

Cole Ranch Agreements

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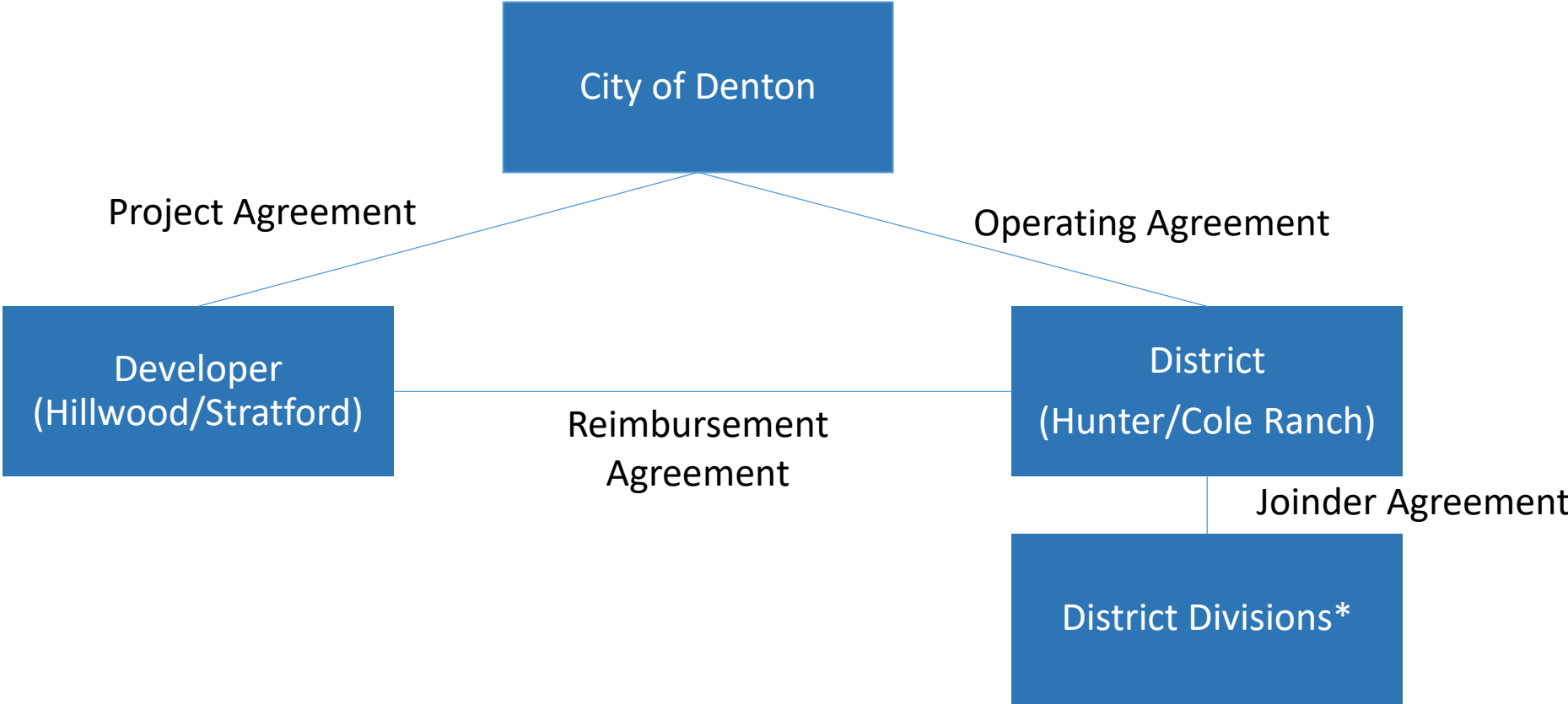
Today's Discussion

- Background- Cole Ranch Development
- Agreement Structure
- Cole Ranch Proposed Terms
- Proposed City of Denton Benefits
- Next Steps

Background

- Approximately 3169-acre master planned community
 - 5,900 single-family units
 - 3,200 multifamily units
 - 120 commercial acres
 - 256 industrial acres
- Municipal Management District (MMD) – Hunter Ranch/Cole Ranch
 - Resolution of support – February 12, 2019
 - State approved legislation – June 14, 2019
 - City Council resolution & approval – April 7, 2020

Parties & Agreements



*Both Hunter and Cole Ranch may divide into 4 districts for a total of 8 districts.

Overview of Agreement Terms

Operating Agreement

- Definitions
 - Increase Tax Rate
- Operation of District
 - Create Regional District
- Construction of Improvement Projects
 - Allow Supplemental Projects
 - Add Construction Timing
 - Add Easement Acquisition
- Financing Improvement Projects
 - Remove Max Developer Reimbursement
- Terms and Conditions
- Dissolution of Districts

Project Agreement

- Development Standards
- Increase Parks & Trails
 - 10' Trail Loop
 - Homestead Event Center
- Infrastructure & Oversizing
- Municipal Facilities
- DME
- Increase Affordable Housing
- Private Amenities
- District Matters
- Rough Proportionality
- Additional Provisions

Proposed Terms- District Tax Rate

- Current
 - \$0.55 MMD Tax Rate
 - \$0.49 Benchmark Tax Rate cap (Estimated \$0.39 to debt service & \$0.10 to O&M)
 - \$0.06 Contract Tax towards City Offsite Improvement Projects
 - Bond reimbursement cap set at \$350,000,000
- Proposed
 - Increase to the Benchmark Tax Rate from \$0.49 to \$0.71, to allow bonding capacity for the Supplemental Projects and promote parity with adjacent competing districts
 - Eliminate bond reimbursement cap and allow the Benchmark Tax Rate to control the reimbursement cap



Proposed Terms- Improvement Projects

Construction & Financing of Improvement Projects

- Current
 - Developer reimbursement is limited to Improvement Projects defined in the Operating Agreement. Projects are regional in nature and exclude any non-regional qualified public infrastructure projects
 - The district may subdivide into 4 districts. Each district is responsible for financing Improvement Projects
- Proposed
 - Completion of defined Improvement Projects unlocks additional qualified public infrastructure projects for reimbursement, dollar for dollar “Supplemental Projects.” The Supplemental Projects list would include all District roadway infrastructure, all District storm water drainage and detention, and all District impact fees
 - Create a “Regional District” responsible for financing the regional Improvement Projects



City Facilities, Land, and Contributions

These are the contributions in addition to those

- Original Agreement Terms
- Hunter & Cole Amendments
- Cole Ranch Differences

Funding Contributions- ~~\$7.185M~~-\$8.685M

- Emergency Services - \$5M
- Water Treatment Plant Design - \$250K
- Service Center Annex - \$262.5K
- Solid Waste Transfer Station - \$112.5K
- Water Booster Pump Station - \$37.5K
- WW Lift Station - \$22.5K
- Affordable Housing - ~~\$1.5M~~-\$3M

Other

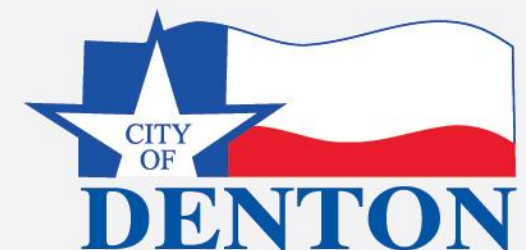
- Timing commitment for construction start in ~~2024~~ 2026.

Land Conveyance

- Fire Station – 3 acres
- Elevated Water Tower
- City Parks – 60 acres
 - Regional Trail Loop – \$ 3-5M
 - Homestead Event Center
- Additional ROW for WW Project

Gas Wells

- Plug & abandon 2 gas well sites by ~~2027~~ 2030.



Questions?

Next Steps

- **Update Agreements based on Council direction**
- **February 18, 2025- Present amended agreements for Council consideration**

