



# JOINT WORKSHOP AGENDA REPORT

**AGENDA OF:** February 11, 2026  
**DEPARTMENT:** Community Development  
**SUBJECT:** Discussion on the updated Development Agreement Policy.

---

## Purpose of Workshop

The purpose of this joint workshop is to review and discuss the City's Development Agreement Policy and to receive feedback from the Planning & Zoning Commission and City Council on proposed guiding principles, standards, and process prior to formal adoption or implementation.

Development Agreements are intended to shape growth in a manner that reflects community priorities, ensures fiscal responsibility, and supports long-term sustainability for the City of Castroville. These agreements are not solely contracts with developers, but tools to ensure new development aligns with the City's character and long-term goals

## Background

The City utilizes Development Agreements primarily for properties located in the Extraterritorial Jurisdiction (ETJ) to establish development standards, infrastructure expectations, and annexation schedules. The policy is designed to ensure that development outside the city limits is compatible with development inside the city limits in anticipation of eventual annexation

The Development Agreement Policy establishes:

- When Development Agreements are applicable
- Minimum development standards
- Incentive eligibility, if agreed upon
- The overall review and approval process

## Key Policy Themes for Discussion

Staff will present and facilitate discussion on the following guiding principles included in the Development Agreement Policy:

- **Annexation:** Development at the city's edge should ultimately be annexed into the City to ensure fairness in taxation and infrastructure coordination.
- **Design & Building Standards:** Encouragement of durable materials and architectural character that exceeds state minimums.

- **Fiscal Stewardship:** Development should be fiscally productive and not create long-term financial burdens on the City.
- **Civic Space:** Dedication of at least two (2) acres of land for civic or community purposes in addition to parkland.
- **Connectivity:** Emphasis on interconnected street networks, sidewalks, and trails to avoid isolated development.
- **Underground Utilities:** Utilities should be installed underground, including future broadband capacity.
- **Neighborhood Services:** Support for small-scale commercial and service uses within neighborhoods.
- **Dark Skies:** Lighting practices that preserve Castroville’s rural night skies.
- **Community Character:** Enhanced streetscapes, native landscaping, and natural buffers.
- **Housing Variety:** Encouragement of mixed housing types and façade diversity.

These principles form the foundation for determining whether a proposed development agreement aligns with City policy and community expectations

## Role of the Boards

### Planning & Zoning Commission:

- Reviews Development Agreements for consistency with subdivision and zoning standards
- Makes a recommendation to City Council

### City Council:

- Serves as the final decision-making authority
- Determines whether proposed Development Agreements align with community priorities and long-term goals

## Workshop Objectives

The objectives of this workshop are to:

- Provide an overview of the Development Agreement Policy
- Confirm shared expectations between Planning & Zoning and City Council
- Discuss key standards and guiding principles
- Receive feedback on the proposed framework
- Identify any policy adjustments prior to formal implementation

### ATTACHMENTS/ADDITIONAL INFORMATION:

- Development Agreement Policy – Approved January 2025, Rescinded June 2025
- Updated Development Agreement Policy – Recommended for approval by Planning and Zoning December 2025