



City of Dripping Springs

Post Office Box 384
 511 Mercer Street
 Dripping Springs, Texas 78620

Agenda Item Report from: Laura Mueller, City Attorney; Leslie Pollack, Transportation Engineer; David Tuckfield, Utility Counsel; Brent Luck, Parks Consultant

Meeting Date:	September 7, 2021
Agenda Item Wording:	Public hearing and consideration of action on an ordinance approving DA2020-002: an application for an Amended and Restated Development Agreement for the Anarene/Double L tract as an update to the 2015 Amended and Restated Development Agreement on RR 12 north of 290 including an increase in density, roadways, parks improvements, and related changes. Applicant: Pablo Martinez, BGE, Inc.
Agenda Item Requestor:	Pablo Martinez, BGE, Inc.
Applicant:	Pablo Martinez, BGE, Inc.
Owner:	Double L Development, LLC
Date of Application:	April 20, 2020
Staff Recommendation	Approval as presented with minor clarification on landscaping requirements.
Blue Lined – Anarene Ranch Light Gray-City Limits 1675 acres Proposed Site of Anarene/Double L	<p>The map displays various colored zones over an aerial view of the Anarene area. A large yellow area is highlighted, representing the proposed site. A pop-up window titled 'Development_Agreements: Anarene' is overlaid on the map, showing details for the 'Anarene' development, including its name and the amendment type: 'Amended and Restated Anarene'. The window also includes a 'Zoom to' button and a menu icon.</p>

Summary/Background:

The applicant is requesting an amendment to their Development Agreement. The new proposal would increase residential units from 1,677 to 2,231 units and lessening the commercial uses. The tract is approximately 1677-acre tract of land, generally located North of the city on RR 12 on both sides of the road. It is the Hill tract. It is an established ETJ MUD and the City will not receive property taxes from this development. There is no base zoning because it will remain an ETJ property, but the average density will be 1.4 units per acre. The residential lots will be a mix of lots from 35-foot to acre estate lots. There is also a section of proposed garden homes (35 and 40 foot lots). The commercial is adjacent to RR 12. They are also proposing to donate additional land for a new school having originally donated the land for the Dripping Springs Elementary School. The owner has also already donated 25 acres to Dripping Springs Ranch Park which resulted in the original development agreement.

Location:

The property is located north of U.S. Highway 290, east and west of RR 12, west of Headwaters Subdivision and just north and east of DSRP.

Physical and Natural Features:

The property contains a few single family residences but is primarily vacant, with tree coverage and multiple hilltops.

Surrounding Properties:

The eastern portion of this property is located adjacent to Headwaters Subdivision and Rathgeber Natural Resource Park north of the core of the City of Dripping Springs, which has less dense development patterns. This development borders the Founders Ridge and Legacy Trails subdivisions. There has been rapid growth just east and south of this area of the City, therefore making it essential to coordinate densities as the property pushes away from the core.

History:

Original Development Agreement – 2012 – 1,696 Acres

- 25 acres dedicated to Dripping Springs Ranch Park – which fulfilled all parkland dedication requirements for the whole parcel
- Applicable Rules from 2012
- Created the MUD
- 30-year term (2042)

Amended Development Agreement – 2015 – 1,677 acres

- 245 acres of open space/parkland including the 25 acres of Dripping Springs Ranch Park
- Trails to be determined later
- Hilltop Preservation
- Applicable Rules from 2012
- 1,677 residential dwelling units
- 700 acres Single Family
- 157 acres Single Family Estate Lots
- 138 acres Mixed Use Residential

- 238 acres Commercial
- 67 acres of Roads
- 6,000 square foot lot size minimum
- 1,710 Water and Wastewater LUE
- No Fiscal Security
- 30-year term (2045)

Initial Amended Development Agreement Proposal – 2020 – 1,677 acres

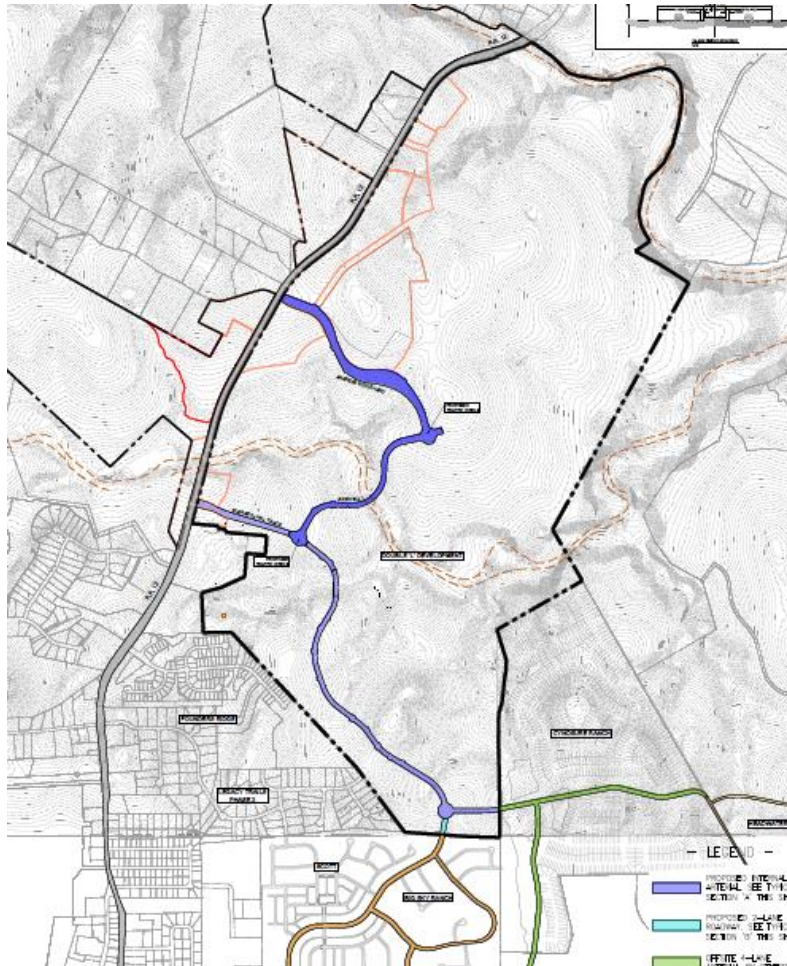
- 345 acres of Parkland out of 474 acres of Open Space
- Trails to be determined later
- Hilltop Preservation
- Applicable Rules from 2012
- 2,843 residential dwelling units including 435 multi-family units plus up to 10% increase
- 1,207 acres Single Family
- 265 acres Single Family Estate Lots
- 26 acres multi-Family
- 177 acres Commercial
- 3,393 Water and Wastewater LUEs
- Sign Ordinance would not apply
- No Fiscal Security
- Roads don't need approval
- 45-year term (2057)

Current Amended Development Agreement Proposal – 2020 – 1,677 acres

- 345 acres of Parkland out of 474 acres of Open Space
- Hilltop Preservation
- Primary Trail between DSRP and Eastern border of project with potential connection to Rathgeber Natural Resource Park
- \$648 Park Development Fee per residential unit over 1710 residential units minus the cost of the Primary Trail
- Driveway Connect for DSRP through Commercial Section
- Current Lighting Ordinance
- 2015 Landscape Ordinance for Commercial and specific tree requirements for residential lots
- 2,231 residential dwelling units plus 250 senior living multi-family units
- 3,500 minimum lot size
- 189 acres Single Family Estate Lots
- 6 acres Senior Living Multi-Family (No other multi-family)
- 200 acres Commercial
- Buffers between project and residential lots in Legacy Trails and Founders Ridge.
- Water and Wastewater LUEs based on 2481 residential units and 200 acres commercial
- Sign Ordinance applies-Master Sign Plan later
- Fiscal Security

- Priority roads provided in phased approach including start and completion dates and 4 lane arterials
- 20-year term plus possible 10-year extension (2041/2051)

Transportation Master Plan :



City staff initially requested the following improvements from the Anarene Development:

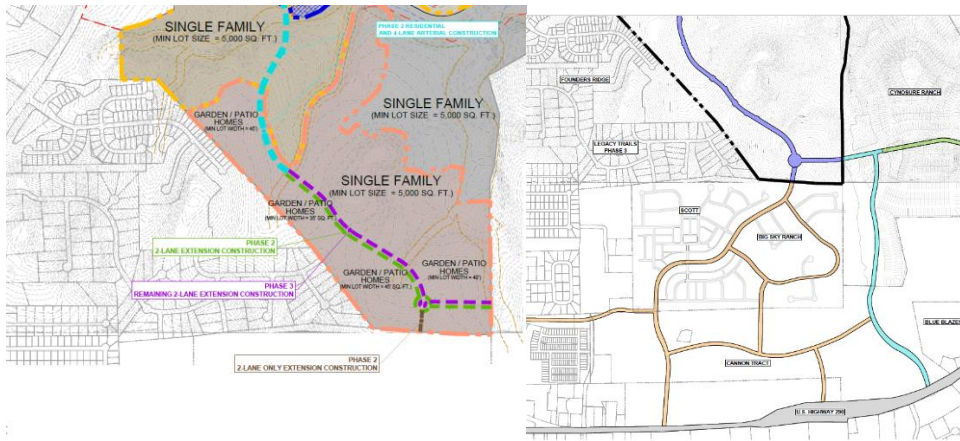
1. Construction of a four-lane major arterial between RM 12 and US 290 prior to connection of the Wild Ridge four-lane roadway to the shared property line.
2. Additional transportation improvements on RM 12 as required by TxDOT.
3. Additional transportation improvements as identified in the Traffic Impact Analysis.

The Anarene Development has agreed to the following:

1. Construction of a four-lane major arterial between RM 12 and US 290, phased with development.
2. Construction of a traffic signal at the northernmost access on RM 12 when warrants are met.
3. Construction of right-turn lanes on RM 12 at the two primary access points with Phase 1 of the development.
4. The Traffic Impact Analysis has been approved for Phase 1. Additional off-site and on-

site transportation improvements will be required as identified with completion of a full Traffic Impact Analysis.

The transportation improvements proposed to be constructed by the Anarene development are those that provide additional roadway capacity. These improvements align with the City's transportation priorities. The construction of a four-lane arterial between RM 12 and US 290 provides needed mobility in this quadrant of the City.



The Applicant has proposed a phased approach for construction of the arterial in three phases. The final phase will include widening of the south-east section of the arterial from two lanes to four lanes commencing in February 2025. The primary concern with this approach is that this will result in a period of time where a two-lane roadway in the Double L development will connect with a four-lane roadway in the Wild Ridge Development. This duration is estimated at one year based on current construction timeline projections. A merge section, meeting applicable safety standards will be required for the transition. The projected traffic from Wild Ridge, Double L, and the surrounding community would be adequately served with the proposed construction phasing plan of the arterial.

An analysis of traffic operations was completed at the end of 2025 at which time the roadway would remain a two-lane arterial. It is assumed that traffic from surrounding developments, Wild Ridge, Big Sky, and Cannon will utilize this arterial to access North RM 12. Similarly, traffic generated from within Double L, will utilize this arterial to access east US 290. The connection of the arterial between US 290 (through Wild Ridge and Double L) to RM 12 will also provide an opportunity for vehicles to bypass the intersection of US 290 and RM 12, alleviating traffic demand on this critical intersection within Dripping Springs. In total, HDR's estimate of traffic through the south-easternmost section of the arterial is 6,300 vehicles per day in 2025. This assumes a diversion of 2,600 vehicles per day to this arterial from US 290 and RM 12. This diversion is a conservative assumption developed to provide a "worst-case" scenario on the arterial roadway for this evaluation. A two-lane arterial will function at acceptable levels of service with this projected traffic volume through 2025.

Utilities:

The subject property is within the City of Dripping Springs service area for wastewater and water. Wastewater and water services have been secured through agreements with the City of Dripping Springs. The City shall be the retail wastewater provider for the development. The City shall be a wholesale water provider to the development for 15 years, after which it will take over as the retail water provider.

WATER:

Although the City and Double L Development, LLC already have an executed water agreement (effective December 27, 2018), circumstances have changed that necessitate an amendment to that Agreement.

First, the original water agreement contemplated that the City would be a wholesale water service provider for 15 years, at which time the City would then become the retail water provider. After consultation with all the parties (including the WTCPUA), it was determined that the City should be the retail provider at all times. Amendments to Original Water Agreement are being made to reflect the fact that the City will be the retail water provider for the development.

Second, the development is anticipated to use more LUEs that originally contemplated. These amendments reflect the ultimate total of LUEs to be used.

Finally, the Original Agreement is clarified to assure that the Developer is aware that it must comply with all requirements imposed by the WTCPUA.

WASTEWATER:

Although the City and Double L Development, LLC already have an executed wastewater agreement (effective December 11, 2018), circumstances have changed that necessitate an amendment to that Agreement.

Developer has proposed, and Staff supports the idea of, an alternative method to provide wastewater service until the Discharge Permit Facilities are constructed. The alternative method would be to have the Developer construct a “scalping plant”. A scalping plant is authorized by TCEQ as a wastewater plant that is still connected to the City System, but that serves to treat wastewater and provide reuse wastewater near the scalping plant. This allows to City to provide reuse wastewater without transporting the wastewater to the South Regional Plant, and then having the send the treated effluent back up to Double L. The treatment and use can all be done on the Double L site. The scalping plant would be authorized under the City’s existing permit. The scalping plant would be subject to all the limits of the City’s existing permit. Thus, it does not expand the City’s capacity, but it allows the City to reuse the wastewater in an area far from the City’s plant. All costs to construct (and ultimately remove) the scalping plant would be paid by the Developer. The Developer would also pay monitoring costs associated with operation of the plant. The City will operate the scalping plant and collect retail wastewater fees (and impact fees) from customers. The scalping plant is a temporary remedy until the Discharge Facilities are fully constructed. This Amendment allows for this plan.

Electricity will be provided through Pedernales Electric Cooperative (PEC).

Development Agreement Regulations:

The Amended Development Agreement has a variety of residential units including garden homes, 40, 50, 60, 70 ft width lots up to one acre estate lots. It also includes senior multi-family as well as up to 200 acres of commercial acreage. The lots have been arranged so as to transition from one lot size to another and to complement adjacent projects and subdivisions.

DOUBLE L LOT MIX AND ALLOWED VARIANCE

LOT TYPE	TOTAL	5% ALLOWED VARIANCE*	HIGH LIMIT	LOWER LIMIT
35'	73	0	73	73
40'	96	0	96	96
45'	110	0	110	110
50'	417	21	438	396
60'	302	15	317	287
70'	315	16	331	299
80'	269	13	282	256
90'	282	14	296	268
105' to 0.75 Acre	178	9	187	169
0.75 to 1.0-Acre	189	9	198	180
	2231			

*MAXIMUM OVERALL LOT INCREASE CAPPED AT 75 LOTS

RESIDENTIAL LOT WIDTH & SIZE TABLE	
MINIMUM LOT WIDTH AT FRONT SETBACK	MINIMUM LOT SIZE (SF)
35'	3600
40'	4000
45	4500
50	5000
60'	6000
70'	7000
80'	7500
90	8000
105'	10000
1.0-Acre	43560

The Development Agreement Concept Plan uses are as follows:

- Single-Family Dwelling, Detached;
- Garden Homes;
- Retail;
- Daycare;
- School;
- Amenity Centers and Parkland.

Other development regulations:

Anarene development will comply with:

1. Building Codes;
2. Sign Ordinance (through Master Sign Plan);
3. Current Lighting Ordinance;
4. Landscaping Ordinance from 2015-6300.10 plus additional trees for residential lots as exhibit;
5. Hilltop preservation (6 hilltops);
6. Exterior Design & Architectural Standards Ordinance for Commercial Development;
7. Listed Setbacks.

Parkland:

At its June 7, 2021, meeting, Parks and Recreation Commissioners unanimously approved the following items for the Anarene Development:

Approval of the Parkland Dedication for Anarene Project based on requested update to their Amended Development Agreement, with the following conditions:

- Application of a \$240,500.00 credit to the parkland development fee with a proposed credit for the public use trail (indicated as a solid purple line on the parkland dedication map); and
- The language for payout be designed so that it triggers when the additional lots are platted for the garden/patio homes and multifamily section, or when the number of platted dwelling units goes above 1,710, whichever comes sooner.

This motion approval included the developer paying the \$648/ additional lot over 1,710 residential lots for parkland development fees. The total residential lots allowed per this DA modification is 2,886. So, the delta of additional lots is 1,176 with a calculated parkland development fee of \$762,048. Reduction of this amount by \$240,500 (for the trail credit mentioned above) brings the parkland development fee to \$521,548.

The updated agreement provides for the developer paying the \$648/ additional lot over 1,710 residential lots for parkland development fees. The total residential lots allowed per this DA modification is 2,472. So, the delta of additional lots is 762 with a calculated parkland development fee of \$493,776. Reduction of this amount by \$240,500 (for the trail credit mentioned above) brings the parkland development fee to \$253,276.

The Anarene Development has agreed to the following:

1. Developer shall not be required to submit park plans for each phase of development to the City's Parks and Recreation Commission if Developer develops Parkland in

accordance with the attached.

2. The Developer agrees to work with the City to allow the City to construct public trail connections extending from the Trail to Dripping Springs Ranch Park and Rathgeber Natural Resource Park.
3. The Developer agrees to pay park fees in the amount of \$648 per residential unit for multi-family and for residential lots of 40' wide or smaller (the "Garden Home Product"). The Developer further agrees to pay park fees in the amount of \$648 per single-family residential unit (excluding Garden Home Product) that results in the number of platted single-family lots (excluding the Garden Home Product) within the Project exceeding 1,710 single-family residential units ("Additional Lots"). Provided, however, the City agrees to offset the amount of park fees otherwise owed under this Section 2.4 for Additional Lots by (i) the costs incurred by the Developer to construct the Trail or other trail facilities open to the general public except for the shared use path described in Section 3.17, and (ii) the dollar amount of any private contribution by Owner for any grant application for parks.
4. Park fees for multi-family, Garden Home Product and the Additional Lots shall be due and payable, in phases, to the City at the time multi-family, Garden Home Product and Additional Lots are platted or at time of final platting of a Phase which includes multi-family, Garden Home Product and Additional Lots, whichever comes first, based on the number of multi-family, Garden Home Product and Additional Lots included in the plat.
5. Developer shall preserve each of the six (6) hilltops. Building heights on such hills shall be limited to twenty (20) feet greater than the top of the corresponding hilltop; provided, however, nothing will prevent Developer from constructing water storage tanks on four (4) of the hills. Developer will endeavor to have the color of such tanks blend into the natural settings.

The parkland dedication and development fee agreements proposed by Anarene development align with the direction and motion approved by the Parks and Recreation Commission at their June 7, 2021, meeting.

Highlights:

1. 4 lane roadways within development to serve the development and the neighboring properties;
2. Oversized utility infrastructure;
3. Trails including a potential connection to Rathgeber Natural Resource Park;
4. Parkland in excess of Parkland Dedication Ordinance.

Changes from Planning and Zoning Commission:

1. Buffers between Legacy Trails, Founders Ridge, and Shelton Ranch Road are now all 25 feet. This appears in an exhibit and in the Development Agreement.
2. Added residential tree requirements.
3. Moved garden homes away from the border with Legacy Trails and Founders Ridge and replaced with 50 foot lots and larger.
4. Included additional language related to the 3 phase approach to the roads but the three phase approach remains.

5. Added 9 lots in order to accommodate the move of the garden homes requested by the Planning and Zoning Commission and the public.

Evaluation:

According to Article 22.02.005, the Development Agreement shall be evaluated with respect to the following objectives:

Article 22.02.005	
a) Guarantee the continuation of the extraterritorial status of the land and its immunity from annexation by the city for a period not to exceed 15 years;	
	This is an amendment to an existing Amended Development Agreement. This Amendment extends the agreement by 20 years. Because of the size and complexity of this development, 15 years is an insufficient amount of time to complete the project. The Agreement allows for a 10 year extension by City Council.
b) Extend the city's planning authority over the land by providing for a development plan to be prepared by the landowner and approved by the municipality under which certain general uses and development of the land are authorized;	
	This Agreement provides for single family, senior living multifamily, and commercial uses. It allows for a variety of single-family lot sizes of up to 2,231 single-family units plus an additional 250 senior multi-family units. The commercial areas are required to comply with the City's Exterior Design & Architectural Standards Ordinance.
c) Authorize enforcement by the city of certain municipal land use and development regulations (e.g., zoning and building codes) in the same manner the regulations are enforced within the municipality's boundaries;	
	This project must follow the Hilltop Preservation, 2017 Lighting Ordinance, Building Code, and 2015 Landscaping Ordinance. Exterior Design & Architectural Standards have to be followed for the commercial section. It also will provide for a Master Sign Plan in the future. It also requires compliance with impervious cover and water quality buffer zones. This agreement includes language which allows City enforcement of these requirement. There will be one water tower on one of the hilltops.
d) Authorize enforcement by the city of land use and development regulations other than those that apply within the municipality's boundaries, as may be agreed to by the landowner and the municipality;	
	See subsection c above.
e) Provide for infrastructure for the land, including:(A) Streets and roads;(B) Street and road drainage;(C) Land drainage; and(D)Water, wastewater, and other utility systems;	
	This project will construct a major arterial that connects RM 12, Wild Ridge, and Big Sky Developments. It will also be constructing regional water and wastewater pipelines that will service it and assist with service to neighboring projects. The development will preserve existing natural drainageways by establishing Water Quality Buffer Zones along them per the City's water quality ordinance. The development will preserve Critical Environmental Features (CEFs) by providing a geologic assessment for the tract and establishing protective setbacks for any CEFs

identified per the City’s subdivision ordinance. The development will also protect existing natural drainageways and water quality by providing stormwater detention and water quality facilities per City and TCEQ regulations.
f) Authorize enforcement of environmental regulations;
TCEQ, City Regulations, Water Quality Buffer Zones, and Lighting requirements must be followed.
g) Provide for the annexation of the land as a whole or in parts and provide for the terms of annexation, if annexation is agreed to by the parties; Annexation is not anticipated.
h) Specify the uses and development of the land before and after annexation, if annexation is agreed to by the parties; or Lot sizes for residential areas and uses for commercial areas have been determined.
i) (c)Factors to be considered by the city in approving an agreement include, but shall not be limited to: (1) Public benefits; (2) Adequate environmental protection; (3) Burden on the city's infrastructure; (4) Consistency with the city's comprehensive plan; (5) Conformance of the agreement with the intent and purposes of city regulations; and (6) Fiscal impact of the agreement and resulting development on the city.
The public benefits include roads, oversized utility lines, trails, and parkland, as well as compliance with current city ordinances. The environmental regulations of the City and State will be followed. This development will provide additional infrastructure to meet its needs. It will impact the RR12 but will be required to improve RR 12 if required by the Traffic Impact Analysis or TxDOT. It is meeting city regulations, including those that do not traditionally apply in the ETJ. The City will receive no property taxes from this development. The City will receive some Park Development Fees and review fees from this development.

Commission Recommendations:	The Planning and Zoning Commission recommended approval with the following changes: 1. Buffer areas for three locations (changed); 2. Move garden homes away from border with Founders Ridge and Legacy Trails (changed); 3. Clarify Landscaping Requirements (changed); 4. Change 3 phases of roads to 2 phases (unchanged but some language added to assist with transition from 2 lane to 4 lane road).
Actions by Other Jurisdictions/Entities:	The TIA is still under review by the Texas Department of Transportation.

Previous Action:	No previous action taken.
Recommended Action:	Approval of the Amended Development Agreement as presented.
Alternatives/Options:	Changes to the Amended Development Agreement (Postponement); Disapproval of the Amended Development Agreement and continue with existing development agreement.
Budget/Financial Impact:	The City will gain additional roads, trails, and various development fees. The City will not maintain roads or parks within this development. The City will not receive property taxes from this development.
Attachments:	<ul style="list-style-type: none"> - Agreement - Prior Agreements - Exhibits - Staff Report
Related Documents at City Hall:	
Public Notice Process:	Notice was published in the newspaper and letters were sent to neighbors within 300 feet.
Public Comments:	Comments were received in opposition to this project including concerns related to buffers between neighborhoods, size of homes near borders, and use of natural resources.
Enforcement Issues:	N/A
Comprehensive Plan Element:	N/A