

How We Got Here, What Now, and Then What?

Or, “Should we really be dedicating irreplaceable LCNA funds on something that would likely just end up in the court system in the very best case?”

Lost Creek was developed as a MUD only by consent of CoA

- A Municipal Utilities District (MUD) is a special district which allows a developer to finance infrastructure.
- *Consent of the city is required for creation of a MUD within a city's jurisdiction.*
- Lost Creek MUD water (wholesale) and electricity were provided through CoA.
- Annexation by the city is usually delayed until the MUD's development debts are mostly paid
- *Annexation is the expected final step*

Annexation Timeline

- 1972: Lost Creek MUD created
- 2005: CoA adds Lost Creek to annexation plan
- ***2005-2007: Lost Creek MUD spends over \$250,000 on unsuccessful legislative remedies to forestall annexation***
- 2007: CoA and LC fail to agree on terms of annexation. CoA wins in arbitration. *No LD.*
- 2013: CoA and LC amend agreement to allow residents to vote on LD. *Passes 67%-33%, preserving local services and amenities provided by District.*
- 2015: Mutually renewable 10-year LD period begins

What are we voting on?

- Annexation increased the tax burden on LC residents. LC residents would save \$2-4K/yr by not being annexed. However...
- **THERE IS NO VOTE AVAILABLE TO DISANNEX.**
- There is only a proposed vote to support by proclamation and funding the *beginning* of some non-specific legislation which would somehow give an annexed area which just happens to match the description of Lost Creek some non-specific path to disannexation and the creation of some form of novel government entity.
- If such legislation passed, there would likely be subsequent court actions by CoA (and potentially Travis County) against the State of Texas for constitutionality.

CoA not meeting service plan? No new legislation required.

- If there is compelling evidence that CoA is not meeting service plan, statutes already support a disannexation remedy.
 - Section 43.141 allows a majority of voters in an annexed areas to petition for disannexation for failure to provide services and then take the matter before district court.
 - If found in favor of petitioners, city cannot annex area for 10 years thereafter.

Would CoA not be able to show that it is meeting service plan?

- CoA rehabilitated failing stench-riddled wastewater plant (reportedly seven-figure cost)
- CoA refurbished Quaker Ridge water tanks
- CoA provides some trash services not previously provided. Costs more, but that is not a lack of service.
- City enforces code violations (such as fence disputes)
- City added multiple speed indicators and added lane lines and stop lines on streets.
- CoA water dept notifies residents of water leaks and provides forms of payment relief
- Priority 1-3 EMS and fire emergencies still handled by Westlake FD.
- APD responds to crime incidents. Just one violent crime logged in LC from 2018-2020.

Insanely hot real estate market does not support picture of declining neighborhood under annexation

What's at risk if legislation ultimately fails to pass or gets struck down?

- CoA could elect to not renew LD in response to disannexation attempt, just as they refused to allow for LD in 2007 agreement after MUD attempted to block annexation.
- LD provides parks (one leased), greenbelt maintenance, local fire mitigation, community mtg rooms, security patrols, crowd controls at creek, entrance landscaping, holiday lighting, and deed restriction enforcement

What could be different in LC upon disannexation?

- Responsibility for management of wastewater facility. Would have to hire management and operations personnel, and purchase trucks and equipment.
- Potential reparations to CoA for expenses incurred for maintaining infrastructure during annexed period
- LC voters would have no input on CoA matters (elections, petitions)
- CoA would have little incentive to cooperate with LC (fire mitigation, greenbelt controls, traffic, issues with adjacent neighborhoods and roadways)

Summary

- Legislative path is unclear and uncertain in short term. There's no language to inspect.
- Impact to neighborhood quality of life could be significant with failure at any level
- Current real estate market does not remotely support picture of declining neighborhood
- LCNA has limited reserve funds to dedicate to this that could be exhausted by prolonged legal actions.
- Disannexation for just Lost Creek likely to end up in court