



City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: City Manager's Office

ACM: Cassandra Ogden

DATE: April 16, 2024

SUBJECT

Receive a report, hold a discussion, and give staff direction regarding proposed amendments to the Hunter Ranch Improvement District's Operating and Project Agreements

BACKGROUND

Hunter Ranch is a 3,167-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:

- 6,500 single-family units
- 3,250 multifamily units
- 365 commercial acres

Because projects of this size require the construction of significant public infrastructure, the developers pay for the construction of improvement projects and seek reimbursement through a Municipal Management District (MMD). An MMD is considered a governmental agency and a 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 who are benefiting from such improvements. With that revenue source, and once the assessed value of the property is 10 times greater than the amount of debt to be issued, the MMD can issue bonds, which are then used to reimburse the developer for the up-front cost of the public improvements.

On Feb. 12, 2019, the Denton City Council passed resolutions of support for the creation of the MMD to be considered during the State of Texas' 2019 Legislative session. The district was approved by the Legislature on June 14, 2019. On Apr. 7, 2020, the Denton City Council passed a consent resolution authorizing the creation of the Hunter Ranch MMD which was accompanied by operating and project agreements that dictate improvement projects to be constructed, financing and project reimbursement eligibility, allowable district tax rates, and district operations.

The purpose of this work session is for Council to consider Hunter Ranch's request to amend the Operating Agreement to increase the district's tax rate, remove the current bond reimbursement cap, and permit the district to seek reimbursement for non-regional infrastructure costs.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

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

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

EXHIBITS

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – Presentation

Respectfully submitted:

Cassandra Ogden

Assistant City Manager

Prepared by:

Ethan Cox

Director of Streets