

## **Staff Report: Alsatian Oaks Development Agreement**

**Date of Agreement Approval:** September 24, 2019

**Parties Involved:** City of Castroville, Texas & HWY 90 Castroville Partners, Ltd.

**Size of Development:** Approximately 417.848 acres

**Type of Development:** Master-planned, mixed-use community with ~950 single-family residential lots and 378,030 sq ft of commercial.

### **Background and Origin**

The agreement originated from the City's Economic Development Program, adopted under Chapter 380 of the Texas Local Government Code. The developer voluntarily agreed to full-purpose annexation into the City and committed to specific development standards and public infrastructure provisions in exchange for economic incentives.

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### **Benefits to the City**

- **Annexation and Growth:** Expanded city limits and utility customer base.
  - **Revenue Expansion:** Increased property and sales tax bases.
  - **Public Improvements:** New infrastructure including streets, water, wastewater, and public spaces.
  - **Housing & Commerce:** Creation of new residential and commercial opportunities.
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### **Cost to the City**

- The City committed to economic development grants (property and sales tax reimbursements) capped at **\$35,253,206** over time (Capital Costs: \$23.6M, Financing Costs: \$11.6M).
  - Grants are paid from revenue generated by the development, not from general funds.
  - The City is responsible for creating and maintaining specific subaccounts (ad valorem tax and sales tax proceeds) to fund the developer reimbursements.
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### **Above-and-Beyond Contributions by Developer**

The developer agreed to:

- Construct all necessary on-site and off-site public infrastructure at their own cost.
- Develop in accordance with stricter standards than generally required under Chapter 100 (Subdivision Ordinance) and zoning ordinances.
- Provide specific amenities like parks and open space accessible to the public.

- Advance fund and/or construct System Improvements (water and wastewater) needed to serve the development beyond initial phases.
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## **Obligations**

### **Developer:**

- Comply with development phasing, zoning, design standards, and infrastructure requirements.
- Submit periodic progress reports and requests for reimbursement based on completed work.

### **City:**

- Provide timely permit processing.
  - Maintain required financial accounts.
  - Reimburse the developer per the agreement, contingent on verification of completed and accepted work.
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## **Current Status of Obligations**

As of the effective date and available documentation, the obligations appear to be in progress. Compliance tracking requires regular updates and verification of development milestones and reimbursement claims.