



AGENDA INFORMATION SHEET

DEPARTMENT: Development Services

CM/DCM/ACM: Cassey Ogden

DATE: May 5, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton authorizing the execution of a second amendment to Cole Ranch Operating Agreement with Cole Ranch Improvement District No. 1 of Denton County, Texas, relative to funding of improvement projects serving property within Cole Ranch Improvement District No. 1 of Denton County and adding definitions; and providing an effective date.

STRATEGIC ALIGNMENT

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

BACKGROUND

Cole Ranch is a 3,169-acre master-planned development west of I-35 West and east of Robson Ranch. The development is located within the city limits and is designated as a Master Planned Community District under the Denton Development Code. The development's buildout is expected to occur over 40 years and is anticipated to include:

- 5,900 single-family units
- 3,200 multifamily units
- 120 commercial acres
- 256 industrial acres

Due to the scale of the development, significant public infrastructure is required. Developers fund these improvements and seek reimbursement through a Municipal Management District (MMD), a governmental agency and political subdivision of the state. The MMD finances public capital improvements and/or services by imposing property taxes, special assessments, and/or impact fees on property owners within the district.

On February 12, 2019, the Denton City Council passed resolutions of support for the creation of the MMD, which was approved by the Texas Legislature on June 14, 2019. On April 7, 2020, the City Council passed a consent resolution authorizing the creation of the Cole Ranch MMD, accompanied by operating and project agreements outlining improvement projects, financing, reimbursement eligibility, allowable district tax rates, and district operations.

The First Amendment to the Operating Agreement, approved on February 18, 2025, increased the district's tax rate, removed the bond reimbursement cap, and permitted reimbursement for supplemental improvement projects.

Similar to the amendment completed for Hunter Ranch in January 2026, the Second Amendment to the Operating Agreement modernizes the project's financial and operational framework by updating key definitions and procedures. The amendment also establishes a formal process for cost-sharing related to wastewater infrastructure, where the City and District share costs for joint facilities based on benefits received, determined by the prorated share of design capacities allocable to each party. Furthermore, it increases funding flexibility by removing the previous requirement that original Improvement Projects must be completed before a Supplemental Project can be funded, allowing the District to proceed with any Authorized Project under its taxing authority.

Additionally, the amendments provides for updates to certain exhibits in the original operating agreement including the joinder, reimbursement and wastewater joint facility cost sharing agreement.

RECOMMENDATION

Staff recommends approval of the Amended Operating Agreement.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

February 12, 2019 – Resolution of support and escrow agreement ordinance approved by City Council

April 7, 2020 – Consent resolution, Project Agreement, and Operating Agreement approved by City Council

February 18, 2025 – First Amendment to the Cole Ranch Operating Agreement approved by City Council

EXHIBITS

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – Ordinance

Exhibit 3 – Presentation

Respectfully submitted:

Charlie Rosendahl

Director of Development Services