Agenda Report

Agenda of: August 26, 2025

Department: Administration / Legal

Subject: Discussion and appropriate action on a resolution amending the Development Agreement for the City of Castroville East Side Public Improvement District No. 2 (Flat Creek)

Recommended Motion:

I move to Approve a resolution amending the Development Agreement for the City of Castroville East Side Public Improvement District No. 2 (Flat Creek)

Background:

On August 24, 2023, the City of Castroville entered into a Development Agreement with KF Flat Creek, LP ("Developer") in connection with the creation of the City of Castroville East Side Public Improvement District No. 2 (Flat Creek). The Development Agreement established terms and conditions for the development of a high-quality, master-planned residential community, including provisions related to Public Improvement District (PID) financing.

The Developer has requested an amendment to the Development Agreement to modify the aggregate principal amount of PID Bonds that may be issued for the development of the District.

The First Amendment to Development Agreement provides that:

- The aggregate principal amount of all PID Bonds shall not exceed $25,000,000**,** plus the amount allocated to the project pursuant to the Multi-Party Agreement in accordance with Section 3.04(f) of the Development Agreement.
- All other provisions of the original Development Agreement remain in full force and effect.

This amendment has been reviewed by City staff and legal counsel and is attached to the proposed resolution as Exhibit A.

The Planning and Zoning Commission recommended approval of this item at the August 13 meeting.

Fiscal Impact: N/A

☐ **Budgeted**   ☐ **Requires Budget Amendment**

Attachments:

- Planning and Zoning Board Action
- Resolution – Approving First Amendment to Development Agreement (Flat Creek)
- Exhibit A – First Amendment to Development Agreement (Flat Creek)

Urgency (0-5 = Low Urgency to High Urgency): 3

Impact (0-5 = Low Impact to High Impact): 3

Submitted by: Scott Dixon