



City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Denton Municipal Electric

DME General Manager: Antonio Puente, Jr.

DATE: November 19, 2024

SUBJECT

Consider adoption of an Ordinance of the City of Denton, a Texas Home-Rule Municipal Corporation, Authorizing the City Manager to execute a Temporary Construction Easement between the City and Core Scientific Inc., A Delaware Corporation; providing for an effective date.

Background

The City entered into a seven (7) year Lease Agreement (Lease) with Core Scientific (Core) on September 3, 2021, under which Denton Municipal Electric (DME) leases approximately 31 acres adjacent to the Denton Energy Center for the development of the data center. On August 20, 2024, the City approved amendment number two (2) to the Lease adding an additional 5.56 acres required to convert Phase III of the project from cryptocurrency operation to High Performance Computing (HPC) to support artificial intelligence application.

Core Scientific now intends to convert Phases I and II of the original Lease agreement to HPC and to add Phase IV for same. All told, the total leased property from the City will be 70.13 acres and no cryptocurrency operations will be continued at the project. In addition to the leased acreage, Core also needs area for equipment laydown and storage. Consequently, DME proposes to provide 12.577 acres of land owned by the City as Temporary Construction Easement. The term of the TCE is proposed to be 48 months to allow sufficient time to complete the project and the mobilize construction equipment from the site.

RECOMMENDATION

Approve the ordinance enabling the City Manager to enter into the proposed Temporary Construction Easement.

EXHIBITS

Exhibit 1: Agenda Information Sheet

Exhibit 2: Ordinance

Respectfully submitted:
Terry Naulty
Assistant General Manager
Denton Municipal Electric
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