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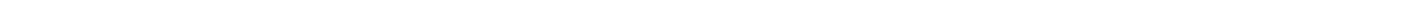
NEWS // LOCAL NEWS

Lawsuit says city of Liberty Hill refused promised water to developers

Residential project developers paid the city \$9.3M to reserve water

By **Claire Osborn**, Staff Writer

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LIBERTY HILL
TEXAS

A map shows the location of one phase of the Mansions Project in Liberty Hill that would have 420 units, including duplexes. The developers of the project have sued the city.

City of Liberty Hill

The developers of a residential project have filed a lawsuit against Liberty Hill, saying the city has illegally denied them access to water they paid \$9.3 million to reserve in 2022 and also has illegally denied them site development permits.

Developers of the 251-acre Mansions Project also asked a district judge to issue a temporary injunction that would stop the city from providing water to other new developments until it provides access to the water they reserved. Williamson County District Judge Betsy Lambeth denied the request for a temporary injunction on Thursday.

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The attorneys representing the city and the developers did not respond to a request for comment.

The city's development agreement with the Mansions Project in 2023 was based on the city completing a South San Gabriel River Wastewater Improvement and Lift Station project, according to the city's response to the request for a temporary injunction. The city has not constructed the project because it has not secured the necessary easements, the response said.

The developers said in their request for a temporary injunction that city staff told them in May that none of the new water Liberty Hill would get in a contract with the city of Georgetown would be allocated to the Mansions Project. "Rather the city officials said that this new water capacity will go instead to new commercial projects based on a new city process that post-dates Plaintiffs' reservation of its water capacity," the request for a temporary injunction said.



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"And there is no wonder why. The city is now charging double what it charged Plaintiffs to obtain water service, meaning that the city profits by giving the Mansion Project's water capacity to new developments."

The city made an agreement with Georgetown in August to pump 250,000 gallons of water per day to Liberty Hill. The water comes from the city of Round Rock but could only be transmitted through Georgetown's water lines.

The Liberty Hill City Council denied unconditional approval of the site development permits for the Mansions Project on Sept. 10, the request for a temporary injunction said.

But at its meeting on Sept. 24, the City Council approved site development permits including connection to the city's water and wastewater utilities for two fast food restaurants, an office building, a mixed-use building and a warehouse, according to the lawsuit. "None of these developments," the lawsuit said, "reserved water capacity with the city prior to the plaintiffs."

The next court hearing on the lawsuit is set for Dec. 19.

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The lawsuit was filed in October by three companies named 4400 CR 277 Investments, 5500 CR 277 Investments and 6600 County Road 277 Investments.

The names of the developers are not listed in the lawsuit.

The Mansions Project consists of three large housing communities called the Mansions, the Luxe and the Cottages. Each of the projects would contain duplexes and offer 420 units, according to development plans. The project would be near County 277 and adjacent to Liberty Hill High School.

The lawsuit said that the Liberty Hill City Council illegally denied the unconditional approval of the site development permits for the Mansions Project in September. Site development permits are issued when the city approves a site development plan. A site development plan is a detailed drawing showing where buildings, parking, landscaping, utilities and other improvements will be arranged and built to comply with city standards.

The permits that the developers applied for met all the requirements in the Unified Development Code so the City Council was legally required to approve them, according to the lawsuit. The City Council decided on Sept. 10 to issue only conditional approval for the site development permit for the Mansions portion of the project after the city manager said the developers had to redo a utility reassessment already completed in 2021, the lawsuit said. The city said the original permit did not include water for the amenity center, pool or fire flow demands, the lawsuit said.

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Matthew Heils, who said he was associated with the Mansions owner and development team, spoke against the city's new required utility assessment at the City Council meeting on Sept. 10. The site development permit for the Mansions portion of the project already included the utilities necessary for the amenity center, the pool and fire flow demands, he said. "I am vehemently opposed to doing a new utility evaluation," he said.

The City Council did not take action on Sept. 10 on the developer's request that the site development permits for the Luxe and the Cottages be approved.

The city manager had recommended to the City Council that it not approve the site development permits for the Luxe and the Cottages because the proposed developments did not have "sufficient permitted water or wastewater infrastructure," the lawsuit said.

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The developers of the Mansion Project, in addition to spending \$9.3 million for reserving water for the project, have also spent another \$20 million on utility reservation fees, utility buy-in, and construction of public improvements, the lawsuit said. "But unless and until the City approves Plaintiffs' Site Development Plans," according to the lawsuit, "the Mansions Project cannot meaningfully progress."

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WILLIAMSON COUNTY REPORTER



Claire Osborn covers cops, courts and general assignments in Austin. Her current beat is Williamson County. She covers county commissioners meetings, crime, city councils, health issues and human interest stories. Claire won the Star Breaking News Report of the Year in 2021 from the Texas Associated Press Managing Editors Star Breaking along with two other reporters and a videographer. The story was about Javier Ambler, a black man who died in 2019 in Williamson County after being tased multiple times by sheriff's deputies. The story resulted in charges against authorities for tampering with evidence.

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