

RESOLUTION NO. 25-R-021

A RESOLUTION OF THE CITY COUNCIL OF SCHERTZ, TEXAS AUTHORIZING THE APPROVAL OF A DEVELOPMENT AGREEMENT WITH SCHERTZ BFR LLC FOR APPROXIMATELY 30.5 ACRES OF LAND AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the City staff of the City of Schertz (the “City”) has worked with Schertz BFR LLC (“Owner”) to enter into a Development Agreements for approximately 30.5 acres of land located on the east side of FM 1518, approximately 165 feet south of Hollering Vine after recognizing the mutual benefits of doing so; and

WHEREAS, Texas Local Government Code Section 212.172 allows the City to enter into an agreement with an owner of land that is located in the extraterritorial jurisdiction of the municipality; and

WHEREAS, the City staff has recommended that the development agreement for the property be approved.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS:

Section 1. The City Council hereby authorizes the City Manager to execute and deliver the Development Agreement with Schertz BFR LLC (Owner) generally per the attached Exhibit A, subject to changes approved by the City Manager and City Attorney.

Section 2. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.

Section 3. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 4. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 5. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of

such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Resolution would have been enacted without such invalid provision.

Section 6. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.

Section 7. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED AND ADOPTED, this ____th day of _____, 2025.

CITY OF SCHERTZ, TEXAS

Ralph Gutierrez, Mayor

ATTEST:

City Secretary, Sheila Edmondson

(CITY SEAL)

Exhibit A
Development Agreement

DEVELOPMENT AGREEMENT
SCHERTZ BFR LLC

This DEVELOPMENT AGREEMENT (“Agreement”) is entered into effective as of the ___ day of _____, 2025, by and between the City of Schertz, Texas, a Texas Municipal Corporation (“City”) and Schertz BFR LLC (“Owner”). The City and the Owner may be individually referred to herein as “Party” or collectively as the “Parties”.

WHEREAS, the Owner owns approximately 30.35 acres located on the east side of FM 1518 and approximately 165 feet south of Hollering Vine within the City of Schertz Extraterritorial Jurisdiction (“Property”), as further described in **Exhibit “A”**; and

WHEREAS, the Owner is proposing to develop the property as a residential community (the “Project”); and

WHEREAS, Section 212.172 of the Texas Local Government Code provides that a municipality may make a written contract with the owner of land in the extraterritorial jurisdiction to guarantee the continuation of extraterritorial status, extend planning authority over the land by providing for a development plan, authorize enforcement of certain municipal land use and development regulations, authorize enforcement of land use and development regulations other than those that apply within the municipality’s boundaries, provide for infrastructure for the land, provide annexation as whole or in parts and to provide for the terms of annexation, if agreed to by both parties, specify the uses and development of the land before and after annexation if annexation is agreed to by both parties, and include other lawful terms and consideration the parties consider appropriate; and

WHEREAS, the owner is made aware by this disclosure that the owner is not required to enter into this agreement, the City may annex an area per Section 43.0671 if each land owner in the area requests annexation after the City accepts the petition for annexation, provides notice of the annexation and holds a public hearing to consider annexation within the required timeframe, the procedures to enter into this agreement and submit for voluntary annexation require the owners’ consent and the municipality makes no waivers to immunity to suit beyond what is provided in State Law; and

WHEREAS, the Property is located within the City’s water and sewer certificates of convenience and necessity (“CCN”) and are seeking water and sewer service from the City; and

WHEREAS, the Project is anticipated to have impacts on the City's water and sewer system and in order to better plan for and anticipate future infrastructure needs, there is benefit to the City in annexing the property so as to be able to plan for an anticipate future land uses and their corresponding impact on infrastructure; and

WHEREAS, in recognition of the mutual benefits to be derived from the controlled and planned development of the Property, Developer and City desire to enter into this Agreement; and

WHEREAS, the City of Schertz City Council authorized and approved this Agreement at a regularly scheduled council meeting subject to the Open Meetings Act in compliance with the laws of the State of Texas and the ordinances of the City on February 4, 2025; and

NOW THEREFORE, in consideration of the terms and conditions described herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and Developer agree as follows:

I. GENERAL TERM AND CONDITIONS

1.01 Agreement. The Owners agree that the Properties shall be annexed into the City immediately following completion of the Project, as further defined in Section 1.07 herein.

1.02 Completion of the Project. The Project shall be deemed complete ("Project Completion") when all infrastructure improvements have been properly and completely permitted, and constructed and when a residential structure has been properly and completely permitted and constructed.

1.03 Zoning. The Owners acknowledge and agree that the City may zone the Properties in a manner consistent with the uses hereunder contemplated, but this Agreement does not constitute a contract for specific zoning.

1.04 Conforming Use Status. The City agrees that the Project, shall be considered a conforming use.

1.05 Water and Sewer Service. The City hereby agrees to allow the Developer to connect the project to City water and sewer infrastructure and provide water and sewer service to the project.

1.06 City Capital Recovery Fees. The City agrees that the Project will pay a City water impact fee of \$2,934 per Land Use Equivalent ("LUE") and a City sewer impact fee of \$1,668 per LUE regardless of any increase in the City impact fee rates. The Project will pay impact fees as may be due to other entities per the fee schedule in effect at time of connection.

1.07 Annexation. As consideration for this Agreement the Owner agrees to full purpose annexation of the Property at the times described herein.

1.07.1 Within Six months of receipt of a certificate of occupancy or the equivalent approval from the permitting authority, which is Bexar County, to occupy a building, the Owners of said property shall be deemed to have submitted a petition for full-purpose, voluntary annexation to the City for the Property. A copy of the form of Annexation Petition is attached as Exhibit "B". If a certificate of occupancy or the equivalent is not provided within 3 years of the date of approval of this Agreement, the owner of the Property shall be deemed to have submitted a petition for full-purpose, voluntary annexation to the City for and the City may annex the property. Concurrent with annexation of the Property, the City, with the Owner's consent, shall initiate a zoning change to establish a zoning district that as closely as possible reflects the terms and conditions of this Agreement.

1.08 Term. The term of this Agreement will commence on the Effective Date and continue for thirty (30) years thereafter ("Initial Term"), unless sooner terminated under this Agreement. After the Initial Term, the Agreement may be extended for a fifteen (15) year period by Owners, with City's approval, by delivering written notice of such election to the City on or before the expiration of the then-current term.

1.09 Enforcement and Default. If either Party defaults in its obligations under this Agreement, the other Party must, prior to exercising a remedy available to that Party due to the default, give written notice to the defaulting Party, specifying the nature of the alleged default and the manner in which it can be satisfactorily cured, and extend to the defaulting Party at least thirty (30) days from receipt of the notice to cure the default. If the nature of the default is such that it cannot reasonably be cured within the thirty (30) day period, the commencement of the cure within the thirty (30) day period and the diligent prosecution of the cure to completion will be deemed a cure within the cure period.

1.09.1 This Agreement may be enforced by the Owners, including successors and assigns, or the City by any proceeding at law or in equity. Failure to do so shall not be deemed a waiver to enforce the provisions of this Agreement thereafter.

1.10 Remedies for Default. If either Party defaults under this Agreement and fails to cure the default within the applicable cure period, the non-defaulting Party will have all rights and remedies available under this Agreement or applicable law, including the right to institute legal action to cure any default, to enjoin any threatened or attempted violation of this Agreement or to enforce the defaulting Party's obligations under this Agreement by specific performance or writ of mandamus, or to terminate this Agreement or other enforcement remedies the City may possess under its municipal regulatory authority.

1.10.1 Notwithstanding anything herein to the contrary, no party shall be deemed to be in default hereunder until the passage of ten (10) business days after receipt by such party of notice of default from the other party. Upon the passage of ten (10)

business days without cure of the default, such party shall be deemed to have defaulted for purposes of this Agreement.

II. MISCELLANEOUS PROVISIONS

Section 2.1. Covenant Running With the Land. This Agreement shall be recorded in the Official Property Records of Bexar County and shall be a covenant running with the land binding upon all parties having any right, title or interest in the Property or any part thereof, including their heirs, successors and assigns.

Section 2.2. Provisions Severable. If a court of competent jurisdiction determines that any covenant of this Addendum is void or unenforceable, then the remainder of this Addendum shall remain in full force and effect.

Section 2.3. Enforcement. This Agreement may be enforced by the Owner, including successors and assigns, or the City by any proceeding at law or in equity. Failure to do so shall not be deemed a waiver to enforce the provisions of this Addendum thereafter.

Section 2.4. Governmental Powers. It is understood that by execution of this Agreement, the City does not waive or surrender any of its governmental powers.

Section 2.5. Modification of Agreement. This Agreement cannot be modified or amended without the written consent of the Parties hereto and attached and made a part of this Addendum.

Section 2.6. Governing Law and Venue. Venue shall be in the state courts located in Bexar County, Texas or the United States District Court for the Western District of Texas, San Antonio Division and construed in conformity with the provisions of the Texas Local Government Code. In the event that a Party initiates a cause of action in court, the prevailing party shall be entitled to reasonable and necessary attorney's fees and costs of court.

EXECUTED to this day of ____, 2025

SIGNATURE PAGES TO FOLLOW

CITY:

**The City of Schertz,
a Texas Municipal Corporation.**

By: _____

Name: _____

Title: _____

**STATE OF TEXAS §
 §
COUNTY OF GUADALUPE §**

This instrument was acknowledged before me on the _____ day of _____, 2025,
by _____, the _____ of the City of Schertz, on behalf of
said City.

Notary Public, State of Texas

OWNER:

XXXXXXXXXX

XXXXXX

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 2025,
by _____, who acknowledged that he is authorized to execute this
document on its behalf.

Notary Public, State of Texas

EXHIBIT A
The Property

EXHIBIT B
Annexation Petition