



City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Department of Development Services

ACM: Kenneth Hedges

DATE: August 18, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the city manager or designee to execute and deliver an advance funding agreement (“AFA”) for a highway safety improvement on-system project, between the City of Denton (“City”) and the Texas Department of Transportation (TxDOT), regarding the construction of traffic signals on US 377 at North Bell Avenue, Eagle Drive at Avenue A, and FM 2181 at Hobson Lane; CSJ 0135-10-069 confirming expenses; and providing an effective date.

BACKGROUND

The City of Denton and TxDOT are partnering through an AFA to construct traffic signal safety improvements at three locations:

- US 377 at North Bell Avenue (On-system),
- FM 2181 at Hobson Lane (On-system), and
- Eagle Drive at Avenue A (Off-system).

All improvements including traffic signals, flashing yellow arrows, safety lighting, and sidewalk installation will be delivered and administered by TxDOT in accordance with HSIP funding requirements.

The Highway Safety Improvement Program (HSIP) provides federal funding for these projects. Under the AFA, construction funding differs between on-system and off-system locations. For the two On-system locations (US 377 at North Bell and FM 2181 at Hobson Lane), construction is funded 90% by federal sources and 10% by the State, with the City having no construction cost responsibility unless actual construction costs exceed the federally obligated amount. In the event of an overrun, the City is responsible for 100% of overruns as specified in the AFA. Engineering design for the On-system locations was previously funded by the City in FY 2024/2025 and is already completed.

For the Off-system location at Eagle Drive and Avenue A, construction is funded at 100% federal participation, and the City is not responsible for construction costs unless an overrun occurs. The City is responsible for its engineering costs, TxDOT review fees, and State-assessed direct and indirect costs as shown in the project budget (Exhibit A, Attachment B). Engineering design for the Off-system locations was previously funded by the City in FY2024/2025 and is already completed.

The City of Denton budgets annually for participation in the HSIP to ensure continued improvement of its traffic network using federal and state funding sources. This allows the City to leverage external funding to address safety needs, upgrade aging infrastructure, and implement modern signal technologies that would otherwise require significant local investment. For this set of projects, the City's estimated contribution is approximately \$307,413.17 (total for application, traffic counts, utility survey, engineering design and construction costs), while federal and state funding sources provide more than \$2.4 million toward construction and delivery. By utilizing HSIP, the City can deliver safety improvements more cost-effectively, stretch local dollars further, and make meaningful progress toward a safer and more efficient transportation system for all roadway users.

OPTIONS

1. Approval
2. Approval Subject to Conditions
3. Denial
4. Postpone Item

FUNDING:

The \$57,413.17 of City's funding amount will be paid through the transportation services HSIP budget.

RECOMMENDATION:

Staff recommends approval of this request.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

None

EXHIBITS

Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Advanced Funding Agreement
Exhibit 3 - Ordinance

Respectfully submitted:
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