

Bond Case Briefs

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PUBLIC CONTRACTS - TEXAS

Campbellton Road, Ltd. v. City of San Antonio by and through San Antonio Water System

Supreme Court of Texas - April 12, 2024 - S.W.3d - 2024 WL 1590000

Property developer, which owned 585 acres within city's extra-territorial division, brought breach of contract and declaratory judgment action against city by and through city's water agency, arising from water agency's agreement with developer that agency would provide sewer service for proposed residential developments on property.

The 150th District Court denied water agency's plea to the jurisdiction, and motion to dismiss for lack of subject matter jurisdiction. Water agency filed interlocutory appeal. On appeal, the San Antonio Court of Appeals reversed and remanded, finding the Local Government Contract Claims Act did not apply to waive city's immunity. Developer filed petition for review.

The Supreme Court held that:

- Developer sufficiently pleaded that written, bilateral contract was formed, as would support waiver of city's sovereign immunity under the Act;
- Developer sufficiently pleaded that written, unilateral contract was formed, as would support waiver of city's sovereign immunity under the Act;
- Contract terms contemplated that agency had right to developer's participation in project upon contract signing, as would support waiver of city's sovereign immunity under the Act; disapproving *Big Blue Props. WF, LLC v. Workforce Res., Inc.*, 2022 WL 1793516; *W. Travis Cnty. Pub. Util. Agency v. Travis Cnty. Mun. Util. Dist. No. 12*, 537 S.W.3d 549; *CHW-Lattas Creek, L.P. v. City of Alice*, 565 S.W.3d 779;
- Contract terms contemplated provision of payment to developer, as required to trigger waiver of sovereign immunity under the Act; and
- Developer sufficiently pleaded that contract contemplated provision of services to agency, as required to trigger waiver of sovereign immunity under the Act.