# City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

## AGENDA INFORMATION SHEET

**DEPARTMENT:** Capital Projects/Engineering Services/Public Works

**ACM:** Frank Dixon

**DATE:** November 18, 2025

**SUBJECT**

Consider adoption of an ordinance by the City of Denton authorizing the City Manager, or designee, to execute (i) a Gas Line Rearrangement and Abandonment Agreement with EagleRidge Energy II LLC, EagleRidge Operating LLC, USG Properties Barnett II, LP, and Marubeni Shale Investment, LLC, (“EagleRidge”), for the relocation of a 3-inch gas pipeline (Cardwell Sater Relocation), (“EagleRidge Facilities”), for the City’s Hickory Creek Road Phase 3 Widening and Realignment Project and (ii) a Right of Way License with EagleRidge; providing for the expenditure of funds in the not-to-exceed amount of Two Hundred Sixty Thousand, Eight Hundred Twenty-Four Dollars and 69/100 ($260,824.69); and providing an effective date.

**BACKGROUND**

The Hickory Creek Road Phase 3 Project (the “Project”) requires a four-lane extension and realignment of Hickory Creek Road from Riverpass Drive to FM-1830. The Project will include construction of a bridge that will span over Hickory Creek and remove the safety concern of the 90-degree curve from the current Hickory Creek Road alignment.

EagleRidge currently has a 3-inch gas pipeline situated in their privately-held easement, that is in direct conflict with the Hickory Creek Road Phase 3 improvements. To ensure the Project can proceed as planned, the City and EagleRidge agree to enter into 1) a Rearrangement and Abandonment Agreement (the “Agreement”) to provide for the relocation of EagleRidge’s conflicting gas pipeline infrastructure; and the abandonment of certain easement areas upon completion of the relocation work and 2) a Right of Way License Agreement (the “License”).

**The Rearrangement and Abandonment Agreement** (Attachment 1 to Exhibit 2) provides for advanced payment by the City to EagleRidge for the estimated cost of $260,824.69 to perform the work required for the identified pipeline in conflict. Upon completion of the work, a final accounting will be performed at which time the City will pay any additional costs over the advanced payment amount or EagleRidge will reimburse the City any unused funds as stated in the agreement.

**The Right Of Way License Agreement** (Exhibit D to Attachment 1 to Exhibit 2) provides EagleRidge with a license to use existing City of Denton right of way (ROW) for the relocation of the 3-inch gas line that conflicts with construction. The License will be signed separately as it requires a wet signature.

There is no feasible route that would avoid using City of Denton ROW and/or crossing the Canadian Pacific Kansas City Railroad (CPKC). EagleRidge is willing to use City of Denton Right of Way for the replacement of 3-inch gas line. The most direct alignment requires the relocation of approximately 1,100 feet of gas line into City ROW at a cost of $260,824.69. Due to the City causing the need for EagleRidge to relocate and there being no feasible alternate route avoiding City ROW, the Right Of Way License Agreement will waive license fees (approximately $6,666.66 per year, or $400,000 over 60 years).

Two alternative routes were reviewed. The approximate cost for a southern alternate route was $1,000,000 to $2,000,00, for a total length of 2,020 feet (1,180 feet still in City ROW) and the alignment crossed Hickory Creek Road twice, once under the new bridge. A northern alternate would wrap around or bisect a future City. With the costs for these alternate routes ranged from $1,000,000 to $4,790,000 (387% to 1,737%, respectively) and the options requiring more City ROW than the total length of the proposed alignments, they were determined infeasible.

## RECOMMENDATION

Staff recommends approval of the ordinance.

## PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On Oct. 4, 2, 2021, City Council authorized the Professional Services Design Contract with HDR (Ordinance 19-351)
On May 3, 2022, City Council authorized the Construction Contract with Mario Sinacola (Ordinance 22-911)

## ESTIMATED SCHEDULE OF PROJECT

Construction – Q2 2025 thru Q1 2027
Project Closeout – Q1 2027

## FISCAL INFORMATION

These services will be funded from 2019 GO Bond Election (250081473.1365.40100)

## EXHIBITS

Exhibit 1 – Agenda Information Sheet
Exhibit 2 – Ordinance
Exhibit 3 – Agreements

Respectfully submitted:
Seth Garcia, PMP
Director of Capital Projects

For information concerning this agreement, contact Tracy L. Beck, PE, PMP, at 940-349-8925.

Legal point of contact: Marcella Lunn at 940-349-8333.