

RESOLUTION NO. 2025-R-085

AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT BETWEEN THE CITY OF LAREDO AND TERRA DEVELOPMENT GROUP, LC, A TEXAS LIMITED LIABILITY CORPORATION, AND SAN PEDRO RANCH, LTD., A TEXAS LIMITED PARTNERSHIP, FOR THE RESERVATION OF WATER CAPACITY FOR APPROXIMATELY 1,400 ACRES REFERRED TO IN THE CONTRACT AS THE SUBJECT TRACT FOR A TERM OF TWENTY-FIVE YEARS DURING WHICH THE OWNERS MAY DEVELOP THE SUBJECT TRACT BY SUBDIVIDING AND DEVELOPING ACCORDING TO ALL CITY LAREDO REQUIREMENTS FOR ALL OR PART OF THE SUBJECT TRACT; PROVIDING FOR MANDATORY, NON-BINDING MEDIATION.

WHEREAS, the City of Laredo Water Utilities Department received a request by Owners, to reserve water capacity for future subdivision and development of the subject tract; and

WHEREAS, the contract will have a term of 25 years during which the Owners may develop by subdividing and developing according to all City of Laredo requirements for all or part of the 1,400 acres; and

WHEREAS, the contract includes wording that obligates the Owners to provide the adequate infrastructure to serve the desired development in the future.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAREDO THAT:

- Section 1. That the recitals set above are found to be true and correct, and they are hereby adopted and made a part of this resolution.
- Section 2. That the City of Laredo hereby accepts an agreement with reservation of water capacity, attached hereto as Exhibit A.
- Section 3. That this resolution shall take effect immediately.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON THIS
THE DAY OF 20__

ATTEST:

DR. VICTOR D. TREVINO

MARIO MALDONADO, CITY SECRETARY

APPROVED AS TO FORM:

DOANH "ZONE" T. NGUYEN, CITY ATTORNEY

THE STATE OF TEXAS §
 §
COUNTY OF WEBB §

CONTRACT FOR RESERVING WATER CAPACITY

This Contract for Reserving Water Capacity ("Agreement") is made and entered into effective the day of _____20__ (the "Effective Date") by and between, on the one hand, the City of Laredo, a Texas municipal corporation ("City"), and, on the other hand, Terra Development Group, LC, a Texas Limited Liability Corporation, and San Pedro Ranch, Ltd., a Texas Limited Partnership ("Owners"), being the owners of certain tract of land, lying and situated in Laredo, Webb County, Texas totaling 1,400 acres, more or less, more particularly described on **Exhibit A** attached hereto (the "**Subject Tract**"). City and Owners are sometimes collectively referred to herein as "Parties." All references in this Agreement to the Charter, any ordinance, any officer or employee of the City shall mean such Charter, ordinance, officer or employee of the City of Laredo, Texas.

RECITALS

- A. Owners desire to reserve water capacity for the eventual subdivision and development of the **Subject Tract**.

- B. Under Article 6.10 of the Laredo City Charter, a Developer is obligated to pay the costs of constructing any water service expansions and extensions and of related facilities, including engineering services, mains, lines and easements. Owners have at its/their sole cost and expense constructed and paid for two water booster stations, 16" water transmission line and other appurtenant facilities as described on **Exhibits B-1 and B-2** (the "**Water Distribution System Improvements**").

- C. City currently has available sufficient capacity for the provision of water service to the **Subject Tract**. City will provide and guaranty an average of 500 gallons per minute of water, and 1,251 (i.e. 2 *Yi* times average) gallons per minute of water during periods of peak demand, to the **Subject Tract** through the **Water Distribution System Improvements**.

D. Owners or occupants of lands lying outside the Subject Tract shall only be allowed to connect to the Water Distribution System Improvements only if there is capacity over and above what is needed for the Subject Tract and only if any such third party owners or occupants of lands lying outside the Subject Tract provide, at their cost and expense, upgrades to the Water Distribution System Improvements or other improvements, which increase the capacity sufficiently to handle any additional demand.

E. Owners acknowledge that, except as otherwise provided herein, it has no right or claim to any reimbursement by the City arising out of the City's acceptance, management, and operation, as part of the City's utility system, of the Water Distribution System Improvements.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements stated in this Agreement, the Parties hereto agree as follows:

1. INCORPORATION OF RECITALS AND ATTACHMENTS

The statements, terms, and definitions in the Recitals are hereby expressly incorporated into the terms of this Agreement. Each exhibit attached to this Agreement is hereby expressly incorporated into the terms of this Agreement as if it were fully set forth in the text hereof.

2. OBLIGATIONS OF OWNERS

Owners have satisfied the obligations with respect to the design and construction of the Water Distribution System Improvements. Owners also have the obligation to comply with all applicable state and local law.

2.1 Owners have paid for the design and construction of the Water Distribution System Improvements required for providing water service to the Subject Tract.

2.2 All plats will comply with all then current City requirements.

2.3 To the extent of any applicability of impact fee credits or other full or partial reimbursement mechanisms that may hereafter be adopted by the City, the Owners shall be entitled to credits equal to the portion of the costs incurred by it for the Water Distribution System Improvements.

2.4 Construction of the **Water Distribution System Improvements** has been completed in accordance with plans and specifications approved by the City Engineer and the City Utilities Department.

3. CITY'S OBLIGATIONS

The City has the obligations stated in this section, provided, however, that in the event anything in this Section 3 or elsewhere in this Agreement conflicts with state or local law, the then state or local law will control.

3.1 City will reserve capacity, provide and guaranty an average of 500 gallons per minute of water, and 1,251 (i.e. 2 Y2times average) gallons per minute of water during periods of peak demand, to the Subject Tract thru the **Water Distribution System Improvements**. Provided, City will provide water service to any portion of the **Subject Tract**, after final subdivision approvals, provided that such subdivision approvals are obtained, before the expiration of 25 years from the Effective Date, under the then applicable City subdivision requirements.

4. ASSIGNABILITY

This Agreement may be assigned by Owners, in whole or **in** part, to any successive owners of any portion of the **Subject Tract**, and the successors of such successive owners, provided Owners or successive owner, as the case may be, shall give written notice to the City's Utilities Director, or his designated representative, together with a copy of the deed by which the successor has become the owner.

5. NOTICES

Any notices required to be given herein shall be deemed to have been sufficiently given to the appropriate Party for purposes hereof if mailed by certified mail, postage prepaid, addressed as follows:

To City of Laredo:

Director, Utilities Department City of Laredo

P.O. Box 579

Laredo, Texas 78042-0579

To Owners:

Terra Development Group, LC

2619 Monterrey Street

Laredo, Texas 78046-6526

or to such other respective address as any such Party may designate from time to time in writing in accordance with this notice provision.

6. VENUE

The Parties hereto agree that this Agreement shall be enforceable in Webb County, Texas, and if legal action is necessary to enforce it, exclusive venue shall lie in Webb County, Texas.

7. NO AGREEMENT; AMENDMENT

This Agreement contains all commitments and agreements of the Parties and no verbal or written commitment shall have any force or effect if not contained herein. This Agreement may not be amended except by a duly authorized writing executed by the Parties.

8. APPLICABLE LAWS

This Agreement is made subject to, and City and Owners agree to comply with, all applicable laws of the State of Texas and the applicable rules, regulations and orders of the TCEQ, or its successor, and any other state agency having jurisdiction, as same may hereafter be amended.

9. MEDIATION

The Parties stipulate and agree that any dispute among them under or in connection with this Agreement or the rights or obligations of any Party in connection with this Agreement shall be submitted for resolution by mediation prior to the pursuit of any litigation proceedings. This Section shall not be construed to require binding mediation, but shall be given effect to require all Parties to any dispute under or in connection with this Agreement that cannot be resolved pursuant to the terms hereof, or otherwise, to participate in a form of alternative dispute resolution which, in absence of agreement to the contrary, shall be non-binding mediation before a mediator jointly agreed to by the Parties to the dispute, and in absence of agreement, then designated by a Judge of the District Courts of Webb County, Texas.

10. LITIGATION

In the event that it should become necessary for either Party to engage an attorney or institute litigation to enforce the provisions of this Agreement, the prevailing party in such litigation shall be entitled to recover reasonable attorney's fees and expenses and court costs from the non- prevailing party and immunity from suit for claims arising out of tills agreement and the recovery of attorney's fees is expressly waived by the City.

11. INTERPRETATION

In interpreting the various provisions of this Agreement, the laws of the State of Texas shall apply.

12. TERM OF AGREEMENT

The term of this Agreement is 25 years from the Effective Date.

13. CAPTIONS

The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.

14. CONTRACT ADMINISTRATION

This Agreement shall be administered on behalf of the City of Laredo by its Utilities Director, or his designated representatives; and on behalf of Owners.

15. RECORDATION

This Agreement may be filed for recordation in the Official Public Records of Webb County, Texas.

THIS AGREEMENT IS EXECUTED IN MULTIPLE ORIGINALS AND EFFECTIVE as of the date written above on behalf of the CITY OF LAREDO by its City Manager, duly authorized by City Council Resolution , on behalf of Terra Development Group, LC, by its duly authorized Vice-President, and on behalf of San Pedro Ranch, Ltd., by its duly authorized General Partner.

CITY OF LAREDO:

By: _____
Joseph Neeb, City Manager

Date signed: _____

ATTEST:

Mario Maldonado, City Secretary

Date signed: _____

APPROVED AS TO FORM:

Doanh "Zone" T. Nguyen, City Attorney

Date signed: _____

OWNERS:

Terra Development Group, LC

By: _____
Robert J. Saenz, Vice-President

Date signed: _____

San Pedro Ranch, Ltd.

By: _____

Pedro I. Saenz, Jr., General Partner

Date signed: _____

THE STATE OF TEXAS §

COUNTY OF WEBB §

This instrument was acknowledged before me on the ___ day of _____, 20__, by Mario Maldonado, City Secretary, for and on behalf of the City Laredo, Texas, a municipal corporation.

Notary Public, State of Texas

THE STATE OF TEXAS §

COUNTY OF WEBB §

This instrument was acknowledged before me on the ___ day of _____, 20__, by Robert J. Saenz, Vice-President, for and on behalf Terra Development Group, LC, a Texas Limited Liability Company.

Notary Public, State of Texas

THE STATE OF TEXAS §

COUNTY OF WEBB §

This instrument was acknowledged before me on the ___ day of _____, 20__, by Pedro I. Saenz, General Partner, for and on behalf of San Pedro Ranch, Ltd., a Texas Limited Partnership.

Notary Public, State of Texas