



City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Development Services, Real Estate

DCM: Cassandra Ogden

DATE: September 29, 2025

SUBJECT

Consider recommending adoption of an ordinance of the City of Denton determining the public use, need and necessity for the acquisition of approximately 3.682 acres of land located along Spencer Road, in the Mary L. Austin Survey, Abstract Number 4, City and County of Denton, Texas, from Medanjo Partners, Ltd. a Texas limited partnership, recorded by County Clerk Document Number 2018-75291, Real Property Records, Denton County, Texas; for the purpose of future expansion of the Denton Municipal Electric campus; authorizing the expenditure of funds to Not exceed One Million Seven Hundred Twenty-Four Thousand One Hundred Seventy Dollars and 14/100 (\$1,724,170.14) for the 3.682 acres and associated closing costs; and providing for a severability and an effective date.

BACKGROUND

The Denton Municipal Electric Department (DME) has expressed an interest in purchasing approximately 9.218-acres of land located along Shady Oaks Drive that is owned by GIRO Realty Investments Ltd. and a 3.682-acre tract located at the intersection of Spencer Road and Woodrow Lane, owned by its partner company, Medanjo Partners, Ltd. (same principal reps). During initial negotiations with GIRO for the 9.218-acre tract, Medanjo initially declined to sell the smaller tract. However, as negotiations continued, the owners proposed to sell the 3.682-acre tract of land located at the intersection of Spencer Road and Woodrow Lane. The two tracts are strategically located north and west of the City's DME Spencer campus on Spencer Road.

The owners listed the 3.682-acre property for sale at \$2,165,000.00. An independent appraisal was conducted and following over a year of negotiations, the City and property owner reached an agreed purchase price of \$1,724,170.14 for the corner tract owned by Medanjo.

DME is planning to expand its current campus to provide electric service more effectively to the City of Denton. The future design of the campus incorporates safer and more streamlined ingress and egress as well as providing better security for critical operations and facilities. DME leadership identified this tract as instrumental for securing and expanding the campus, and as such, both transactions have been placed on this agenda for Council consideration.

Data provided to support the expansion include a 21% increase in the DME customer base, which grew from 57,346 in May 2020, to 69,514 in May 2025. Growth is expected to continue as several large developments, including Hickory Grove, Cole Ranch, and Hunter Ranch (Landmark) are in active construction and predicted to result in several thousand additional customers over the coming years. The growing customer base and development requires increased material and equipment to support the system which translates to increased space needed to store assets and inventory.

DME currently provides 25kV distribution to new developments in the western portion of the service territory which provides operational advantages; but requires additional warehouse and laydown space for the 24kV rated equipment. DME currently rents additional warehouse space at 651 S. Mayhill – which is located off-site from the main campus. In addition, DME is providing 25kV distribution to new developments in the western portion of the service territory which provides operational advantages; but requires additional warehouse and laydown space for the 24kV rated equipment. DME currently rents additional warehouse space at 651 S. Mayhill – which is located away from the main campus.

Additionally, DME has a need to improve the ingress and egress routes of the existing campus. At present there are two access points serving both the DME campus and the Lake Lewisville water plant off Spencer Road. The current ingress and egress routes are difficult to navigate for large tractor-trailer combinations. Acquisition of this land will improve the ingress and egress for both DME and the Lake Lewisville water plant. Limited space at DME existing pole yard does not adequately provide asset and inventory storage space, pedestrian walkways, and covered vehicle storage. This presents a safety hazard to equipment and personnel.

The future design of the campus incorporates safer and more streamlined ingress and egress as well as providing better security for critical operations and facilities. Acquiring the adjacent land will provide the land area needed to mitigate safety hazards, ingress-egress, inventory storage space shortages, and will ultimately facilitate providing electric service more effectively to the City's electric customer base.

If a Council member determines that he or she has a conflict of interest pursuant to the Ethics Ordinance, he or she may contact the City Attorney's Office to have a Recusal Form prepared prior to the consideration of this agenda item.

OPTIONS

1. Recommend proposed ordinance
2. Do not recommend proposed ordinance

RECOMMENDATION

Staff recommends approval of the ordinance.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Closed session meeting, July 18, 2023

Closed session meeting, August 5, 2023

FISCAL INFORMATION

The JD Edwards account number for the acquisition is 605138500 (DME Campus Expansion Project). DME Bond funds will be utilized for this purchase.

EXHIBITS

Exhibit 1 - Agenda Information Sheet

Exhibit 2 – Location Map

Exhibit 3 – Site Map

Exhibit 4 – Ordinance

Exhibit 5 – Secretary of State

Respectfully submitted:
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Development Services-Real Estate

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