



PLANNING & ZONING COMMISSION

AGENDA REPORT

AGENDA OF: October 8, 2025

DEPARTMENT: Community Development

SUBJECT: Consideration and possible action on an Economic Development Agreement between the City of Castroville and Victory Lane Partners, Ltd.

RECOMMENDATION:

Staff recommends that the Planning & Zoning Commission review the Victory Lane Development Agreement, provide feedback, and forward a recommendation to City Council.

BACKGROUND:

Victory Lane Partners, Ltd. (“Developer”) has requested that the City of Castroville enter into an Economic Development Agreement (“Agreement”) pursuant to Chapter 380 of the Texas Local Government Code.

The proposed Agreement covers approximately 50.4 acres located along U.S. Highway 90 within the City’s extraterritorial jurisdiction and includes:

- Annexation of the property into the City’s corporate limits.
- Dedication and construction of public infrastructure and improvements at the Developer’s sole expense, including:
 - A segment of the Major Thoroughfare Plan roadway,
 - On- and off-site water, wastewater, drainage, gas, and electric service extensions,
 - Sidewalks, open space, and other public amenities accessible to the public,
 - A City-branded monument sign at a gateway location along Highway 90 (up to \$25,000).
- Reimbursement of eligible costs for public infrastructure and improvements, not to exceed \$6,000,000 in capital costs plus financing costs, funded exclusively from 75% of new ad valorem and sales tax revenues generated by the project.
- The City retains 25% of all new project-generated revenues immediately, with 100% reverting to the City once reimbursements are complete or the 20-year agreement term expires.

The City benefits from voluntary annexation, new property and sales tax revenues, major roadway and utility expansion, and enhanced community branding, while the Developer gains the ability to recoup a portion of eligible infrastructure costs if the project performs as anticipated.

ATTACHMENTS/ADDITIONAL INFORMATION:

- Planning and Zoning Board Action
- Development Agreement
- Development Agreement Presentation Slides