



# City of Denton

City Hall  
215 E. McKinney Street  
Denton, Texas  
[www.cityofdenton.com](http://www.cityofdenton.com)

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## AGENDA INFORMATION SHEET

**DEPARTMENT:** Development Services

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

**DATE:** December 2, 2025

### **SUBJECT**

Conduct the second of two public hearings and consider adoption of an ordinance of the City of Denton approving a second amended and restated strategic partnership agreement between the City of Denton and Denton County Municipal Utility District No. 16 providing for limited purpose annexation and the terms for eventual full-purpose annexation of property located in the city's extraterritorial jurisdiction; and providing an effective date.

### **STRATEGIC ALIGNMENT**

This action supports Key Focus Area: Enhance Infrastructure and Mobility.

### **BACKGROUND**

On April 29, 2020 the City received a petition for consent to the creation of Denton County Municipal Utility District No. 16. This Municipal Utility District (MUD) is located near FM 156 and US 380 and is also known as "Olex MUD" or "Meadows MUD". The MUD originally featured 1,523 residential lots, 8 acres of multifamily property, and 19 acres of commercial property.

A MUD is a special-purpose district created to provide essential services such as water, wastewater, and drainage to areas outside city limits. Governed by an elected board, MUDs fund infrastructure and operations through bonds repaid by property taxes and user fees. MUDs are required to seek City consent when the MUD is within the extraterritorial jurisdiction (ETJ) of the City.

Olex Inc. initially petitioned the City for consent to the creation and the City began negotiating a development agreement and the property was subsequently sold to VS Development, LLC. Initially, a development agreement was approved by the City Council on August 18, 2020, and included provisions on Denton County's consent, utilities, floodplain/ESA, roadway construction specifications, and limited purpose annexation to receive sales tax for commercial property. A first amendment was made to the development agreement on January 25, 2022, to name the City of Denton as the fire service provider and approve a Fire Services Agreement. In early 2025, an Amended and Reinstated Development Agreement was approved by City Council to allow for additional acreage. This change also included the removal of the Fire Agreement and amendment to the Strategic Partnership Agreement (SPA) to allow for the City to annex a portion or all of the district for limited purpose of collecting sales tax on the commercial portions of the property and includes the option, at the City's discretion, to annex the entire property into the city limits after the bonds issued by the MUD have been repaid.

The first amendment to the Amended and Restated Development Agreement was approved by City Council on October 14, 2025, to include an additional 19 acres, increasing the development to 2,802

residential lots, 21 acres of multifamily property, and 27 acres of commercial property. The change in the property boundary of the MUD requires an amendment to the SPA to accommodate that change. The SPA has to be executed by both the City of Denton and the MUD, with each holding two public hearings. The MUD completed the two public hearings and provided the executed SPA to the City. The first of two public hearings was held on October 21, 2025, and this is the second public hearing and consideration of adoption of the ordinance.

### **OPTIONS**

No action is required for this public hearing.

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

August 18, 2020- City Council adopted a resolution of consent to the creation of the MUD.

August 18, 2020- City Council approved a Development and Consent Agreement.

January 25, 2022- City Council approved a First Amendment to the Development and Consent Agreement.

June 4, 2024- City Council held the first public hearing for a Strategic Partnership Agreement.

June 18, 2024- City Council held a second public hearing and adopted a resolution approving the Strategic Partnership Agreement.

January 7, 2025- City Council approved an Amended and Restated Development Agreement and consented to additional property.

February 2, 2025- City Council held the first public hearing for an Amended and Restated Strategic Partnership Agreement.

February 18, 2025- City Council held a second public hearing and adopted a resolution approving the Amended and Restated Strategic Partnership Agreement.

October 14, 2025- City Council approved a first amendment to the Amended and Restated Development agreement, including an updated SPA.

October 21, 2025- City Council held the first public hearing of an amendment to the SPA.

### **EXHIBITS**

1. Agenda Information Sheet
2. Ordinance
3. Presentation

Respectfully submitted:

Charlie Rosendahl

Interim Director of Development Services