



# THE LOOKOUT GROUP

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June 3, 2020

Mr. Ron Bowman  
City Manager  
402 E. Blanco Rd.  
Boerne, Texas 78006  
Fax (830) 249-9264

Re: Esperanza Development Agreement- Request for Amendment

Dear Mr. Bowman:

As we progress further with the development of Esperanza, we realize some of the provisions contained in the original Development Agreement need to be amended in order to allow for the most efficient and high-quality development of the community. None of the requested changes are variances or seek relaxation of the City Ordinances that govern Esperanza, nor do any of the changes increase the unit count above the maximum 2,480 units originally approved for Esperanza. We appreciate your consideration of the requested changes and look forward to working with the City on these items.

This letter summarizes the changes that have been requested by The Lookout Group and included in the Final Draft Fifth Amendment to the Esperanza Development Agreement (the "DA") for consideration of approval by the City Council.

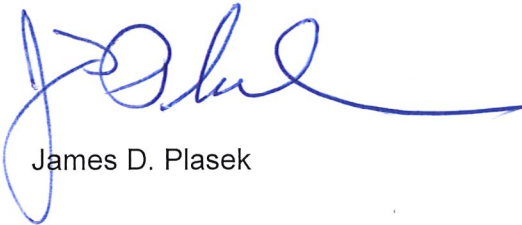
1. **Phasing** - The original DA included a color-coded phasing map for the entire 1,243-acre property dictating the order (phases 1-5) in which the property was to be developed. However, this phasing concept doesn't take into consideration topography, among other things, and as a result is limiting our ability to develop the areas where our larger custom homes and active adult homes need to be located (phases 4 and 5 on the original phasing map). We are requesting the phasing map/concept be revised to provide for 4 total phases as shown on the revised Exhibit D-3, which will allow us the flexibility to quickly respond to market demand and to develop the property efficiently so that the lots can be constructed in the locations that are best suited for each lot size depending on the topography.
2. **Kendall County WCID No. 2A ("KCWCID No. 2A") boundary line** - Almost 14 years ago, the original developer created the boundaries of its first operating water district, KCWCID No. 2A. As we develop the engineering plans for the final phases of the 477-acre KCWCID No. 2A, we have realized the need to adjust the northernmost boundary line so that all of the lots in the final phase are located within the boundaries of KCWCID No. 2A. Therefore, we are requesting City approval to adjust the boundaries of KCWCID No. 2A and to annex an additional 11.8 acres into KCWCID No. 2A.

3. **Lot size table** - In a previous amendment to the DA, a Lot Size (minimum) table was added to ensure the lots in Esperanza followed the requirements set forth in the City zoning even though Esperanza is not subject to City zoning. However, when that table was included, the R-3 High Density Residential zoning category was mistakenly excluded even though the R-3 lot size was included in the original DA. Additionally, we are requesting the front setbacks in Esperanza be adjusted to match the City's requirement of 25' for the front setback of garages for all lots and a 20' front building setback on most lot sizes. The intent is to match the building setbacks that are allowed by the City's current policy. No relief or variances from the City's current setback requirements are being requested.
4. **Maximum number of lots** - In a previous amendment to the DA, a table was included to try and estimate the breakdown of the 2,480 residential units allowed in Esperanza. We have realized the estimates for the number of lots allowed in each lot size category are constraining our ability to adequately respond to the ever-changing market demand. We are requesting revisions to the maximum number of lots in four (4) lot categories. The maximum number of residential lots remains at 2,480 units.

We believe these changes place no additional burden on the City, but removes unnecessary constraints to our ability to meet market demand. With this amendment we will be able to more effectively develop Esperanza while remaining compliant with the intent of the original agreement. Thank you for your time and consideration on this and we continue to appreciate the partnership with the City of Boerne.

Please let me know if you have any questions.

Regards,



James D. Plasek