



Statement Regarding Ongoing Litigation in Bee Cave, TX:

In 2015, the City of Bee Cave entered into a Development Agreement with the Master Developer of the Eastland Tract, a large property located within the City's Extra Territorial Jurisdiction (ETJ). Under this agreement, the City relinquished its authority to enforce the zoning and permitting oversight process on the tract and instead delegated review and approval responsibilities to a private Design Review Committee (DRC). The agreement also authorized the DRC to approve a wide range of uses for designated sections of land. For years, other developers followed this process, receiving approvals from the DRC and successfully completing projects without interference from the City. In 2023, Velocis purchased a 23-acre portion of the Eastland Tract from the Master Developer and proceeded with the permitting process under the guidelines of the Development Agreement, mirroring the same legal framework as developers previously. Before breaking ground on the proposed warehouse-style facilities, Velocis provided notice to the City, received all necessary approvals from both the DRC and Travis County, and began construction in January 2024. The City of Bee Cave made no objection throughout the permitting process and the beginning of construction.

In August 2024, seven months after construction commenced and following complaints from nearby residents, the City abruptly filed a lawsuit against Velocis alleging zoning violations and began attempting to enforce regulations it had contractually agreed to waive. Velocis strongly disputes the City's claims, and filed its own counterclaims arguing that the lawsuit violates Chapter 245 of the Texas Local Government Code, due process and property rights under both the Texas and U.S. Constitutions, and the Texas Open Meetings Act, as the decision to sue was allegedly made without proper public notice. In January 2025, following a multi-day hearing, Judge Eiserloh denied the City's request to halt construction and demolish the project and allowed construction to continue in accordance with local noise ordinances. A final trial is scheduled for February 2026. Velocis remains confident it will prevail if forced to go to trial. With no other active litigation involving Velocis or KBC on any of the 14 other projects the partnership has completed, and the project now nearing completion, Velocis remains committed to seeing the project through and protecting its contractual rights and significant investment.

If any council members, community residents or concerned individuals would like to learn more about the ongoing litigation, please visit www.westaustinbusinesspark.com.