



# City of Denton

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

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## AGENDA INFORMATION SHEET

**DEPARTMENT:** Department of Development Services

**CM/DCM/ACM:** Cassey Ogden

**DATE:** February 3, 2026

### **SUBJECT**

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a development agreement with Allegiance Hillview, L.P. for the reimbursement of roadway impact fees and allocation of credits associated with the construction of Heritage Trail in the Rayzor Ranch East subdivision; providing for the expenditure of funds in the amount of \$1,174,766.11 and establishing remaining credits in the amount of \$240,764.24; and providing an effective date.

### **BACKGROUND**

The Rayzor Ranch development is a major mixed-use project in the City of Denton. To manage the infrastructure demands of such developments, the City utilizes Roadway Impact Fees (RIF) under Ordinance No. 2016-189, which are charges assessed against new development to recover a portion of the costs associated with roadway capacity improvements necessitated by that development. When a developer constructs a "capacity" roadway that is specifically listed in the City's Roadway Impact Fee Capital Improvement Plan, they become eligible for RIF credits. These credits serve as an offset: instead of the City paying the developer directly for the public road, the developer is allowed to apply the value of that construction against the impact fees they would otherwise owe for their building permits.

Between 2016 and 2020, the infrastructure for Heritage Trail was developed in phases, and the City provided RIF credits to the project throughout this period as construction progressed. Specifically, an affiliate of the Allegiance Hillview, DB Denton II LLC, constructed Heritage Trail from US 380 to Panhandle Street and received RIF credits for that construction. Subsequently, Allegiance Hillview (Developer) constructed the segment of Heritage Trail between Panhandle and Scripture Street, which was accepted by the City on July 29, 2020. This segment represents a total of \$2,165,896.48 in improvements, including engineering, inspection, and right-of-way costs, which is the maximum eligible RIF credit for the Developer.

Because the Developer paid \$1,174,766.11 in RIF for various permits issued between 2022 and 2024 before their total credit balance was fully reconciled, the City has agreed to reimburse those previously paid fees. Additionally, this agreement secures a remaining credit amount of \$240,764.24 to be applied at the time of building permits for the remaining undeveloped parcels in Rayzor Ranch East, specifically Lot 5R, Block A; Lot 1, Block F; and Lot 1, Block B. This agreement ensures that both parties have a clear understanding of the history of the roadway infrastructure and the associated RIF credits, payments, and reimbursements.

### **RECOMMENDATION:**

Staff recommends approval of this request to finalize the roadway infrastructure history and settle the related RIF credits and reimbursements.

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

None

**FISCAL INFORMATION**

The City will reimburse the Developer \$1,174,766.11 for previously paid RIF within 30 days of the agreement's effective date. Future credits totaling \$240,764.24 will be applied to the remaining parcels at the time of building permit application.

**EXHIBITS**

Exhibit 1 - Agenda Information Sheet

Exhibit 2 - Ordinance

Respectfully submitted:

Charlie Rosendahl

Interim Director of Development Services