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## CITY COUNCIL CONSIDERATION ITEM

### CITY OF FAIR OAKS RANCH, TEXAS

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AGENDA TOPIC: Consideration and possible action approving a resolution amending a development agreement related to The Reserve at Fair Oaks Ranch and authorizing the execution of all related documents by the City Manager

DATE: May 20, 2025

DEPARTMENT: Administration

PRESENTED BY: Scott M. Huizenga, ICMA-CM, City Manager  
T. Daniel Santee, City Attorney

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#### **INTRODUCTION/BACKGROUND:**

In late 2024, Bitterblue, Inc. inquired about amending the development agreement between the City and R.W. Pfeiffer Properties, LLC, concerning the property commonly known as “The Reserve at Fair Oaks Ranch.” R.W. Pfeiffer Properties was the property owner in 2013, and since then, the property has changed ownership multiple times. The City and Bitterblue (the current owner) began negotiating an amended development agreement in December 2024. After several months of negotiation, the parties have reached a tentative agreement. For City Council consideration is the proposed amended development agreement for the 345-acre parcel to be known as the Post Oak Subdivision included as **Exhibit A**.

The property is located north of Ammann Road, within the City’s Extraterritorial Jurisdiction (ETJ) and has been the subject of long-standing uncertainty. The 2013 development plan called for a high-density housing development which included 635 homes, a wastewater treatment plant and Public Improvement District (PID) financing. The proposed development stalled in 2014 when the annexation step in the development process was rejected by the community. In 2018, litigation was resolved – however, the current development agreement remained in effect. Development efforts have mostly been on pause since 2018, until now.

Key provisions in the proposed amendment are:

- **Annexation and Zoning:** The property will be brought into the city limits and zoned Neighborhood Residential, aligning it with the surrounding community and ensuring consistency with City regulations.
- **Home Count and Lot Size:** The number of homes has been reduced from 635 to 278, with each lot being one acre or larger. This nearly 60% reduction helps preserve the character of Fair Oaks Ranch and significantly reduces the number of homes drawing on the City’s water supply.
- **Water and Wastewater:** The City will provide water service. Homes will use on-site septic systems instead of a centralized wastewater plant. This eliminates the need for a package plant and gives the City oversight over water usage.

- **Tree Preservation:** The agreement includes stronger tree preservation requirements than the 2014 agreement, supporting the City's efforts to maintain tree cover and protect its natural environment.
- **Ammann Road Improvements:** The developer will contribute funding toward the City's Ammann Road improvement project.
- **Public Improvement District (PID):** A PID will fund public infrastructure through bonds repaid by property owners in the subdivision. The City is not responsible for repaying this debt, and it does not affect the City's credit rating.
- **Parks, Trails, and Open Space:** The developer must provide and maintain these amenities through a Homeowners' Association (HOA). The City will retain public access easements.
- **HOA Oversight:** The HOA will be subject to a City-approved Maintenance Agreement. The City retains the right to review HOA financials to ensure adequate maintenance of shared spaces.
- **Developer Commitments:** Bitterblue, a respected local developer known for high-end custom homes, is leading the project. The development is expected to reflect the character and quality of nearby neighborhoods such as Stone Creek Ranch.

This proposed amended development agreement is the first step in a series of City Council actions needed to move the Post Oak Subdivision project forward. Upon the City Council's acceptance of this amended development agreement, staff will prepare a series of actions for Council consideration, including and in no specific order:

- Annexation services agreement and public hearing
- Public Improvement District public hearing and findings
- Public Improvement District Administrator Agreement
- Zoning Map and Future Land Use Map amendments

#### **POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

Complies with Texas Constitution Article III, Section 52-a Loan or Grant of Public Money for Economic Development

Complies with Texas Local Government Code Section 212 Subchapter G Agreement Governing Certain Land in a Municipality's Extraterritorial Jurisdiction

Supports Strategic Action Plan Pillar 2 Responsible Growth Management.

#### **LONGTERM FINANCIAL & BUDGETARY IMPACT:**

None

#### **LEGAL ANALYSIS:**

Approved to as form.

#### **RECOMMENDATION/PROPOSED MOTION:**

I move to approve a resolution amending a development agreement with Bitterblue, Inc. and authorizing the execution of all related documents by the City Manager