

2023 Bond Program

Finance & Capital Projects



Seth Garcia, Director of Capital Projects
Matt Hamilton, Chief Financial Officer

2023 Bond Program Background

- **2023 Special Citizen’s Bond Advisory Committee**

On April 4, 2023, City Council established a Special Citizens Bond Advisory Committee comprised of 40 residents to evaluate proposed projects and make a recommendation to the Council for a potential 2023 Bond Election. The committee met a total of seven times between May and July 2023 and provided a recommendation for Council consideration.

- **Committee’s Recommendation**

Project	Total Cost	% in Support
Fire Station #5	\$12,671,116	100%
Fire Station #6	\$12,671,116	100%
Oakland Drainage & Upstream Detention	\$32,595,000	97%
PEC Phases 3 & 4 Drainage	\$26,265,896	100%
Affordable Housing	\$15,000,000	92%
Active Adult Center	\$46,429,380	78%
South Branch Library	\$38,000,000	61%
Linda McNatt Animal Care Expansion	\$15,849,396	72%
Mingo Roadway & Quiet Zones	\$35,000,000	69%
Inclusive Playground	\$3,450,000	75%
City Hall West	\$17,875,698	72%
Trail Development	\$15,000,000	86%
Aquatics	\$15,000,001	56%
Public Art	\$2,109,934	72%
GRAND TOTAL	\$287,917,537	



2023 Bond Program Background

- **City Council Approved Program**

Project	Total Cost
Fire Station #5	\$12,671,116
Fire Station #6	\$12,671,116
Oakland Drainage & Upstream Detention	\$32,595,000
PEC Phases 3 & 4 Drainage	\$26,265,896
Affordable Housing	\$15,000,000
Active Adult Center	\$46,429,380
South Branch Library	\$48,575,961
Linda McNatt Animal Care Expansion	\$15,849,396
Mingo Roadway & Quiet Zones	\$45,125,615
Inclusive Playground	\$3,450,000
City Hall West	\$17,875,698
Trail Development	\$15,000,000
Aquatics	\$15,000,001
Public Art 2% of Vertical Projects	\$3,080,000
GRAND TOTAL	\$309,590,000

- **City Council Modifications**

- Increased South Branch Library to new facility not remodel and expansion on existing site
- Increased Ruddell, Mingo Roadway & Quiet Zone to include the Ruddell scope in the project



2023 Bond Program Background

- **City Council Approved Propositions**

Propositions	Total	% in Support
Proposition A: Streets	\$45,125,000	69.73%
Proposition B: Drainage and Flood Control	\$58,860,000	70.93%
Proposition C: Park System	\$33,450,000	64.65%
Proposition D: Public Safety	\$42,015,000	68.05%
Proposition E: Affordable Housing	\$15,000,000	58.38%
Proposition F: Active Adult Center	\$47,360,000	55.57%
Proposition G: South Branch Library	\$49,545,000	55.86%
Proposition H: City Hall West	\$18,235,000	48.68%
<u>GRAND TOTAL</u>	<u>\$309,590,000</u>	

- **Propositions A – G were approved by voters on Nov. 7, 2023 for \$291,355,000**



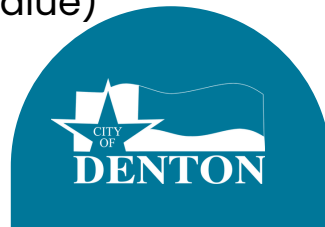
2023 Bond Issuance Timeline

- Bond Program Timeline**

PROGRAM DESCRIPTION	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
Proposition A - Street Improvements	\$5,000,000	\$2,000,000	\$18,125,000	\$20,000,000	\$ -	\$ -	\$45,125,000
Proposition B - Drainage & Flood Control	10,000,000	6,268,000	25,595,000	16,997,000	-	-	58,860,000
Proposition C - Park System Improvements	9,450,000	1,000,000	-	17,000,000	3,000,000	3,000,000	33,450,000
Proposition D - Public Safety Facilities	26,170,000	15,342,000	503,000	-	-	-	42,015,000
Proposition E - Affordable Housing	-	-	-	5,000,000	5,000,000	5,000,000	15,000,000
Proposition F - Active Adult Center	-	-	-	5,930,000	25,000,000	16,430,000	47,360,000
Proposition G - South Branch Library	2,500,000	-	-	5,000,000	18,000,000	24,045,000	49,545,000
TOTAL - 2023 BOND ELECTION	\$53,120,000	\$24,610,000	\$44,223,000	\$69,927,000	\$51,000,000	\$48,475,000	\$291,355,000

- 2023 Bond Program Tax Rate Impact**

- Estimated total tax rate increase with 2023 Program was forecasted at ~5.7 cents (\$0.05764/\$100 in value)



Project Updates – Proposition A

- **Mingo Ruddell Quiet Zones**

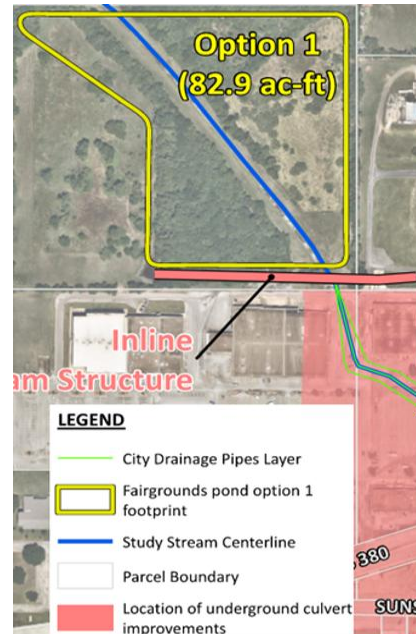
- Currently at 90% design
- Working through coordination/agreements with Union Pacific Railroad
- Right of Way acquisition underway
- Franchise utility relocations to begin Q3 2026
- Construction duration 2-years



Project Updates – Proposition B

- **Oakland Drainage & Upstream Detention**

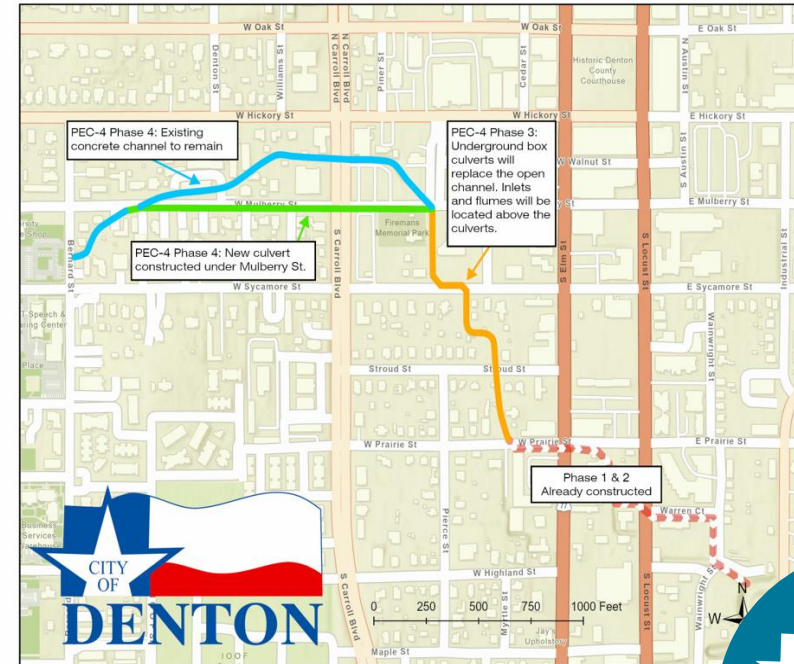
- Currently at 90% Design
- Pond tract acquired April 15, 2026. Other parcels in acquisitions
- Franchise utility coordination underway
- Construction duration 2-years



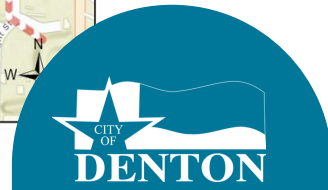
ID 26-0968

- **Pecan Creek Phases 3 & 4 Drainage Improvements**

- Design 100% complete
- Right of Way nearing completion. One parcel outstanding
- Franchise utility relocation underway
- Construction duration 2-years



July 14, 2026



Project Updates – Proposition C

- **Trail Development**

- Projects under design: Hickory Creek Trail, Pecan Creek Trail
- Projects under construction: Villages of Carmel, Bowling Green, Briercliff Park
- Projects completed: Joe Skiles Park, North Lakes Dog Park, Denia Park
- Remaining 11M to be issued between FY27 – FY29



- **Inclusive Playground**

- Design contract under negotiation
- Awarded grant of 750K from Texas Parks and Wildlife in support of the project
- Construction estimated to begin in mid 2027



Project Updates – Proposition C

- **Water Works Park**

- Design 100% complete
- Permitting to be completed prior to construction
- Awaiting construction funding 12M.

DECK & STAIR COLOR	SLIDE COLOR
5015 SKY BLUE	9000 BRIGHT LIME
	9004 MELON YELLOW
STEEL COLOR	4010 TELEMAGENTA
9000 BRIGHT LIME	5002 ULTRAMARINE BLUE
4010 TELEMAGENTA	5005 SIGNAL BLUE
5002 ULTRAMARINE BLUE	5015 SKY BLUE
5005 SIGNAL BLUE	6006 BRIGHT TURQUOISE
5015 SKY BLUE	9016 TRAFFIC WHITE
9000 BRIGHT LIME	
9016 TRAFFIC WHITE	



SLIDE C - ENCLOSED AQUATUBE
2 SECTIONS OF AQUALUCENT POLKA DOTS
(AQUALUCENT EFFECT SHOWN ABOVE)

Project Updates – Proposition D

- **Fire Station # 5**

- Design 100% complete
- Construction contract executed July 22, 2025. Estimated completion date April 2027



- **Fire Station # 6**

- Design 100% complete
- Construction contract executed July 22, 2025. Estimated completion date November 2026



Project Updates – Proposition D

- **Linda McNatt Animal Shelter**

- Design 100% complete
- Construction contract executed May 19, 2026. Estimated completion date November 2027



Project Updates – Proposition E

- **Affordable Housing**

- Staff recommendations will be brought for Council consideration late 2026
- Preliminary plans include funding to be issued in FY 26–27 – FY 30–31 to address affordable home ownership opportunities for residents in line with Council’s goals from the Affordable Housing Strategic Toolkit.



Project Updates – Propositions F & G

- **Active Adult Center**

- Construction of a new Active Adult Center
- Location TBD – synergies if constructed on Ryan Rd with South Branch Library
- Funding to be issued in FY26/27 – FY28/29

- **South Branch Library**

- Construction of a new 40,000 sq/ft facility
- 14.434 acres acquired on Ryan Rd on October 18, 2024
- Funding to be issued in FY26/27 – FY28/29



Debt Overview

- **Credit Ratings**

- Denton benefits from AA+/AA+ credit ratings
- Denton leverages its high credit ratings to lower its borrowing cost on certain revenue supported debt (water, wastewater and electric)
 - More cost-effective approach than issuing separate bonds backed by revenues

- **Outstanding Debt**

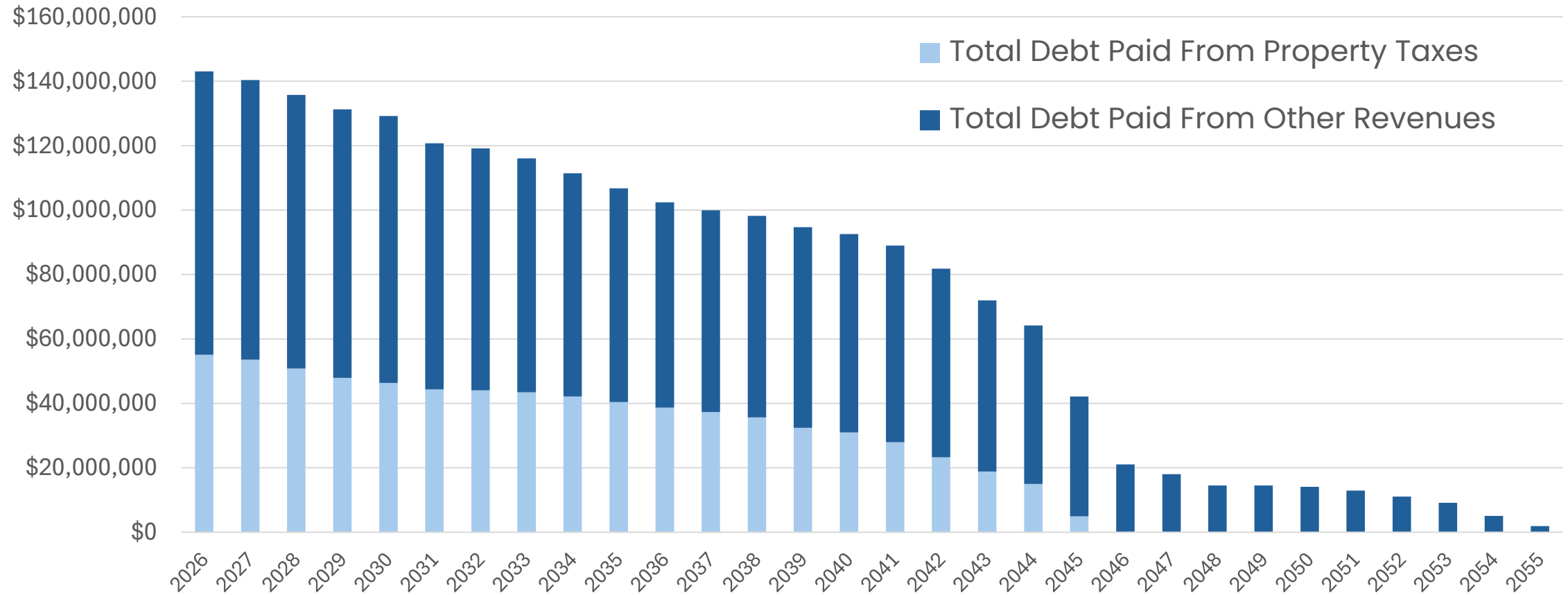
Total Debt with Property Tax Pledge	\$ 2,212,955,887
<u>Less Revenue Supported Debt</u>	<u>\$ 1,479,738,376</u>
Net Tax Supported Debt	\$ 733,217,511

As of 9/30/25

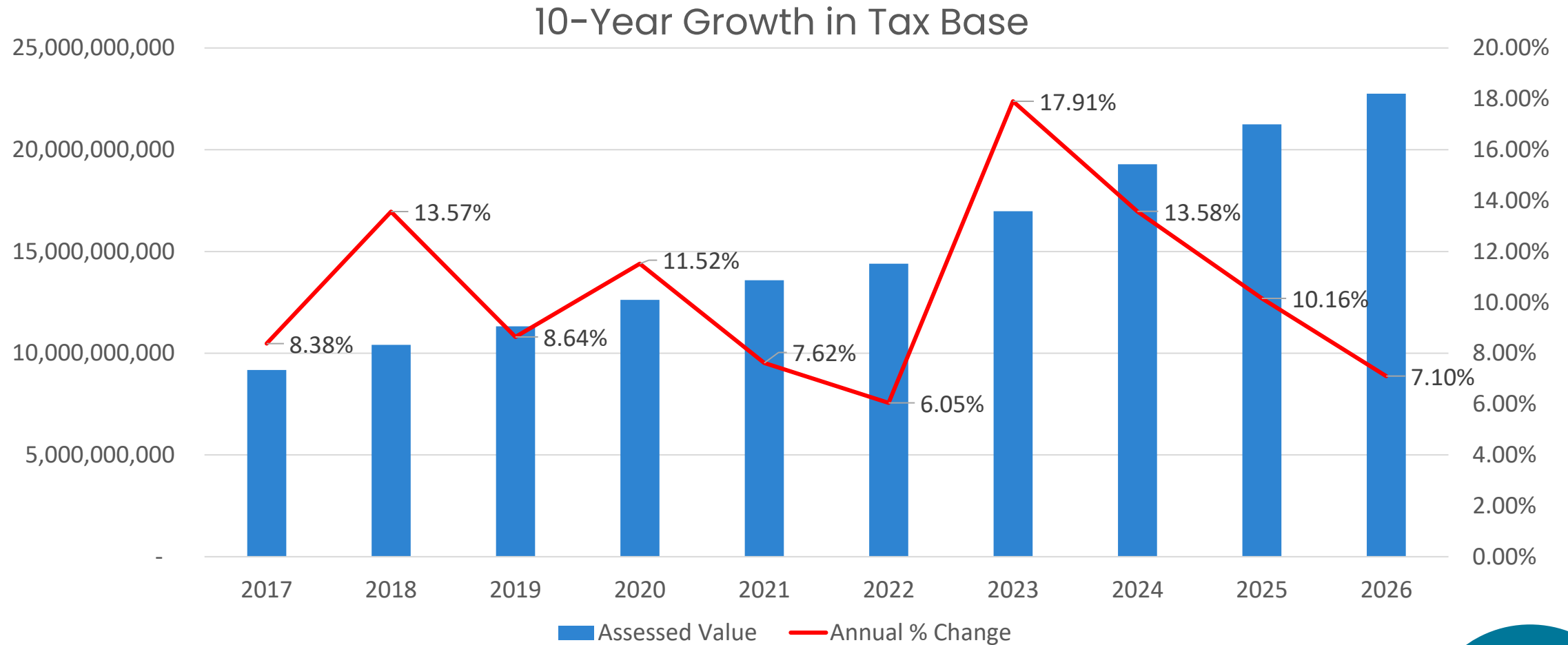
	<u>S&P</u>	<u>Fitch</u>	
	AAA	AAA	Prime Grade
	AA+	AA+	
Investment Grade	AA	AA	High Grade
	AA-	AA-	
	A+	A+	
	A	A	Upper Medium Grade
	A-	A-	
	BBB+	BBB+	
	BBB	BBB	Lower Medium Grade
	BBB-	BBB-	



Outstanding Debt Profile



Historical Assessed Values



Historical Tax Rates

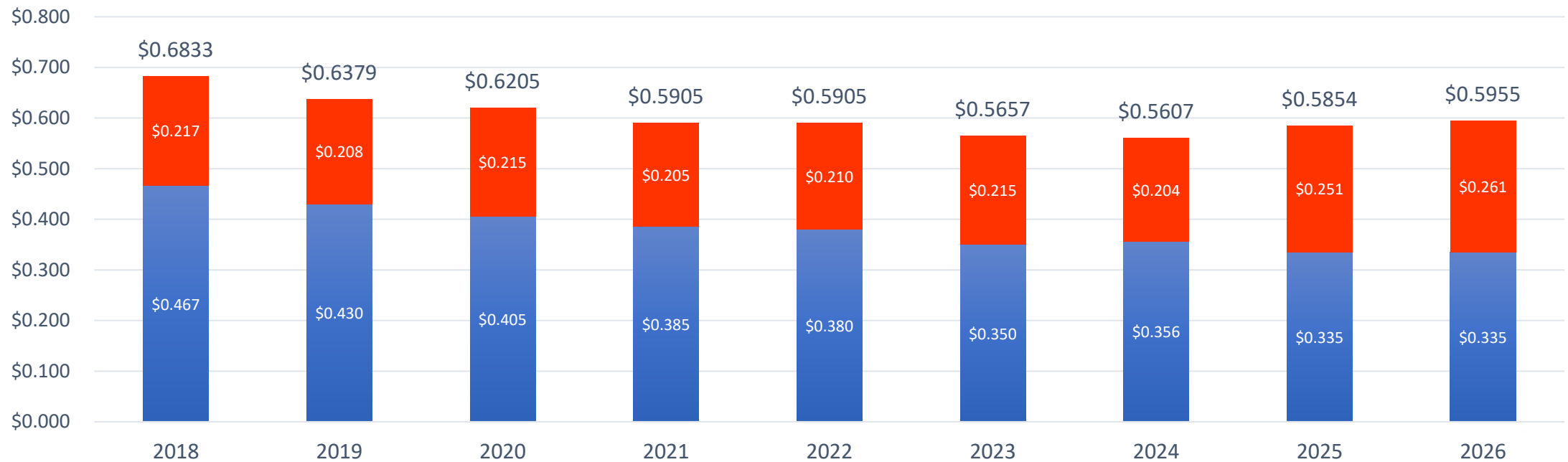
FY2023 Debt Tax Rate – 0.20425

FY2026 Debt Tax Rate – 0.26064

Annually, the City sets two tax rates:

- **M&O**: Maintenance and Operations- used for daily operations of the City including salaries, programs, etc.
- **I&S**: Interest and Sinking- used for the annual debt service on outstanding property tax supported bonds.

Historical Tax Rates



■ M&O Rate ■ I&S Rate

Projected Debt Tax Rate

Propositions	Total	Unissued	% in Support
Streets	\$45,125,000	\$20,000,000	69.73%
Drainage and Flood Control	\$58,860,000	\$16,997,000	70.93%
Park System	\$33,450,000	\$23,000,000	64.65%
Public Safety	\$42,015,000	-	68.05%
Affordable Housing	\$15,000,000	\$15,000,000	58.38%
Active Adult Center	\$47,360,000	\$47,360,000	55.57%
South Branch Library	\$49,545,000	\$47,045,000	55.86%
GRAND TOTAL	\$291,335,000	\$169,402,000	

Debt Tax Rate (Fiscal Year)	2023 Tax Rate Forecast	2026 Tax Rate Actuals / Forecast
2023	0.20425	0.20425
2024	0.21338	0.20590
2025	0.23826	0.25064
2026	0.25387	0.26064
2027	0.25954	0.27087
2028	0.26189	0.29314
2029	0.25421	0.30350
2030	0.25749	0.31892

- **Current I&S Rate = \$0.26064**

- 2023 Program represents \$0.029 of the tax rate.
- Current variance to 2023 forecast = \$0.00677
- Total I&S rate increase from 2023 = \$0.05639 (\$0.05764 forecast)

2023 Assumptions	2026 Assumptions
5% AV Growth	4% AV Growth
\$0 CO Issuance 2027+	\$45M CO Issuance 2027+



Council Direction

- Certified values, tax rates, and updated forecasts will be presented at the Budget Workshop on August 8th.
- To prepare for the presentation, staff requests direction regarding the 2023 Bond Program:
 - 1. Is Council interested in staff preparing financial scenarios regarding the potential savings associated with a co-located library & active adult center?**
 - 2. Is Council interested in staff preparing scenarios to extend the bond program to reduce the annual tax rate impact? If so, is there a prioritization of projects?**
 - Parks Trails – \$11 million
 - Water Works Park – \$12 million
 - Affordable Housing – \$15 million
 - Active Adult Center – \$47.3 million
 - South Branch Library – \$49.5 million

QUESTIONS?

