

Our philosophy is to maintain the current community lifestyle, using local control with a small footprint government.

### **City of Austin Annexation Plans**

- Hudson Bend is currently included in the planned annexation map for the City of Austin. Only incorporated cities (e.g. Lakeway, Volente...) aren't/can't be annexed, BUT they are completely surrounded by City of Austin ETJ. Austin Limited Purpose annexation already comes to Mansfield dam and far beyond on the 'other side' of Lake Travis.

### **Timing**

In the past , city of Austin annexed the Four Points area (620 & 2222) with virtually no notice (4points didn't see it coming).

Annexation area residents have no ability to stop annexation. Once the city decides to move forward, only the city can stop itself, by inaction.

-- The City of Austin rejected a preliminary request to release Hudson Bend from its ETJ.

### **IMPACT** How are we affected?

-- Higher Taxes

Upon annexation, expect additional taxes & higher rates (5-7 times higher than what Hudson Bend by itself would need), in addition to ,not replacing, County taxes (see examples) .

-- More regulations: City of Austin has many more regulations and we prefer fewer.

### **High density development:**

-- Aside from City annexation, Travis County may allow high density development, including high rise hotels, lakefront, whereas an incorporated Hudson Bend could apply its own zoning rules.

-- Our philosophy is to maintain predominant single family residence zoning and manage exceptions pragmatically to preserve the community style.

### **Management Style:**

-- We envision a city council, zoning committee, and a paid secretary (e.g., similar to Volente) with small management cost.

## Hudson Bend Incorporation High-Level Information

Scenarios-->	Current	City of Austin Annexed	Hudson Bend Incorp	Notes
<b>Taxes (Income)</b>				
<b>Sales Tax (2% to local tax authority)</b>	1.75% ESD 6 .25% Lake Travis Library	1% to City of Austin 1% Cap Metro	2% to? Estimated Revenue = ?	<a href="https://mycpa.cpa.state.tx.us/atj/lookup.do">https://mycpa.cpa.state.tx.us/atj/lookup.do</a>
<b>Property Tax</b>	See below	*( Increase 40%?)	Est. Revenue = 400-750K	*City of Austin Budget: 51% AISD, 21% City, 19% County, 5% Central Health, 4% ACC
<b>Alcohol Tax</b>	City of Austin or Travis Co.?	City o Austin	Hudson Bend Incorp.	1% of Sales Tax

<b>Road Maintenance</b>	Travis Co.	City of Austin	Hudson Bend Incorp. Est. Expense = \$300- 450K	expense reference source: Trav Cty 'Road Maintenance'
<b>Fire/EMS</b>	LTFR	City of Austin or Contract	LTFR	Lake Travis Fire & Rescue, Travis Co. ESD 6
<b>Law Enforcement</b>	Travis Co. Sheriff (TCSO)	Austin Police Dept.	Travis Co. Sheriff (TCSO)	
<b>Electric</b>	Austin Energy	Austin Energy	Austin Energy	
<b>Water</b>	WCID 17	Austin Water? (Increase 200-300% in River Bend)	WCID 17	
<b>Sewer</b>	Septic	Austin Wastewater (Increase)	Septic	CoA website implies sewer service, but advisors say city NOT unavoidably required to provide it.
<b>Trash</b>	Various	City of Austin (Increase)	Various	
<b>City Admin</b>	N/A	Paid by City of Austin Tax Revenues	employee = \$ FT/PT?? 50K Other Exp- \$50K	

### Guidelines

<b>Zoning</b>	None	City of Austin	None to start	<a href="https://www.austintexas.gov/sites/default/files/files/Planning/zoning_guide.pdf">https://www.austintexas.gov/sites/default/files/files/Planning/zoning_guide.pdf</a>
<b>Codes &amp; Ordinances</b>	Travis Co.	City of Austin	Travis Co. to start	<a href="https://www.municode.com/library/tx/austin">https://www.municode.com/library/tx/austin</a>  <a href="https://www.traviscountytexas.gov/commissioners-court/county-code">https://www.traviscountytexas.gov/commissioners-court/county-code</a>

### Taxing Authorities' Property Tax and Tax Rates (per \$100 of TCAD taxable value)

		0.48 City of Austin	0.13 City of Hudson Bend	0.13 City of Volente
		0.094 ACC Dist.		ACC taxes within City of Austin and some school districts but not Lakeway ISD
	0.46 Travis Co.	0.46 Travis Co.	0.46 Travis Co.	CoA 'taxable values' are frequently tens of thousands higher than Travis Cty.
	1.41 Lake Travis ISD	1.41 Lake Travis ISD	1.41 Lake Travis ISD	
	0.06 WCID 17	( Included w/ City of Austin)	0.06 WCID 17	
	0.13 Travis Co. Healthcare	0.13 Travis Co. Healthcare	0.13 Travis Co. Healthcare	
	0.10 Travis Co. ESD 6	0.10 Travis Co. ESD 6	0.10 Travis Co. ESD 6	
<b>Total Tax Rate</b>	<b>2.16</b>	<b>2.67</b>	<b>2.29</b>	2.67 -2.29 = <b>.38 X</b> taxable value \$300,000 = .0038 X \$300,000 = <b>\$1140</b> additional tax vs. City of HB

City of Austin Budget FY 2015-2016 Uses of Funds \$3.5 Billion:	
34%	Austin Energy
22%	General Operations
12%	Austin Water
10%	Enterprise Dept.
7%	Internal Operations
5%	Debt Payments
4%	ABIA
6%	Other

HISTORY-City of Austin Property Tax Rates per \$100 Taxable Value Operating plus Debt Expense	
2008	.40
2009	.40
2010	.42
2011	.46
2012	.48
2013	.48
2014	.48
2015	

<http://www.texaspolicy.com/blog/detail/austin-homeowners-see-continue>

2.58 -2.29 = **.29 X** taxable value \$300,000 = .0029 X \$300,000 = **\$870** additional tax for City of Austin vs. City of Hudson Bend

20% tax rate increase in 6 years

<b>Timeline:</b>	<a href="https://austintexas.gov/sites/default/files/files/Planning/Annexation/Annexations_by_Decade.pdf">https://austintexas.gov/sites/default/files/files/Planning/Annexation/Annexations_by_Decade.pdf</a>
1989	City of Austin added Hudson Bend to its two mile District 6 Extra-Territorial Jurisdiction (ETJ) with no warning. <a href="http://www.traviscad.org/Maps/Cities.pdf">http://www.traviscad.org/Maps/Cities.pdf</a> <a href="http://www.austintexas.gov/GIS/JurisdictionsWebMap/">http://www.austintexas.gov/GIS/JurisdictionsWebMap/</a> <a href="http://www.traviscad.org/Maps/Cities.pdf">http://www.traviscad.org/Maps/Cities.pdf</a> <a href="http://www.austintexas.gov/GIS/JurisdictionsWebMap/">http://www.austintexas.gov/GIS/JurisdictionsWebMap/</a> (Click on I Want To and search for street address 3636 N FM 620 RD)
1980-89	City of Austin has established limited purpose annexation of portions of Lake Travis along Comanche Trail extending into the lake.
1997	City of Austin annexed Four Points area (620/2222): <a href="http://www.austintexas.gov/GIS/JurisdictionsWebMap/">http://www.austintexas.gov/GIS/JurisdictionsWebMap/</a> (Click on I Want To and search for street address 6911 N FM 620 RD)
2009	City of Austin annexed River Place. Will be complete in 2017.
?	Hudson Bend is on the City of Austin Planned Annexation Map: <a href="https://austintexas.gov/sites/default/files/files/Planning/Annexation/PlannedFutureAnnexationAreas.pdf">https://austintexas.gov/sites/default/files/files/Planning/Annexation/PlannedFutureAnnexationAreas.pdf</a>
7/21/15	City of Austin rejected request to release Hudson Bend from Austin's ETJ

City of Austin Property Taxes have increased 40% in the last 7 years due to increasing property values and tax rates.  
<http://www.texaspolicy.com/blog/detail/austin-homeowners-see-continued-property-tax-increases>

City of Austin residents have paid a larger percent of their income for increased Property Taxes since 2008 than Dallas, FW, Houston or San Antonio .  
Among the nation's largest cities, Austin had the third-fastest growth in property tax bite on median-valued homes from 2005-2013.  
<http://www.politifact.com/texas/statements/2014/nov/28/jim-skaggs/austin-area-activist-says-austin-has-fastest-growi/>

**City of Austin: Reasons for Annexation** <http://www.austintexas.gov/department/annexation-extraterritorial-jurisdiction-planning>

The City annexes territory to:

- Apply zoning and development standards, including environmental protection
- Create efficiencies in service delivery, particularly for public safety services
- Maximize the return on the City's investment in infrastructure and business incentives
- Protect and expand the tax base
- Provide municipal services beyond those available in rural areas

**Pros of Incorporation:**

- Less total cost increase and less governance than with City of Austin annexation
- Institute local zoning guidelines vs. comply with City of Austin zoning rules

**Cons of Incorporation:**

- Self-governance expense (1 FT/PT employees)
- Road maintenance expense

**Goals of Incorporation: The Liberty City Concept for Self-Governance:**

- Limit the size of government [http://www.alton-moore.net/hudson\\_bend/TPPF\\_Liberty\\_City.pdf](http://www.alton-moore.net/hudson_bend/TPPF_Liberty_City.pdf)
- Keep spending low
- Protect the rights of citizens while providing basic municipal services

**Process for Incorporation:**

1. Petition from 51% (?) of land owned by Hudson Bend owners that City of Austin must vote to approve annexation within 6 months or re
2. If City of Austin votes again not to release us from their ETJ, put incorporation on the ballot of a regular election for Hudson Bend owners.

**Facts:**

Volente avoided annexation by incorporation. They submitted a petition to Austin City Council to annex Volente in 6 months. Austin was not able to do it.

Hudson Bend is a Census Designated Place (CDP) north of 620 from Mansfield Dam Park southward to just past Villas on Travis.  
<https://www.google.com/maps/place/Hudson+Bend,+TX/@30.4113437,-97.9275995,14z/data=!3m1!4b1!4m2!3m1!1s0x865b30f0fbc23671:0x7c869027bce7b2aa>

Hudson Bend has about 1100 homes with 3300 residents in a four square mile area. Avg. Tax Value = \$300K.

Don Zimmerman is City of Austin District 6 Council Member 512-978-2106

Zucker Report (5/11/15 commissioned by the City of Austin) contains a lot of information about how to improve processes at the City of Austin  
<https://austintexas.gov/news/city-shares-complete-zucker-report>

**Helpful Info:**

Hudson Bend Incorporation website: <http://www.hudsonbend.com/>

Local tax rates: [http://www.traviscad.org/pdf/TaxInfo/Entity%20Tax%20Rates%20List\\_CAD3773%20-%20W1\\_141027.pdf](http://www.traviscad.org/pdf/TaxInfo/Entity%20Tax%20Rates%20List_CAD3773%20-%20W1_141027.pdf)

**ACC tax authority article** <http://smmercury.com/2010/10/05/commentary-the-acc-taxing-district-and-taxpayers/>

"... the ACC taxing district can increase its tax for both repayment of bonds and for maintenance costs up toup to \$1.00 per \$100 of property value"  
Also: "There it is in a nutshell. The ACC taxing district needs to expand its tax base in order to overcome perceived fiscal problems. And those problems are perceived, not by anyone in San Marcos, but by the leaders of the Austin business community."

# City of Austin Planning Websites

Development | AustinTexas.gov - The Official Website of the City of Austin

Annexation & Extraterritorial Jurisdiction Planning

## ANNEXATION & EXTRATERRITORIAL JURISDICTION PLANNING

Annexation is the process by which cities extend their municipal services, regulations, voting privileges and taxing authority to new territory.

### Reasons for Annexation

The City annexes territory to:

- Apply zoning and development standards, including environmental protection
- Create efficiencies in service delivery, particularly for public safety services
- Maximize the return on the City's investment in infrastructure and business incentives
- Protect and expand the tax base
- Provide municipal services beyond those available in rural areas

Development | AustinTexas.gov - The Official Website of the City of Austin

Crystal Reports - CAD3773\_W1...

## Planning and Zoning Department

### FREQUENTLY ASKED QUESTIONS

- ▶ Annexation - how will it affect my property tax and utility bills?
- ▶ Extraterritorial Jurisdiction (ETJ) - What is it?
- ▶ Full and Limited Purpose Annexation - What is it?
- ▶ Near term annexation area - What is it?
- ▼ What will I gain from annexation?

Immediately upon annexation, the City of Austin will provide police and fire protection, emergency medical services, garbage and recycling collection, and maintenance of roads and existing street lighting. Residents will enjoy full voting privileges in all mayoral, council, bond, and charter amendment elections.

In addition, centralized water and wastewater collection (sewer) will be extended to lots with septic tanks and wells. Access to a centralized system provides greater reliability and higher capacity with fewer maintenance requirements.

Furthermore, the City of Austin conducts many other programs for public benefit including zoning and development review, code compliance, libraries, health and human services, recreation programs, and small business assistance.

Development | AustinTexas.gov - The Official Website of the City of Austin

## Planning and Zoning Department

### FREQUENTLY ASKED QUESTIONS

- ▶ Annexation - how will it affect my property tax and utility bills?
- ▶ Extraterritorial Jurisdiction (ETJ) - What is it?
- ▼ Full and Limited Purpose Annexation - What is it?

In areas annexed for full purposes, the City provides full municipal services, assesses taxes, and enforces City ordinances and regulations. Residents may vote in all City elections and run for office.

Limited purpose annexation extends the City's ordinances and regulations pertaining to land development and the environment and, in some cases, health and safety. The City collects no taxes in limited purpose areas and does not provide municipal services such as police protection. Residents may vote in city council and charter amendment elections. They may not vote in bond elections or run for office.

- ▶ Near term annexation area - What is it?

Development | AustinTexas.gov - The Official Website of the City of Austin

## Planning and Zoning Department

### FREQUENTLY ASKED QUESTIONS

- ▼ Annexation - how will it affect my property tax and utility bills?

In the calendar year following the annexation, you will begin paying property taxes to the City of Austin. You will cease paying taxes to any emergency service district (ESD) or municipal utility district (MUD) that may have included your property. If you are an Austin Energy customer, the monthly water and wastewater charges will be added to that bill.

Additionally, you will see three City of Austin fees on your utility bill that help fund additional services. These are the anti-litter (street sweeping)/home chemical fee, drainage utility fee, and transportation user fee.

The board of Austin Community College (ACC) may annex the area into its taxing district boundaries, if it is not already within the district, after full purpose annexation by the City of Austin. After annexation into ACC's district, you will begin paying taxes to ACC.

Annexation will NOT affect your status in relation to, or taxes owed to, the following entities:

- The county
- The school district
- The Travis County Healthcare District

Annexation also will NOT affect the following services:

- Natural gas
- Electric
- Cable
- Telephone

## Examples of 'Taxable Value' Differences and Effect on Taxes

CoA 'taxable values' are 'frequently' significantly higher, than Travis County.

EXAMPLE: Compare tax calculations on a **\$297,000 appraised** property \* where there is \$42,115K difference on 'Taxable Value' between CoA and Travis Cty

Calculation.....

	Taxable Value	rate	
City of Austin-	<b>\$179,200</b>	0.48	--> \$862 tax
Travis Cty & Hudson Bend	<b>\$137,085</b>	0.13	--> \$178 tax
Differences	<b>\$ 42,115</b>		= <b>\$684 tax difference</b>

(\*TCAD property 339666 , yr 2015)

Note: city -county 'taxable value' differences vary substantially

### Time to 'Breakeven' Comparison

CoA plus ACC taxes	HB tax	difference
\$ 1,021	\$ 178	\$ 843
yrs delay till annex	HB taxes accumulated	break even year
5	\$ 890	6
10	\$ 1,780	12
15	\$ 2,670	18
20	\$ 3,560	24

### Other Examples of 'Taxable Values' Differences

Property ID:	Appraised	Taxable Value
457893		
Entity Description		
CITY OF AUSTIN	\$635,658	\$560,964
TRAVIS COUNTY	\$635,658	<u>\$477,416</u>
		<b>\$ 83,548</b>
Property ID:818646		
CITY OF AUSTIN	\$361,405	\$329,203
TRAVIS COUNTY	\$361,405	<u>\$280,173</u>
		<b>\$ 49,030</b>
Property ID:102558		
CITY OF AUSTIN	\$452,725	\$425,561
TRAVIS COUNTY	\$452,725	<u>\$362,180</u>
		<b>\$ 63,381</b>

source: TCAD

CoA plus ACC taxes	HB tax	difference
\$ 3,197	\$ 620	\$ 2,577
yrs delay till annex	HB taxes accumulated	break even year
5	\$ 3,100	6
10	\$ 6,200	12
15	\$ 9,300	19
20	\$ 12,400	25

**These examples analyze taxes only. They do not include other City of Austin charges for trash, water, sewer, etc.**

# Hudson Bend Expense and Tax Rate Ranges

<b>Hudson Bend 'Taxable Value'</b>	-->	<b>operations expense range</b>	<b>implied tax rate</b>	
<b>\$ 580,000,000</b>		\$ 400,000	0.07	<b>Other income</b>
tallied: \$579,856,686		\$ 450,000	0.08	<b>sales tax @1% 10K/mo YTD</b>
this value is Travis County 'Taxable Value' on the 1977 +/- properties in Hudson Bend (exemptions applied)		\$ 500,000	0.09	<b>Alcohol Tax</b> TBD
		\$ 550,000	0.095	
		\$ 600,000	0.103	
		\$ 650,000	0.11	
		\$ 700,000	0.12	
		\$ 750,000	0.13	
		\$ 800,000	0.14	

		<b>tax rate</b>	
<b>CoA tax \$\$ from HB 'Taxable Value'</b>	-->	<b>\$ 2,800,000</b>	<b>0.48 City of Austin tax rate;</b>
CoA 'taxable value' totals are significantly higher than Travis County, CoA would take even more than the \$2M extra shown here.			
<b>ACC tax \$\$ from HB 'Taxable Value'</b>	-->	<b>\$ 500,000</b>	<b>0.09 ACC uses taxable values higher than CoA</b>

Budget items	min	max	notes
Road Maintenance	\$ 350,000	\$ 450,000	
Clerk admin	\$ 33,000	\$ 100,000	part time / full time ??
code enforcment Legal??	\$ 30,000	\$ 60,000	
Total	\$ 413,000	\$ 610,000	

Code	Name	Type District	RateSum	Cert	PTD	Appr	Frc
0A	TRAVIS CENTRAL APP DIST	Appr Dist		Yes	Yes	Yes	
02	CITY OF AUSTIN	City	0.480900	Yes	Yes	Yes	
03	CITY OF MANOR	City	0.711900	Yes	Yes	Yes	
09	CITY OF WEST LAKE HILLS	City	0.053400	Yes	Yes	Yes	
11	CITY OF ROLLINGWOOD	City	0.206600	Yes	Yes	Yes	
12	VILLAGE OF SAN LEANNA	City	0.249800	Yes	Yes	Yes	
20	CITY OF PFLUGERVILLE	City	0.533600	Yes	Yes	Yes	
21	CITY OF LAKEWAY	City	0.170000	Yes	Yes	Yes	
2F	CITY OF ROUND ROCK	City	0.414650	Yes	Yes	Yes	
3F	CITY OF CEDAR PARK	City	0.485000	Yes	Yes	Yes	
3H	CITY OF AUSTIN/HAYS CO	City	0.480900	Yes	Yes	Yes	
40	CITY OF CREEDMOOR	City	0.387300	Yes	Yes	Yes	
49	CITY OF LAGO VISTA	City	0.650000	Yes	Yes	Yes	
50	CITY OF JONES TOWN	City	0.565600	Yes	Yes	Yes	
55	VILLAGE OF BRIARCLIFF	City	0.160500	Yes	Yes	Yes	
5F	CITY OF ELGIN	City	0.130110	Yes	Yes	Yes	
5G	VILLAGE OF VOLENTE	City	0.130000	Yes	Yes	Yes	
5H	VILLAGE OF WEBBERVILLE	City	0.277400	Yes	Yes	Yes	
61	CITY OF MUSTANG RIDGE	City	0.499800	Yes	Yes	Yes	
6F	CITY OF LEANDER	City	0.652920	Yes	Yes	Yes	
7E	VILLAGE OF THE HILLS	City	0.024850	Yes	Yes	Yes	
7F	VILLAGE OF POINT VENTURE	City	0.109500	Yes	Yes	Yes	
83	CITY OF BEE CAVE	City	0.020000	Yes	Yes	Yes	
1C	TRAVIS CO ESD NO 3	ESD	0.090800	Yes	Yes	Yes	
1I	RANDOLPH TRAVIS COUNTIES ESD NO 1	ESD	0.096600	Yes	Yes	Yes	

**Example of the additional ACC 'Taxable Value' and Tax**

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
01	AUSTIN ISD	1.222000	\$485,000	\$427,643	\$5,225.80
02	CITY OF AUSTIN	0.480900	\$485,000	\$425,484	\$2,046.15
03	TRAVIS COUNTY	0.456300	\$485,000	\$382,114	\$1,652.33
0A	TRAVIS CENTRAL APP DIST	0.000000	\$485,000	\$452,643	\$0.00
2J	TRAVIS COUNTY HEALTHCARE DISTRICT	0.126400	\$485,000	\$382,114	\$457.71
3L	WALLER CREEK TIF	0.000000	\$485,000	\$452,643	\$0.00
68	AUSTIN COMM COLL DIST	0.094200	\$485,000	\$447,643	\$421.68
<b>Total Tax Rate:</b>					<b>2.379800</b>
				Taxes w/Current Exemptions:	\$9,803.67
				Taxes w/o Exemptions:	\$10,772.00

ACC tax authority article

<http://smmercury.com/2010/10/05/commentary-the-acc-taxing-district-and-taxpayers/>

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CITY OF LAGO VISTA	0.650000	0.65
CITY OF JONESTOWN	0.565600	0.57
CITY OF PFLUGERVILLE	0.533600	0.53
CITY OF MUSTANG RIDGE	0.499800	0.50
CITY OF CEDAR PARK	0.485000	0.49
CITY OF AUSTIN	0.480900	0.48
CITY OF AUSTIN/HAYS CO	0.480900	0.48
CITY OF ROUND ROCK	0.414650	0.41
CITY OF CREEDMOOR	0.387300	0.39
VILLAGE OF WEBBERVILLE	0.277400	0.28
VILLAGE OF SAN LEANNA	0.249800	0.25
CITY OF ROLLINGWOOD	0.206600	0.21
CITY OF LAKEWAY	0.170000	0.17
VILLAGE OF BRIARCLIFF	0.160500	0.16
VILLAGE OF VOLENTE	0.130000	0.13
VILLAGE OF POINT VENTURE	0.109500	0.11
CITY OF WEST LAKE HILLS	0.053400	0.05
VILLAGE OF THE HILLS	0.024850	0.02
CITY OF BEE CAVE	0.020000	0.02