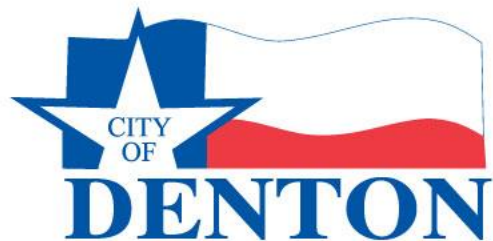


Hunter Ranch Agreements

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April 16, 2024



Today's Discussion

- Background - Hunter Ranch Development
- Hunter Ranch Proposed Terms
- Agreement Structure
- Proposed City of Denton Benefits
- Next Steps

Background

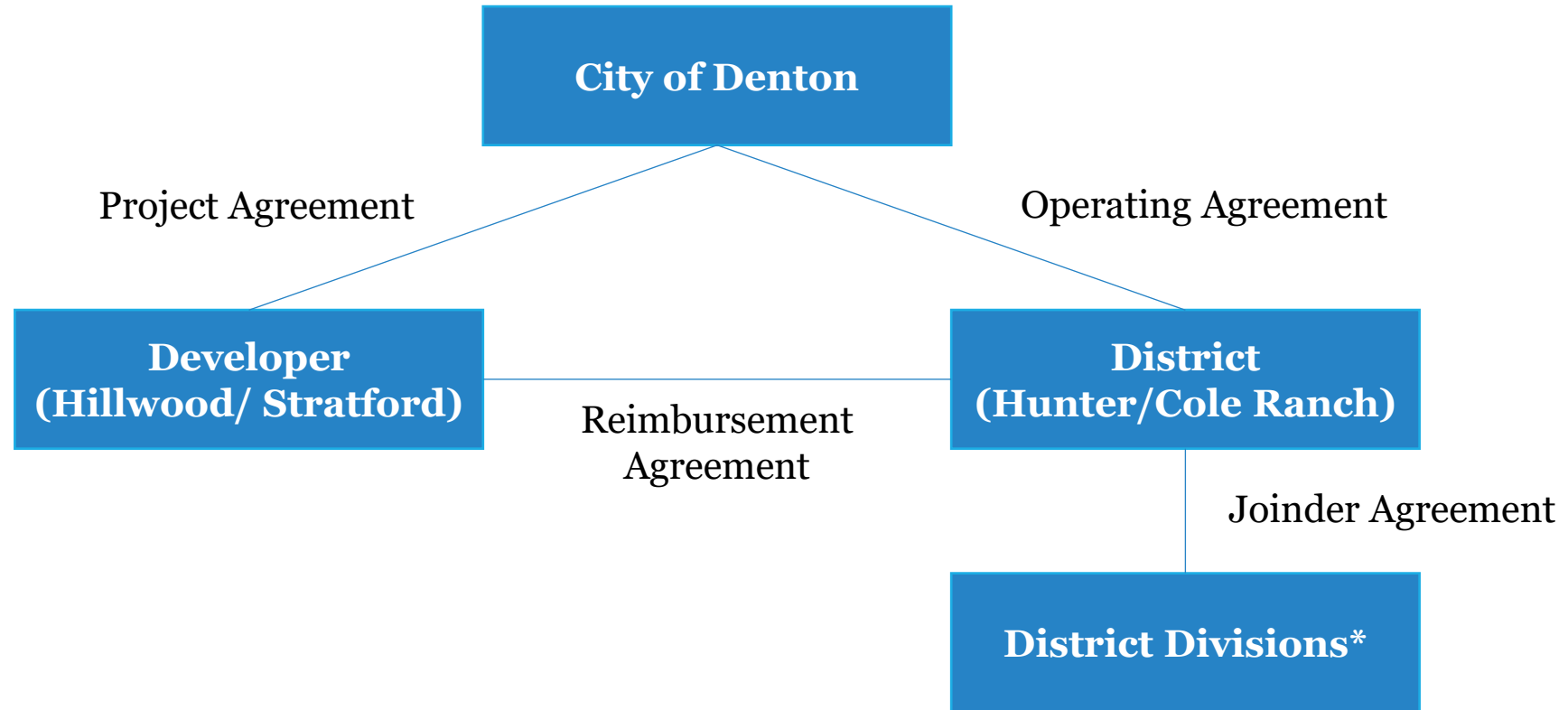
Hunter Ranch

- Approximately 3,167.7-acre master planned community (MPC)
 - 6,500 single family units
 - 3,250 multifamily units
 - 365+ commercial acres

Municipal Management District (MMD) – Hunter Ranch/Cole Ranch

- Resolution of support – February 12, 2019
- State approved legislation – June 14, 2019
- City Council resolution & approval – April 7, 2020

Parties & Agreements



*Both Hunter & Cole Ranch may divide into 4 districts for a total of 8 districts

Overview of Agreement Terms

Operating Agreement

- Definitions
 - Tax Rate
- Operation of District
 - Regional District
- Construction of Improvement Projects
 - Supplemental Projects
- Financing Improvement Projects
 - Max developer reimbursement
- Terms and Conditions
- Dissolution of Districts

Project Agreement

- Development Standards
- Parks & Trails
- Infrastructure & Oversizing
- Municipal Facilities
- DME
- Affordable Housing
- Private Amenities
- District Matters
- Rough Proportionality
- Additional Provisions

Proposed Terms – District Tax Rate

- **Current**
 - \$0.55 MMD Tax Rate
 - \$0.49 Benchmark Tax Rate cap (Estimated \$0.39 to debt service & \$0.10 to O&M)
 - \$0.06 Contract Tax towards City Offsite Improvement Projects
 - Bond reimbursement cap set at \$350,000,000
- **Proposed**
 - Increase to the Benchmark Tax Rate from \$0.49 to \$0.71, to allow bonding capacity for the Supplemental Projects and promote parity with adjacent competing districts.
 - Eliminate bond reimbursement cap and allow the Benchmark Tax Rate to control the reimbursement cap

Proposed Terms – Improvement Projects

Construction & Financing of Improvement Projects

- **Current**

- Developer reimbursement is limited to Improvement Projects defined in the Operating Agreement. Projects are regional in nature and exclude any non-regional qualified public infrastructure projects.
- The district may subdivide into 4 districts. Each district is responsible for financing Improvement Projects.

- **Proposed**

- Completion of defined Improvement Projects unlocks additional qualified public infrastructure projects for reimbursement, dollar for dollar “Supplemental Projects.” The Supplemental Projects list would include all District roadway infrastructure, all District storm water drainage and detention, and all District impact fees.
- Create a “Regional District” responsible for financing the regional Improvement Projects.

City Facilities, Land, and Contributions

Funding Contributions – ~~\$7.185 million~~ **\$8.685 million**

- Emergency Services - \$5 million
- Water Treatment Plant Design - \$250K
- Service Center Annex - \$262.5K
- Solid Waste Transfer Station - \$112.5K
- Water Booster Pump Station - \$37.5K
- WW Lift Station - \$22.5K
- Affordable Housing - ~~\$1.5 million~~ **\$3 million**

Other

- **Timing commitment for construction start (Phase 1/Roark Branch)**

Land Conveyance – 80 acres

- Fire Station - 3 acres
- DME Substation – 10 acres
- City Parks – 62 acres
- **Additional ROW for WW Project**

ESA and Upland Preservation

- Combined Preservation – ~~120 acres~~ **141 acres, 65%**
- Pilot Knob conservation easement

Gas Wells

- **Plug & abandon 2 gas wells**

Next Steps

- Reevaluate the Fiscal Impact Analysis using:
 - Updated assessed values and land use assumptions
 - Updated capital plan assumptions and estimates for developer and city constructed improvement projects
 - Updated operating cost assumptions for City of Denton
- 5/7/24 - Present an amended agreement for Council consideration