



Agenda Item Report

Legislative Board: City Council
Date: May 5, 2026
Contact: Angela Kennedy, Director
Agenda Item ID / Number: 2026-389- / K.2

ITEM TITLE: Public hearing, deliberation, and possible action to consider an Ordinance on first and final reading and to adopt said Ordinance approving Amendment No. 2 to the City of Buda Annexation, Development, and Municipal Utility District Consent Agreement for the Colony at Cole Springs, involving approximately 168.883 acres located south of Old Black Colony Road and west and north of Cole Springs Road, between the City of Buda, Buda Municipal Utility District No. 1, Meritage Homes of Texas, LLC, and M/I Homes of Austin, LLC (Development Services Director/City Engineer Angela Kennedy, P.E. CFM) [PUBLIC TESTIMONY]

1. EXECUTIVE SUMMARY

The Colony at Cole Springs is a residential development located south of Old Black Colony Road and west and north of Cole Springs Road totaling 168.883 acres, of which approximately 112.6 acres is being developed as detached single-family residential housing. This amendment to the Development Agreement introduces several modifications to facilitate earlier construction activity and improve project flexibility. It allows limited early issuance of building permits, adjusts timing requirements for amenities and infrastructure, and provides alternative approaches for tree mitigation, signage placement, and landscaping completion with fiscal security. The amendment also advances inspection timelines, accelerates construction of the oversized water tank water line, and clarifies provisions for temporary power service until permanent infrastructure is in place.

2. BACKGROUND/HISTORY

The Colony at Cole Springs is a residential development located south of Old Black Colony Road and west and north of Cole Springs Road totaling 168.883 acres, of which approximately 112.6 acres is being developed as detached single-family residential housing. The Development Agreement (DA) and MUD Consent for the Colony at Cole Springs Development were approved by Ordinance (No. 2020-10) in June 2020. The lots are zoned both F4 and R3 and will allow a maximum of 531 total residential lots. This development is to be constructed in 3 major phases.

An amendment to the DA (No.2023-23) and approval of a Tax Increment Reinvestment Zone (TIRZ) were considered and approved by Ordinance (No.2023-24) in November 2023. Construction of the public improvements for Phase 1 of the residential development started March 2024 and was accepted into the maintenance warranty period in March 2026. A cost sharing agreement was approved by Council on March 24, 2026 regarding the oversizing of the Colony at Cole Springs wastewater lift station to provide additional capacity for development west of the neighborhood and along the FM1626 corridor. The construction of the realignment of Old Black Colony Road and the Onion Creek Bridge is complete and are currently in the inspection and punch list phase before public acceptance.

3. ANALYSIS

This Development Agreement amendment accomplishes ten items:

1. Allows the issuance of early start building permits before the roads and utilities are accepted into the maintenance warranty period -includes 16 permits for each future phases II-A, II-B, and III.
2. Allows issuance of building permits for Phase II-A prior to completion of the Phase I amenity

center. The site plan permit for the Amenity center was issued in April 2026.

3. Allows mitigation trees to be relocated from the F4 lots to the R-3 district or open space within the development.
4. Allows sales signage to be placed around the perimeter of the development in accordance with Exhibit A. Some of the locations are on City of Buda parkland, on private property, or in right-of-way.
5. Defers completion of neighborhood landscaping with acceptance of fiscal security.
6. Includes staff inspection requirements for public improvements earlier than the current process, with associated fees.
7. Construction of the oversized water tank site line within 60 days following approval of the plans, allowing earlier construction than with Phase III of the development as is outlined in the current agreement.
8. Ensures completion of all oversized water infrastructure within 7 years of this amendment, after which all suspended impact fee payments are due.
9. Ensures completion of all oversized wastewater infrastructure within 7 years of this amendment, after which all suspended impact fee payments are due.
10. Recognition that temporary power will be provided to the water tank site, until permanent power can be provided with completion of Phase II-B of the development.

UDC 3.03.12 Approval Criteria. In determining whether to approve, approve with modifications or disapprove a proposed Development Agreement or amendment, the City Council shall consider the following matters:

1. The proposed agreement promotes the health, safety, or general welfare of the city and the safe orderly, and healthful development of the city.
2. The proposed agreement is consistent with the Comprehensive Plan.

4. FINANCIAL IMPACT

None foreseen

5. STRATEGIC PLAN/GOALS

EXCEPTIONAL CITY SERVICES

6. STRATEGIC PLAN OBJECTIVES

Become a more business friendly - regulations, codes and processes

7. PROS AND CONS

Pros: Completion of the oversized waterline to the elevated water tank fully connecting the new facility to our water system. Removing some regulatory barriers to support the efficient completion of the residential development.

Cons: Expanded signage, including on parkland and right-of-way, may raise aesthetic or compliance concerns. Increased staff inspection requirements may require additional City resources and administrative coordination.

8. ALTERNATIVES

City Council may approve, approve with modifications or disapprove the proposed Development Agreement amendment.

9. REQUESTED ACTION / SUGGESTED MOTION / RECOMMENDATION

Staff recommends approval of the ordinance as presented.

Attachments:

[Ordinance - Colony at Cole Springs Amendment to DA_05052026.docx](#)
[Colony at Cole Springs Amendment to DA Draft.docx](#)
[Exhibit A Sales Signs.pdf](#)
[Colony at Cole Springs Presentation Slides.pdf](#)