

## **MEMORANDUM**

**To:** Mayor and City Council Members  
Steve Parker, City Manager

**From:** Mark Kennedy, City Attorney

**Subject:** Resolution Authorizing the City Manager to Execute a Development Agreement

**Date:** May 6, 2025

### **Historical Background**

Walnut Springs is a 415-acre Planned Unit Development (“PUD”) that will include 1,140 homes upon completion with an estimated value of \$394MM. The community will include an extensive public trail system and regional park with roughly 64-acres of open space in addition to a fire station (see attached Exhibit “A”). The total community infrastructure and improvement costs for the development are estimated at over \$100 Million.

Developers of the Walnut Springs subdivision filed a petition to create a Public Improvement District in December 2024. That was received and accepted by City Council, after which staff published notice of a Public Hearing on the matter. The Public Improvement District was created in January 2025. Council also approved a Professional Services Agreement between Developer and City, which established the terms and conditions under which moneys may be advanced by the Developer of property within the District for the purposes of reimbursing certain expenses incurred by the City relating to the levy of assessments and potential issuance of bonds by the City which are secured by assessments levied against certain property within the District.

Since then, City staff, management, and consultants have been negotiating the terms of a Development Agreement between the City and Developer, which further defines the terms by which the Walnut Springs subdivision and its public amenities will be regulated and established. That is now ready for consideration by City Council.

### **Action Requested**

Authorize the City Manager to execute a Development Agreement between the City of Seguin and 2021 FII Walnut, LP, a Texas limited partnership, related to a Planned Unit Development called Walnut Springs and located at or near the intersection of Huber Road and Rudeloff Road.

### **Procurement Methodology and Funding Source**

Not Applicable.



### **Staff Recommendation**

Staff recommends approval of the Development Agreement, which will allow the parties to move forward to the next phase of the process – refinement of the improvements to be made with PID/TIRZ funding, the establishment of a Service and Assessment Plan, and an appraisal of the value created by the proposed improvements. Ultimately, this process is intended to lead to the issuance of PID bonds in support of the proposed public improvements.