



Legislation Details (With Text)

**File #:** 22-0383      **Version:** 1      **Name:** MUD 35 - Utility Agreement  
**Type:** Agenda Item      **Status:** Second Reading  
**File created:** 8/8/2022      **In control:** Development Services  
**On agenda:** 8/23/2022      **Final action:**  
**Title:** Consider and take action on an ordinance authorizing an Amended and Restated Utility agreement between Galveston County Municipal Utility District No. 35 and Land Funds Two & Three, Joint Venture, and the City of League City (Executive Director of Development Services)

Staff requests approval on first and final reading.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Data Sheet, 2. Proposed Ordinance, 3. Exhibit A - Utility Agreement with MUD 35, 4. ORD 2006-76, 5. Aerial Map

Date	Ver.	Action By	Action	Result
8/23/2022	1	City Council	Approved on First Reading	Pass
8/23/2022	1	City Council	Approved First and Final Reading	Pass

Consider and take action on an ordinance authorizing an Amended and Restated Utility agreement between Galveston County Municipal Utility District No. 35 and Land Funds Two & Three, Joint Venture, and the City of League City (Executive Director of Development Services)

Staff requests approval on first and final reading.

Approval of this item will authorize an Amended and Restated Utility Agreement (“Amended and Restated Utility Agreement”) for Galveston County Municipal Utility District No. 35 (“MUD 35”).

On July 25, 2006, the City consented to the creation of MUD 35 and authorized a Utility Agreement (the “Utility Agreement”) with MUD 35 via Ordinance 2006-76.

Subsequently MUD 35 was created by Order of the Texas Commission on Environmental Quality (the “TCEQ”) in 2007 and operates under Chapters 49 and 54 of the Texas Water Code for the purpose of providing water, sanitary sewer, drainage, and park and recreational facilities to serve the land within its boundaries. MUD 35 was later granted road powers, including the authority to construct and finance roads under Section 52, Article III of the Texas Constitution, via S.B. 2033 of the Texas Legislature, 84<sup>th</sup> Regular Session, effective June 16, 2015, as codified in Chapter 7930, Texas Special District Local Laws Code. MUD 35 contains approximately 373.9 acres of land.

Following the creation of MUD 35, there was a downturn in the housing market nationally and development did not move forward at that time as anticipated. However, Land Funds Two & Three, Joint Venture is now ready to proceed with development of the tract (which is located on the northwest side of League City) to construct a primarily residential development, which will also include a future Santa Fe Independent School District site.

Given the age of the Utility Agreement, a proposed Amended and Restated Utility Agreement is being presented to City Council to update the agreement to the City’s current form, which includes, among other things:

1. Adding terms related to the construction of roads;
2. Clarifying that MUD 35 will retain ownership and maintenance responsibilities of park, recreational, and drainage pond facilities; and
3. Limiting bond maturities to no later than December 31, 2058, while keeping the limitation that the final maturity of all bonds issued shall not exceed 30 years from the date of the initial series of Bonds. The existing Utility Agreement does not include the 2058 deadline.

MUD 35 is located on the northwest side of League City.

Attachments:

- 1) Data Sheet
- 2) Proposed Ordinance
- 3) Exhibit A - Utility Agreement with Galveston County MUD 35
- 4) Ordinance 2006-76
- 5) Aerial Map

FUNDING

- Funds are available from Account # \_\_\_\_\_
- Requires Budget Amendment to transfer from Account # \_\_\_\_\_ to Account # \_\_\_\_\_
- NOT APPLICABLE

STRATEGIC PLANNING

- Addresses Strategic Planning Critical Success Factor # \_\_\_\_\_ and Initiative # \_\_\_\_\_
- NOT APPLICABLE