



City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Development Services

CM/DCM/ACM: Cassey Ogden

DATE: January 7, 2025

SUBJECT

Consider approval of a resolution of the City Council of the City of Denton, Texas consenting to the annexation of certain land into Denton County Municipal Utility District No. 16; and providing an effective date.

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Enhance Infrastructure and Mobility.

BACKGROUND

On April 29, 2020 the City received a petition for consent to the creation of Denton County Municipal Utility District No. 16. This Municipal Utility District (MUD) is located near FM 156 and US 380 and is also known as “Olex MUD” or “Meadows MUD”. The MUD originally featured 1,523 residential lots, 8 acres of multifamily property, and 30 acres of commercial property, but is now seeking to increase that acreage to accommodate an additional 1,106 residential lots, 13 acres of multifamily, and 8 acres of commercial property.

A MUD is a special-purpose district created to provide essential services such as water, wastewater, and drainage to areas outside city limits. Governed by an elected board, MUDs fund infrastructure and operations through bonds repaid by property taxes and user fees. MUDs are required to seek City consent when the MUD is within the extraterritorial jurisdiction (ETJ) of the City.

Olex Inc. petitioned the City for consent to the creation and the City began negotiating a development agreement. Initially, a development agreement was approved by the City Council on August 18, 2020, and included provisions on Denton County’s consent, utilities, floodplain/ESA, roadway construction specifications, and limited purpose annexation to receive sales tax for commercial property. A first amendment was made to the development agreement on January 25, 2022 to name the City of Denton as the fire service provider and approve a Fire Services Agreement.

The MUD petitioned the City on October 3, 2024 for annexation of additional property into the District on the north side of US 380 and on January 7, 2024 City Council is also considering an amended and restated development agreement which would provide for consent to the annexation of the additional land.

This resolution is for approval of a 356.425-acre tract of land also known as the “Hickey Tract”.

RECOMMENDATION

Staff recommends approval of the resolution.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

August 18, 2020- City Council adopted a resolution of consent to the creation of the MUD.

August 18, 2020- City Council approved a Development and Consent Agreement.

January 25, 2022- City Council approved a First Amendment to the Development and Consent Agreement.

June 4, 2024- City Council held the first public hearing for a Strategic Partnership Agreement.

June 18, 2024- City Council held a second public hearing and adopted a resolution approving the Strategic Partnership Agreement.

December 17, 2024- City Council considered approval of the Amended and Restated Development Agreement granting consent to the annexation.

EXHIBITS

Exhibit 1 - Agenda Information Sheet

Exhibit 2 - Resolution

Respectfully submitted:

Charlie Rosendahl

Business Services Manager