CITY OF HUTTO

Annexation Development Agreement Meetings

Dec. 5-Jan. 10, 2018
Opening Discussion and Staff Introductions

We want to hear from you, help us ensure the following:

Ground Rules (Robert’s Rules of Order)
• One person talks at a time
• Respect other’s thoughts and ideas
What is this letter about and how did we get here?

In 2017, a fuel distribution center was trying to locate in Hutto’s Extraterritorial Jurisdiction (ETJ). Because there is no zoning in the county, Hutto looked for ways to respond to area residents’ concerns and help protect their interests. Now there is a waste transfer station proposed along the same corridor, and again, the City cannot provide the means to stop the development through zoning as it is in the ETJ and outside the City’s Jurisdiction.

Similarly, Star Ranch residents are within a Municipal Utility District and outside city limits. Residents looked to the City to help when estate lots turned into a multi-family development.

In response to the growing number of concerns, City Council approved an Annexation Plan to begin the process of prioritizing future annexations. Texas Local Government Code requires cities to begin by offering development agreements to properties with agricultural tax exempt status.
What is the Extra-Territorial Jurisdiction (ETJ)?

Contiguous unincorporated land adjacent to the city limits that is not within another city's ETJ.

The boundaries of the ETJ were set by several separate resolutions with the adjacent cities (Georgetown, Round Rock, Pflugerville & Taylor) in the mid-2000s.
Where are Hutto’s City Limits?

• The **blue** area on the map is the ETJ.

• The **pink** areas are existing Development Agreements in Lieu of Annexation agreements.

• City Limits are the lighter **color** inside and adjacent to the blue and purple area. City of Hutto is approx. 8 square miles.
ETJ Management and its importance for Hutto

ETJ management is the process of ensuring the City’s vision and Future Land Use Map are realized.

The first step of ETJ management is to determine which property owners desire to remain agricultural and offer an agreement meeting the requirements of Section 43.035 Local Government Code – an agreement agreeing to defer annexation of the property. These agreements help the City plan for growth within the ETJ.
Planning for growth – Hutto’s Future Land Use Map

The Future Land Use Map shows the City’s vision – Hutto is changing rapidly with the influx of new residents and interest in development within the city and throughout the ETJ area.

Planning for growth includes planning for future city provided services (first responders, library services, public facilities, water, wastewater, parks & recreation).
What does it mean to be ag-exempt?

The Williamson County Appraisal District (WCAD) is the taxing authority in Williamson County.

Per WCAD:

Agricultural value applies only to the land and not to improvements (structures) on the land, minerals, or agricultural products. The land beneath farm buildings and other agricultural improvements does qualify due to their use in connection with the agricultural process.

An agreement in lieu of annexation (or annexation) does not affect ag-exempt status.
Flow chart for Development Agreement Process

Development Agreement Signed

No City-initiated annexation for a period of 25 years

Development Agreements Sent to all Ag-Exempt Properties in ETJ

Development Agreement Declined

Hutto evaluates properties for future annexation
Annexation Process-

If you decline the development agreement, the City will keep the property on a list for future annexations. It does NOT mean you are being annexed immediately, but the areas will be prioritized in conjunction with the Annexation Plan.

Annexation includes a service agreement – a plan to provide city services either immediately (Police, Library, Voting, etc) and approximately 2 ½ years to 5 years for water and wastewater services of the area is within the City’s CCN (Certificate of Convenience and Necessity).

The Emergency Services District remains the same.
What does the Development Agreement do?

- Development Agreements allow for land use protection and regulation.
- The agreements help ensure development and infrastructure placement occurs efficiently in one of the top-growth areas of the state.
- Signing the agreement means your property would not be annexed for 25 years, or until you change the use of the property, and, for example, decide to develop it.
What legal right does Hutto have to offer this agreement?

Texas Local Government Code requires the City to offer development agreements prior to annexation proceedings for properties with existing agricultural exemptions. The City may not annex unless it first offers a development agreement that guarantees the continuation of the ETJ status.
How does this affect property taxes and agricultural exemptions?

A property owner will not pay any City property taxes until the property is annexed into the City.

Signing the agreement does not change the existing agricultural exemption. You retain all rights under the Texas Tax Code regarding agricultural exemptions.
Taxes – continued

This example is a property within the City’s ETJ with a Development Agreement and existing ag-exemption. It is 46 acres and utilized for agricultural purposes.
Taxes – continued

This example is an ag-exempt property that is within Hutto City Limits – the difference is shown with the addition of the City of Hutto tax line.

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Does the agreement transfer to another owner if you sell the property?

Yes, the agreement runs with the property. The agreement, once signed, is filed with Williamson County. The new owners or successors will have the same rights and regulations as the original agreement.
Does the agreement affect building a barn/garage/shed or similar accessory building on your property?

No – the agreement permits construction of accessory buildings that are consistent with the agricultural use of the property. Specific language is in the agreement in Section 2:

“"The Owner may construct an accessory structure to an existing single family dwelling in compliance with applicable City ordinances and codes.""
How long does the protection from annexation last?

The Development Agreements are being offered for a period of 25 years. After 25 years, the City may again consider initiating annexation proceedings.

The term could also be extended for an additional period of time through a written agreement between the City and Property Owner. State law allows up to 45 years total for the total length of each agreement combined.
Does the development agreement affect City services?

No. The property remains as is. You will not pay City property taxes or receive any City services as the agreement keeps the property outside City limits. Upon annexation, a service agreement is drafted and the owner will then begin paying City property taxes and receives City services.

Service agreement – a plan to provide city services either immediately (Police, Library, Voting, etc.) and approximately 2 ½ years to 5 years for water and wastewater services of the area is within the City’s CCN (Certificate of Convenience and Necessity).
Staff is available to make individual meetings.

Important Contact Information:

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