



# City of Denton

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

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## AGENDA INFORMATION SHEET

**DEPARTMENT:** Denton Municipal Electric

**CM:** Sara Hensley

**DATE:** November 19, 2024

### **SUBJECT**

Consider adoption of an ordinance of the City of Denton, Texas a home-rule municipal corporation, authorizing the City Manager to execute an Agreement for Value Loss Consideration with Core Scientific, Inc., a Delaware Corporation; and providing an effective date.

### **INFORMATION/BACKGROUND**

In consideration of negotiations between the City and Core Scientific on a potential land swap, the attached Agreement of Value Loss is intended to memorialize a change in deal structure and subsequent lost transaction value to the City.

As part of the amendment negotiation process, Core promised to deliver additional land for the City's solid waste department in exchange for the existing solid waste transfer station property. The City relied on this representation as part of the value of the transaction and the contemplated land swap was significant inducement for the City to negotiate the lease of additional property.

Core informed the City that negotiations with the third-party landowner were unsuccessful and as a result, Core was unable to perform the contemplated land swap.

In recognition of the lower value to the City of the transaction without the Contemplated Land Swap, Core stipulates that the City is entitled to \$5,056,480 to reflect the value differential to the City. Core also agrees that it will pay the City an additional \$60,000 to reimburse the City for costs it incurred for engineering services related to the transfer station property.

Core will make this payment within ten (10) days of execution of this letter agreement upon confirming payment instruction with the City. Funds related to this letter agreement are unrestricted.

### **RECOMMENDATION**

Staff recommend adoption of this ordinance and acceptance of said amounts.

### **EXHIBITS**

Exhibit 1: Agenda Information Sheet

Exhibit 2: Ordinance

Respectfully submitted:  
Antonio Puente, Jr.  
DME General Manager