



Sanctuary MUDs Strategic Partnership Agreement

File ID: 25-188, 25-239

Charlie Rosendahl

Deputy Director of Business Services

Development Services

May 6, 2025



Background

Municipal Utility District (MUD)

- Special-purpose district created to provide essential services such as water, wastewater, and drainage to areas outside city limits.

Sanctuary MUD History

- Fall 2022 – City received Petition for Consent to Create.
- Mar. 2023 – Developer submitted Petition for Creation to TCEQ.
- Aug. 2023 – TCEQ Ordered Creation.
- 2022-2024 – Staff and Developer meetings to craft terms for agreement.
- Oct. 2024 – City received consent petitions for additional land.
- Feb. 4, 2025 – City Council approved a development agreement (including a strategic partnership agreement), utility service agreement, and resolutions of consent to the additional land request.



Sanctuary MUDs

	Sanctuary 1	Sanctuary 2
Total Acres	273	563
Developable Acres	194	411
Commercial Acres		5.9
Single-Family Homes	1,037	2,117

Development Timeline

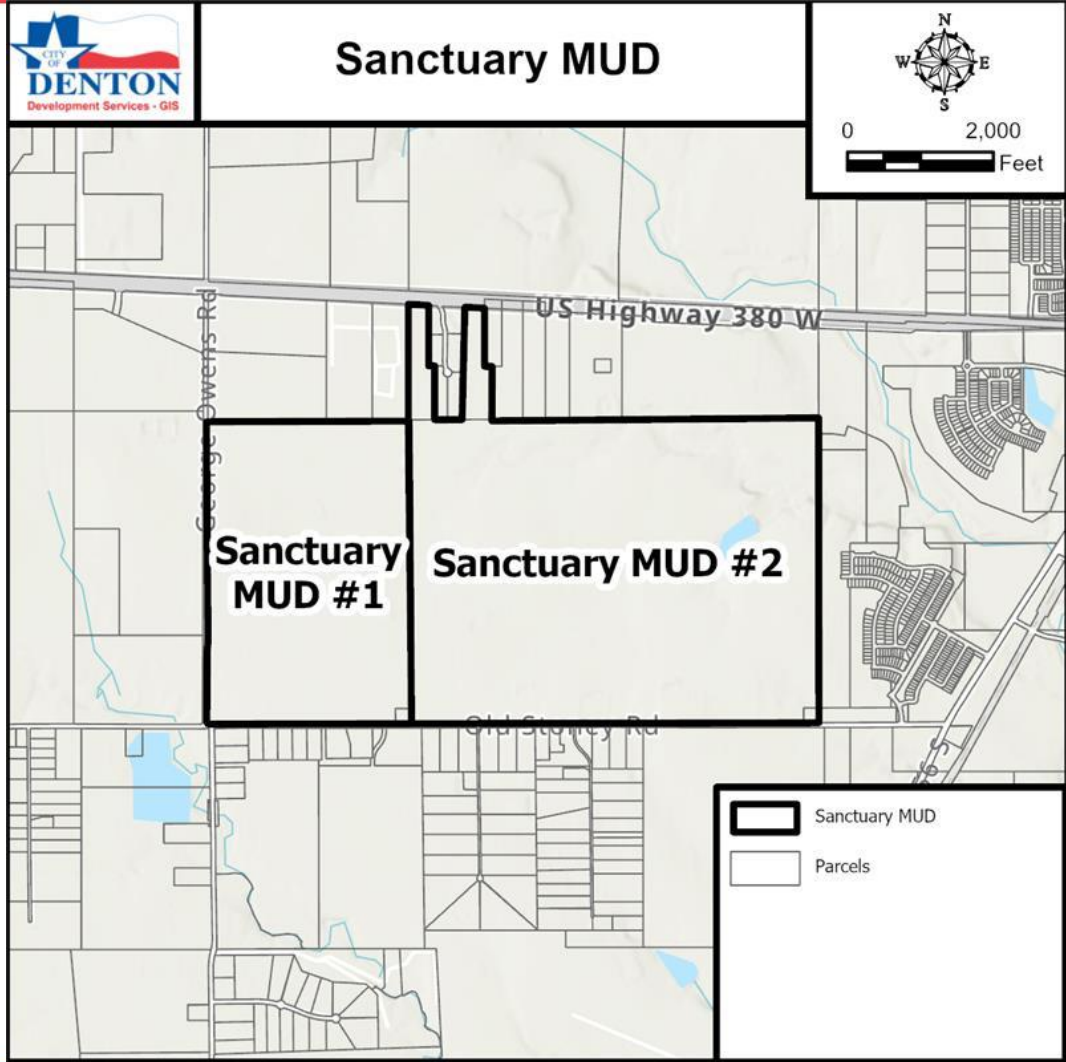
- Construction Start: Q4-2025
- First Homes: Q2-2027



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Strategic Partnership Agreement

- Initiated by Development Agreement (24-2177).
- Requires 2 public hearings by each the City and MUD for adoptions of the agreement.
 - This is the 2nd Public Hearing.
- Limited Purpose Annexation
 - Allows the City to collect sales tax on this property which otherwise would not be collected.
 - 50% of the taxes collected go to the MUD.
 - Est. \$4.4M of retail sales tax (\$2.2M City; \$2.2M Sanctuary MUD) over 30 years.
- Future Full Purpose Annexation



Recommendation

- Staff recommends **approval** of the Strategic Partnership Agreement as it was included in the approved Development Agreement and is consistent with the MUD policy.

Questions?

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