PID Service and Assessment Plan, PID Finance Agreement, Wastewater Utility Agreement, and Offsite Road and Trail Agreement.