

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF DENTON, TEXAS, AMENDING PRIOR RESOLUTION CONSENTING TO THE CREATION OF “HUNTER RANCH IMPROVEMENT DISTRICT NO. 1 OF DENTON COUNTY, TEXAS” AND THE INCLUSION OF LAND THEREIN; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, pursuant to Section 59, Article XVI, Texas Constitution, Hunter Ranch Improvement District No. 1 of Denton County, Texas (the “District”) has been created during the 86th Regular Session of the Texas Legislature through the passage of HB 4683 and codified under Chapter 3980, Special District Local Laws Code (the “District Act”), to include land within the City of Denton, Texas (the “City”), as a special district for the benefit of the public, including the acquisition, construction, improvement, financing, operation, and maintenance of water, wastewater, drainage, road, landscaping, park and recreational facilities;

WHEREAS, in satisfaction of the requirements of Section 3981.0109(a)(1) of the District Act, the City has adopted Resolution No. 20-762, dated April 7, 2020 (the “Consent Resolution”), consenting to the creation of the District and to the inclusion of the land described therein; and

WHEREAS, in satisfaction of the requirements of Section 3981.0109(a)(2) of the District Act, the City and the District have entered into that “Operating Agreement”, dated as of April 7, 2020 (the “Operating Agreement”); and

WHEREAS, a conservation easement in the form required by Section 3 of the Consent Resolution was recorded in the real property records of Denton County, Texas, within 180 calendar days from the date of passage of the Consent Resolution, and all requirements of the Consent Resolution related to the conservation easement have been fully and timely satisfied; and

WHEREAS, the City and District have agreed to amend the terms and provisions of the Operating Agreement and the City has adopted Resolution No. _____, dated May __, 2024, approving a First Amendment to Operating Agreement, between the City and the District (the “First Amendment”); and

WHEREAS, amendment of the Operating Agreement as provided by the First Amendment requires amendment of the Consent Resolution as provided herein.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF DENTON HEREBY RESOLVES:

SECTION 1. The facts and recitations contained in the preamble of this resolution are true and correct.

SECTION 2. Section 4 of the Consent Resolution is hereby amended and restated to provide as follows:

The District shall be subject to the following terms and provisions:

- (a) Board of Directors

- (i) The City may appoint one additional director to the District board of directors.
- (b) Construction of Improvement Projects
 - (i) The District may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance, inside and outside of its boundaries, only those improvement projects or services as permitted by the District Act and Chapter 375, Local Government Code, as may be limited by the operating agreement between the City and the District (a “District Project”);
 - (ii) Before the commencement of construction of any District Project financed by bonds, notes, or other obligations (the “Bonds”) or to be conveyed or dedicated to the City, the District will submit to the City all plans and specifications for the construction and obtain City approval thereof;
 - (iii) Prior to the construction of each District Project described above, the District or its engineer will give written notice to the City, stating the date that the construction will be commenced;
 - (iv) The construction of each District Project described above will be in accordance with plans and specifications approved by the City; and during the progress of the construction and installation of the improvements, the City or a City representative may make periodic on-the-ground inspections; and
 - (v) Upon completion of each District Project, District will convey ownership of such improvements to the City in accordance with the operating agreement between the City and the District.
- (c) Issuance of Bonds
 - (i) The District may issue Bonds payable wholly or partly from ad valorem taxes, revenue other than assessments, contract payments, grants, or other District money, or any combination of those sources of money, only to pay for an authorized District purpose or project;
 - (ii) Each series of Bonds will have a maximum maturity of 30 years, and expressly provide that the District reserves the right to redeem each series of Bonds on any date not later than the 10th anniversary of the date of issuance without premium;
 - (iii) Except as otherwise permitted by law, the Bonds will be sold only after taking public bids;

- (iv) The bids for the Bonds will be received not more than forty-five days after notice of the sale of the Bonds is given;
- (v) The Bonds will not be payable from or secured by special assessment revenues of the District;
- (vi) The Bonds will not be payable from or secured by a pledge of ad valorem taxes of the City or the revenues from the City's utility or other system or any other revenues of the City;
- (vii) The principal amount of Bonds secured by ad valorem taxes issued by the District, when combined with the District's other similarly secured Bonds outstanding at the time of issuance may not exceed ten percent (10%) of the assessed value of all real property in the District. The principal amount of Bonds secured by contract payments meeting the requirements of Section 3980.0504(2) of the District Act issued by the District, when combined with the District's other similarly secured Bonds outstanding at the time of issuance may not exceed ten percent (10%) of the assessed value of all real property subject to the applicable District contract;
- (viii) No Bonds, other than refunding Bonds, will be sold for less than 95% of par; provided that the net effective interest rate on the Bonds so sold, taking into account any discount or premiums as well as the interest borne by such Bonds, will not exceed two percent (2%) above the highest average interest rate reported by the Daily Bond Buyer in its weekly "20 Bond Index" during the one-month period next preceding the date notice of the sale of such Bonds is given;
- (ix) Any refunding Bonds issued by the District must provide for a minimum of three percent (3%) net present value savings; and the latest maturity of the refunding Bonds may not extend beyond the latest maturity of the refunded Bonds unless approved by the City;
- (x) At least 45 days before the sale of a series of Bonds or at least 45 days before entering into any bond purchase agreement for the sale of Bonds, the District shall submit a copy of the documents authorizing the Bonds to the City staff together with (a) the certifications from each developer in the District that the developer is in compliance with the developer's project agreement with the City; and (b) certification that the District is in compliance with this resolution and its operating agreement with the City (collectively, the "Bond Documents").
- (xi) The City staff must complete its review of the Bond Documents not later than the 30th day after the date the City receives such documents. In the event the City staff determines a developer or the District is not in compliance, it may object to the issuance of a series of Bonds by the delivery of written notice of such objection (the "Initial Notice of

Noncompliance”) to the District within 35 days from the date of City’s receipt of the Bond Documents. Such notice shall set forth in reasonable detail the basis for the City staff objection and the District shall be given a reasonable time to cure based on the alleged noncompliance, but in no event less than 30 days (the “Cure Period”). In the event that the City staff determines the basis for its objection has not been cured within the Cure Period, it shall provide written notice (the “Final Notice of Noncompliance”) of such determination to the District . Subsequent to its receipt of the Final Notice of Noncompliance, the District must obtain consent of the City Council for the issuance of such Bonds.

(d) Boundary Changes

- (i) Land shall not be added to or excluded from the District without the written consent of the City Council as provided by the District Act.

(e) District Division

- (i) The City’s consent to the creation of the District granted by this resolution shall constitute consent to future creation of any new district created by division pursuant to the District Act; provided the new district is located wholly within the area of the District as of the effective date of the District Act.
- (ii) The creation of any new district by division shall be subject to the conditions of this resolution and the District Act.
- (iii) The District may not be divided into more than four (4) new districts without City consent.

(f) Dissolution

- (i) The District board of directors shall provide 180 days advance written notice to the City of its intent to dissolve the District.

(g) Miscellaneous

- (i) A contract of the District payable from ad valorem taxes or special assessments for a period longer than 3 years must be approved by the City unless such contract is terminable at will at the discretion of the District upon 30 days written notice, is subject to annual appropriation by the District or has been approved by the qualified voters of the District.
- (ii) City consent shall be required to include any part of the area of the District in a tax increment reinvestment zone or tax abatement reinvestment zone.

(h) Remedies

- (i) In addition to all the rights and remedies provided by the laws of the state, in the event the District violates the terms and provisions of this written consent, the City shall be entitled to injunctive relief or a writ of mandamus issued by a court of competent jurisdiction restraining, compelling or requiring the District and its officials to observe and comply with the terms and provisions prescribed in this written consent to the inclusion of land within the District.

SECTION 3. If any section, subsection, clause, phrase or portion of this resolution is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portion thereof.

SECTION 4. This resolution shall be in full force and effect from and after its passage.

The motion to approve this resolution was made by _____ and seconded by _____. The resolution was passed and approved by the following vote [____ - ____]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Paul Meltzer, District 3	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At-Large Place 5	_____	_____	_____	_____
Chris Watts, At-Large Place 6	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2024.

GERARD HUDSPETH, MAYOR

ATTEST:

LAUREN THODEN, CITY SECRETARY

APPROVED AS TO LEGAL FORM:

MACK REINWAND, CITY ATTORNEY