



STAFF REPORT
City of Dripping Springs
PO Box 384
511 Mercer Street
Dripping Springs, TX 78620

Submitted By: Laura Mueller, City Attorney

Council Meeting Date: 10/19/2021

Agenda Item Wording: **Approval of the Assignment and Assumption of Road Agreement between the City of Dripping Springs, CRTX Development, LLC, and DS Joint Venture, LP related to 8.564 acres located at 27110 Ranch Road 12, Dripping Springs, TX 78620 conditioned on city staff approval of financial submission review.**

Agenda Item Requestor: DS Joint Venture, LP

Summary/Background: DS Joint Venture has been working on this project for some time and is seeking an assignment for all responsibilities related to this project including the Wastewater and Road Agreement. The Road Agreement requires an analysis of the financial ability of the assignee. Here is the pertinent language:

For assignments other than an affiliate as provided in the above paragraph, Owner may, in its sole and absolute discretion, assign this Agreement with respect to all or part of the Project from time to time to any party provided that the assignee has provided to Owner with a copy to the City in a writing, certified by an officer with the authority to bind the assignee, stating that such assignee (i) does not owe delinquent taxes or fees to the City, (ii) is not in material default (beyond any applicable notice and cure period) under any development agreement with City, and (iii) has the experience, expertise and the financial capacity and ability to perform the duties or obligations so assigned under this Agreement. In the event the proposed assignee is a company that is publicly traded and listed on the New York Stock Exchange, then an officer of such proposed assignee shall provide this information in the certification described in this Section 8.5 in lieu of the requirements of (iii), above. Owner shall provide the City sixty (60) days prior written notice of any such assignment, and Owner shall provide the City with a copy of the writing described in this Section 8.5. Upon assignment pursuant to this Section 8.5, Owner shall be released of any further obligations under this Agreement.

**Commission
Recommendations:**

N/A

Recommended Council Actions: Approval of the Assignment and Assumption Agreement conditioned on city staff approval of financial submission review.

Attachments: Wastewater Agreement; Staff Report; Assignment Agreement

Next Steps/Schedule: Finalize financial review and Execute Agreement