



Sanctuary MUDs Strategic Partnership Agreement

File ID: 25-187, 25-238

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**Deputy Director of Business Services &
Operations**

Development Services

April 15, 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.

Meadows 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

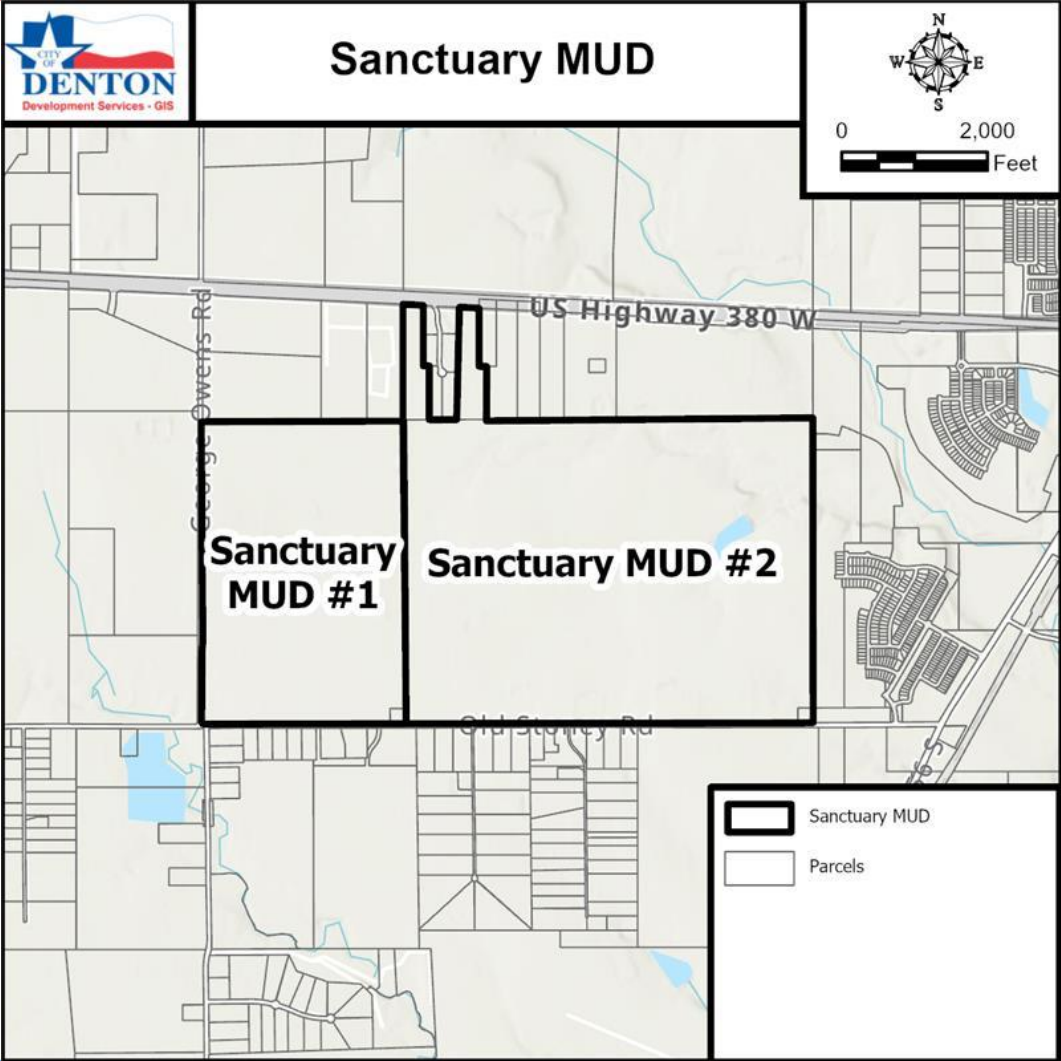
- Construction Start: Q4-2025
- First Homes: Q2-2027



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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 1st public hearing. 2nd public hearing is planned for May 6.
- 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



Questions?

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