

Mayor and Council Communication

DATE: 04/09/24

M&C FILE NUMBER: M&C 24-0265

LOG NAME: 12TRADITION MUD NO1&2B AMEND AND RESOLUTIONS

SUBJECT

(ETJ/DENTON COUNTY Near CD 10) Authorize Execution of Third Amendment to Development Agreement with HT HWY 114 Development LP and Adopt Resolutions Consenting to the Addition of Road Powers for Tradition Municipal Utility District No. 1 and 2B of Denton County

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the City Manager or a designee to execute the Third Amendment to Development Agreement with HT HWY 114 Development LP for the Tradition Municipal Utility Districts Nos. 1 and 2B; and
 2. Adopt the attached Resolutions consenting to the addition of road powers to Tradition Municipal Utility District Nos. 1 and 2B of Tarrant County.
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DISCUSSION:

Tradition Municipal Utility District Nos. 1 and 2B of Denton County (Districts) encompass 1100 acres of land in Fort Worth's extraterritorial jurisdiction, north of Highway 114 and west of Texas Motor Speedway. The Districts were created by special act of the Texas Legislature in 2005 and 2007, respectively. The City Council approved Mayor and Council Communication (M&C) L-15853 on January 12, 2016 to authorize the execution of a development agreement for the property within the two Districts and amendments of the respective creation agreements for the two Districts.

The City and SLF IV – 114 Assemblage, L.P., a Texas limited partnership (prior owner of the Property) (SLF) entered into that certain Development Agreement for the Traditions development dated January 12, 2016 (City Secretary Contract No. 47477) (the Agreement) governing approximately 1,102 acres (Property). The Property consists of approximately 431.303 acres encompassed by Tradition Municipal Utility District No. 1 of Denton County, approximately 662.91 acres encompassed by Tradition Municipal Utility District No. 2B of Denton County and approximately 8.707 acres not contained within a municipal utility district.

The City and SLF entered into that certain First Amendment to Development Agreement dated effective June 17, 2019, and recorded in Denton County Clerk's Office on June 27, 2019 under Clerk's Document No. 76441. SLF's rights under the Development Agreement were assigned to HT HWY 114 Development L.P., a Texas limited liability partnership (Owner) by Assignment and Assumption Agreement dated October 15, 2019, and recorded in the Denton County Clerk's office under Clerk's Document No. 131236, contemporaneously with Owner acquiring title to the Property and assuming the obligations under the Agreement, whereupon Owner became the developer of the Tradition project.

The City and Traditions Investors, LLC entered into that certain Second Amendment to Development Agreement dated effective April 19, 2022. The Second Amendment addressed the limited purpose annexation by the City of that certain 47.262 acre tract of land designated for Mixed Use and allowed additional uses within the that tract of land.

The Owner has asked, to provide flexibility in the ordering of phases of development of the Property as allowed under the Agreement, that the City amend the Agreement to incorporate the gas pads into the Residential Tracts, revise the permitted residential density and permit additional uses for one tract. The Owner has further asked that the public infrastructure to be constructed to support the development of the Property be vested to the City's ordinances, regulations, and design criteria in effect on the effective date of the Third Amendment in accordance with chapter 245 of the Texas Local Government Code.

The Districts have requested that the City consent to the modification of the Districts' existing road powers to allow the Districts to undertake road projects which are adjacent to and outside of the boundaries for the Districts, for the benefits of the District. The legislation creating the Districts requires the consent of the City by resolution or ordinance before the Districts may undertake any road project within the extraterritorial jurisdiction of the City. The City staff acknowledges that certain road projects outside of the Districts are necessary for their development and that the construction of road projects outside of the District will also benefit the City and its residents by providing better service delivery of roads.

The property is located in the City's extraterritorial jurisdiction adjacent to COUNCIL DISTRICT 10.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of these recommendations will have no material effect on City funds.

Submitted for City Manager's Office by: ALL ACMS 6122

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Expedited