

By: Stucky

H.B. No. 4693

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Cole Ranch Improvement District No. 1 of Denton County, Texas; providing authority to impose an assessment, impose a tax, and issue bonds.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3981 to read as follows:

CHAPTER 3981. COLE RANCH IMPROVEMENT DISTRICT NO. 1 OF DENTON COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3981.0101. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "City" means the City of Denton, Texas.

(3) "County" means Denton County, Texas.

(4) "Developer of property in the district" means a developer of property in the district as determined by the governing body of the city.

(5) "Director" means a board member.

(6) "District" means the Cole Ranch Improvement District No. 1 of Denton County, Texas.

(7) "Operating agreement" means an agreement that provides for:

(A) a general description of the improvement projects that may be financed by the district; and

1                   (B) the terms and conditions of:

2                   (i) the financing of the improvement  
3 projects described by Paragraph (A); and

4                   (ii) the operation of the district.

5                   (8) "Project agreement" means an agreement between the  
6 city and a developer of property in the district that relates to any  
7 aspect of the development of property in or outside the district.  
8 The governing body of the city may determine whether an agreement  
9 constitutes a project agreement for purposes of this chapter.

10                   Sec. 3981.0102. NATURE OF DISTRICT. The Cole Ranch  
11 Improvement District No. 1 of Denton County, Texas, is a special  
12 district created under Section 59, Article XVI, Texas Constitution.

13                   Sec. 3981.0103. PURPOSE; DECLARATION OF INTENT. (a) The  
14 creation of the district is essential to accomplish the purposes of  
15 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
16 Texas Constitution, and other public purposes stated in this  
17 chapter.

18                   (b) By creating the district and in authorizing the city,  
19 the county, and other political subdivisions to contract with the  
20 district, the legislature has established a program to accomplish  
21 the public purposes set out in Section 52-a, Article III, Texas  
22 Constitution.

23                   (c) The creation of the district is necessary to promote,  
24 develop, encourage, and maintain employment, commerce,  
25 transportation, housing, tourism, recreation, the arts,  
26 entertainment, economic development, safety, and the public  
27 welfare in the district.

1        (d) This chapter and the creation of the district may not be  
2 interpreted to relieve the city and the county from providing the  
3 level of services provided as of the effective date of the Act  
4 enacting this chapter to the area in the district. The district is  
5 created to supplement and not to supplant city or county services  
6 provided in the district.

7        Sec. 3981.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

8        (a) All land and other property included in the district will  
9 benefit from the improvements and services to be provided by the  
10 district under powers conferred by Sections 52 and 52-a, Article  
11 III, and Section 59, Article XVI, Texas Constitution, and other  
12 powers granted under this chapter.

13        (b) The district is created to serve a public use and  
14 benefit.

15        (c) The creation of the district is in the public interest  
16 and is essential to further the public purposes of:

17                (1) developing and diversifying the economy of the  
18 state;

19                (2) eliminating unemployment and underemployment;

20                (3) promoting the affordability of housing; and

21                (4) developing or expanding transportation and  
22 commerce.

23        (d) The district will:

24                (1) promote the health, safety, and general welfare of  
25 residents, employers, potential employees, employees, visitors,  
26 and consumers in the district, and of the public;

27                (2) provide needed funding for the district to

1 preserve, maintain, and enhance the economic health and vitality of  
2 the district territory as a community and business center;

3 (3) promote the health, safety, welfare, and enjoyment  
4 of the public by providing pedestrian ways and by landscaping and  
5 developing certain areas in the district, which are necessary for  
6 the restoration, preservation, and enhancement of scenic beauty;  
7 and

8 (4) provide for water, wastewater, drainage, road, and  
9 recreational facilities for the district.

10 (e) Pedestrian ways along or across a street, whether at  
11 grade or above or below the surface, and street lighting, street  
12 landscaping, parking, and street art objects are parts of and  
13 necessary components of a street and are considered to be a street  
14 or road improvement.

15 (f) The district will not act as the agent or  
16 instrumentality of any private interest even though the district  
17 will benefit many private interests as well as the public.

18 Sec. 3981.0105. INITIAL DISTRICT TERRITORY. (a) The  
19 district is initially composed of the territory described by  
20 Section 2 of the Act enacting this chapter.

21 (b) The boundaries and field notes contained in Section 2 of  
22 the Act enacting this chapter form a closure. A mistake in the  
23 field notes or in copying the field notes in the legislative process  
24 does not affect the district's:

25 (1) organization, existence, or validity;

26 (2) right to issue any type of bonds for the purposes  
27 for which the district is created or to pay the principal of and

1 interest on the bonds;

2 (3) right to impose or collect an assessment or tax; or

3 (4) legality or operation.

4 Sec. 3981.0106. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

5 All or any part of the area of the district is eligible to be  
6 included in:

7 (1) a tax increment reinvestment zone created by the  
8 city under Chapter 311, Tax Code; or

9 (2) a tax abatement reinvestment zone created by the  
10 city under Chapter 312, Tax Code.

11 Sec. 3981.0107. APPLICABILITY OF MUNICIPAL MANAGEMENT  
12 DISTRICTS LAW. Except as otherwise provided by this chapter,  
13 Chapter 375, Local Government Code, applies to the district.

14 Sec. 3981.0108. CONSTRUCTION OF CHAPTER. This chapter  
15 shall be liberally construed in conformity with the findings and  
16 purposes stated in this chapter.

17 Sec. 3981.0109. CITY CONSENT; OPERATING AGREEMENT AND  
18 PROJECT AGREEMENT REQUIRED. (a) Except as provided in Subsection  
19 (c), before the district may exercise any powers under this  
20 chapter:

21 (1) the city must adopt an ordinance or resolution  
22 consenting to the creation of the district and to the inclusion of  
23 land in the district;

24 (2) the city and the district must negotiate and  
25 execute a mutually approved and accepted operating agreement; and

26 (3) the city and each developer of property in the  
27 district must negotiate and execute a project agreement.

1 (b) This chapter expires December 31, 2020, if:

2 (1) the city and the district have not executed the  
3 operating agreement required by Subsection (a)(2); or

4 (2) the city and each developer of property in the  
5 district have not executed a project agreement as required by  
6 Subsection (a)(3).

7 (c) The board has the powers necessary, convenient, or  
8 desirable to negotiate and execute a mutually approved and accepted  
9 operating agreement.

10 SUBCHAPTER B. BOARD OF DIRECTORS

11 Sec. 3981.0201. GOVERNING BODY; TERMS. (a) The district is  
12 governed by a board of directors as provided in this section.

13 (b) Five directors are elected in the manner provided by  
14 Subchapter D, Chapter 49, Water Code.

15 (c) The city may appoint one additional director to the  
16 board.

17 (d) Section 375.063, Local Government Code, does not apply  
18 to a director appointed by the city.

19 (e) If the city exercises its right to appoint a director  
20 under Subsection (c), the board consists of six directors while the  
21 appointed director serves on the board. If the city does not  
22 exercise its right to appoint or reappoint a director under  
23 Subsection (c), the board consists of five directors.

24 (f) Except as provided by Section 3981.0204, directors  
25 serve staggered four-year terms.

26 Sec. 3981.0202. QUORUM. (a) Three members of the board  
27 constitute a quorum regardless of whether the board has five or six

1 members.

2 (b) A majority vote of a quorum of the board is required for  
3 official action.

4 (c) For purposes of determining the requirements for a  
5 quorum of the board, the following are not counted:

6 (1) a board position vacant for any reason, including  
7 death, resignation, or disqualification; or

8 (2) a director who is abstaining from participation in  
9 a vote because of a conflict of interest.

10 Sec. 3981.0203. COMPENSATION. A director is entitled to  
11 receive fees of office and reimbursement for actual expenses as  
12 provided by Section 49.060, Water Code. Sections 375.069 and  
13 375.070, Local Government Code, do not apply to the board.

14 Sec. 3981.0204. TEMPORARY DIRECTORS. (a) The temporary  
15 board consists of:

16 (1) \_\_\_\_\_;

17 (2) \_\_\_\_\_;

18 (3) \_\_\_\_\_;

19 (4) \_\_\_\_\_;

20 (5) \_\_\_\_\_; and

21 (6) a temporary director appointed by the city if the  
22 city appoints a temporary director under Section 3981.0201(c).

23 (b) The temporary or successor temporary directors shall  
24 hold an election as provided by Section 49.102, Water Code, to elect  
25 the five permanent elected directors.

26 (c) Except for a temporary director appointed by the city,  
27 temporary directors serve until the earlier of:

1           (1) the date the permanent elected directors are  
2 elected under Subsection (b); or

3           (2) the fourth anniversary of the effective date of  
4 the Act enacting this chapter.

5           (d) If the permanent elected directors have not been elected  
6 under Subsection (b) and the terms of the temporary directors have  
7 expired, successor temporary directors, other than a temporary  
8 director appointed by the city, shall be appointed or reappointed  
9 as provided by Subsection (e) to serve terms that expire on the  
10 earlier of:

11           (1) the date the permanent elected directors are  
12 elected under Subsection (b); or

13           (2) the fourth anniversary of the date of the  
14 appointment or reappointment.

15           (e) If Subsection (d) applies, the owner or owners of a  
16 majority of the assessed value of the real property in the district  
17 may submit a petition to the Texas Commission on Environmental  
18 Quality requesting that the commission appoint as successor  
19 temporary directors the five persons named in the petition. The  
20 commission shall appoint as successor temporary directors the five  
21 persons named in the petition.

22           (f) A temporary director appointed by the city serves until  
23 the fourth anniversary of the effective date of the Act enacting  
24 this chapter.

25                           SUBCHAPTER C. POWERS AND DUTIES

26           Sec. 3981.0301. GENERAL POWERS AND DUTIES. The district  
27 has the powers and duties necessary to accomplish the purposes for



1 which the district is created.

2 Sec. 3981.0302. IMPROVEMENT PROJECTS AND SERVICES. (a) The  
3 district, using any money available to the district for the  
4 purpose, may provide, design, construct, acquire, improve,  
5 relocate, operate, maintain, or finance an improvement project or  
6 service authorized under this chapter or Chapter 375, Local  
7 Government Code.

8 (b) The district may contract with a governmental or private  
9 entity to carry out an action under Subsection (a).

10 (c) The implementation of a district project or service is a  
11 governmental function or service for the purposes of Chapter 791,  
12 Government Code.

13 Sec. 3981.0303. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.  
14 The district may join and pay dues to a charitable or nonprofit  
15 organization that performs a service or provides an activity  
16 consistent with the furtherance of a district purpose.

17 Sec. 3981.0304. ADDING OR EXCLUDING LAND. (a) The district  
18 may add or exclude land in the manner provided by Subchapter J,  
19 Chapter 49, Water Code, or by Subchapter H, Chapter 54, Water Code.

20 (b) A district may not add or exclude land unless the city  
21 consents to the addition or exclusion.

22 Sec. 3981.0305. DISBURSEMENTS AND TRANSFERS OF MONEY. The  
23 board by resolution shall establish the number of directors'  
24 signatures and the procedure required for a disbursement or  
25 transfer of district money.

26 Sec. 3981.0306. APPROVAL BY THE CITY. (a) The district  
27 must obtain the approval of the city for:

1           (1) the plans and specifications of an improvement  
2 project financed by bonds, notes, or other obligations; and

3           (2) the plans and specifications of an improvement  
4 project related to the use of land owned by the city, an easement  
5 granted by the city, or a right-of-way of a street, road, or  
6 highway.

7           (b) City approval may be by an administrative process that  
8 does not involve the city's governing body, unless approval of the  
9 city's governing body is required by federal, state, or local law,  
10 ordinance, or regulation.

11           (c) Before issuing bonds, the district must:

12           (1) provide to the city the documents authorizing the  
13 bonds;

14           (2) provide to the city a certification from each  
15 developer of property in the district that the developer is in  
16 compliance with the terms and conditions of the developer's project  
17 agreement with the city; and

18           (3) certify that the district is in compliance with  
19 the terms and conditions of the ordinance or resolution consenting  
20 to the creation of the district under Section 3981.0109 and the  
21 operating agreement entered into under that section.

22           (d) The city must complete the city's review of the  
23 documents and certifications required by Subsection (c) not later  
24 than the 30th day after the date the city receives the documents and  
25 certifications. The city may object to the issuance of the bonds if  
26 the city determines that:

27           (1) the district is not in compliance with the terms

1 and conditions of the ordinance or resolution consenting to the  
2 creation of the district under Section 3981.0109;

3 (2) the district is not in compliance with the  
4 operating agreement entered into under Section 3981.0109; or

5 (3) a developer of property in the district is not in  
6 compliance with the terms and conditions of a project agreement  
7 that applies to the developer.

8 (e) If the city objects to the district's issuance of bonds,  
9 the district must obtain the consent of the city's governing body to  
10 the issuance of the bonds. The city's governing body may not  
11 unreasonably withhold consent to the issuance of bonds.

12 (f) Section 375.207, Local Government Code, does not apply  
13 to the district.

14 Sec. 3981.0307. NO EMINENT DOMAIN POWER. The district may  
15 not exercise the power of eminent domain.

16 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

17 Sec. 3981.0401. PETITION REQUIRED FOR FINANCING SERVICES  
18 AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a  
19 service or improvement project with assessments under this chapter  
20 unless a written petition requesting that service or improvement  
21 has been filed with the board.

22 (b) A petition filed under Subsection (a) must be signed by  
23 the owner or owners of a majority of the assessed value of real  
24 property in the district subject to assessment according to the  
25 most recent certified tax appraisal roll for the county.

26 Sec. 3981.0402. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
27 The board by resolution may impose and collect an assessment for any

1 purpose authorized by this chapter in all or any part of the  
2 district. Section 375.161, Local Government Code, does not apply  
3 to an assessment imposed by the district.

4 (b) An assessment, a reassessment, or an assessment  
5 resulting from an addition to or correction of the assessment roll  
6 by the district, penalties and interest on an assessment or  
7 reassessment, an expense of collection, and reasonable attorney's  
8 fees incurred by the district:

9 (1) are a first and prior lien against the property  
10 assessed;

11 (2) are superior to any other lien or claim other than  
12 a lien or claim for county, school district, or municipal ad valorem  
13 taxes; and

14 (3) are the personal liability of and a charge against  
15 the owners of the property even if the owners are not named in the  
16 assessment proceedings.

17 (c) The lien is effective from the date of the board's  
18 resolution imposing the assessment until the date the assessment is  
19 paid. The board may enforce the lien in the same manner that the  
20 board may enforce an ad valorem tax lien against real property.

21 (d) The board may make a correction to or deletion from the  
22 assessment roll that does not increase the amount of assessment of  
23 any parcel of land without providing notice and holding a hearing in  
24 the manner required for additional assessments.

25 Sec. 3981.0403. IMPACT FEES PROHIBITED. The district may  
26 not adopt or impose an impact fee.

1                   SUBCHAPTER E. TAXES AND BONDS

2           Sec. 3981.0501. TAX ELECTION REQUIRED. The district must  
3 hold an election in the manner provided by Chapter 49, Water Code,  
4 or, if applicable, Chapter 375, Local Government Code, to obtain  
5 voter approval before the district may impose an ad valorem tax.

6           Sec. 3981.0502. OPERATION AND MAINTENANCE TAX. (a) If  
7 authorized by a majority of the district voters voting at an  
8 election under Section 3981.0501, the district may impose an  
9 operation and maintenance tax on taxable property in the district  
10 in the manner provided by Section 49.107, Water Code, for any  
11 district purpose, including to:

- 12                   (1) maintain and operate the district;  
13                   (2) construct or acquire improvements; or  
14                   (3) provide a service.

15           (b) The board shall determine the operation and maintenance  
16 tax rate. The rate may not exceed the rate approved at the  
17 election.

18           Sec. 3981.0503. AUTHORITY TO BORROW MONEY AND TO ISSUE  
19 BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on  
20 terms determined by the board.

21           (b) The district may issue bonds, notes, or other  
22 obligations payable wholly or partly from ad valorem taxes,  
23 assessments, revenue, contract payments, grants, or other district  
24 money, or any combination of those sources of money, to pay for any  
25 authorized district purpose.

26           (c) The principal amount of bonds issued by the district in  
27 aggregate may not exceed 10 percent of the assessed value of all

1 real property in the district.

2 Sec. 3981.0504. BONDS SECURED BY REVENUE OR CONTRACT  
3 PAYMENTS. The district may issue, without an election, bonds  
4 secured by:

5 (1) revenue other than ad valorem taxes, including  
6 contract revenues; or

7 (2) contract payments, provided that the requirements  
8 of Section 49.108, Water Code, have been met.

9 Sec. 3981.0505. BONDS SECURED BY AD VALOREM TAXES;  
10 ELECTIONS. (a) If authorized at an election under Section  
11 3981.0501, the district may issue bonds payable from ad valorem  
12 taxes.

13 (b) Section 375.243, Local Government Code, does not apply  
14 to the district.

15 (c) At the time the district issues bonds payable wholly or  
16 partly from ad valorem taxes, the board shall provide for the annual  
17 imposition of a continuing direct annual ad valorem tax, without  
18 limit as to rate or amount, for each year that all or part of the  
19 bonds are outstanding as required and in the manner provided by  
20 Sections 54.601 and 54.602, Water Code.

21 (d) All or any part of any facilities or improvements that  
22 may be acquired by a district by the issuance of its bonds may be  
23 submitted as a single proposition or as several propositions to be  
24 voted on at the election.

25 Sec. 3981.0506. CITY NOT REQUIRED TO PAY DISTRICT  
26 OBLIGATIONS. Except as provided by Section 375.263, Local  
27 Government Code, the city is not required to pay a bond, note, or

1 other obligation of the district.

2 SUBCHAPTER F. DEFINED AREAS

3 Sec. 3981.0601. AUTHORITY TO ESTABLISH DEFINED AREAS OR  
4 DESIGNATED PROPERTY. The district may define areas or designate  
5 certain property of the district to pay for improvements,  
6 facilities, or services that primarily benefit that area or  
7 property and do not generally and directly benefit the district as a  
8 whole.

9 Sec. 3981.0602. PROCEDURE FOR ELECTION. (a) Before the  
10 district may impose an ad valorem tax applicable only to the defined  
11 area or designated property or issue bonds payable from ad valorem  
12 taxes of the defined area or designated property, the board shall  
13 hold an election as provided by Section 3981.0501 in the defined  
14 area or designated property only.

15 (b) The board may submit the proposition to the voters on  
16 the same ballot to be used in another election.

17 Sec. 3981.0603. DECLARING RESULT AND ISSUING ORDER.

18 (a) If a majority of the voters voting at the election held under  
19 Section 3981.0602 approve the proposition or propositions, the  
20 board shall declare the results and, by order, shall establish the  
21 defined area or designated property and describe it by metes and  
22 bounds or designate the specific area or property.

23 (b) The board's order is not subject to judicial review  
24 except on the ground of fraud, palpable error, or arbitrary and  
25 confiscatory abuse of discretion.

26 Sec. 3981.0604. TAXES FOR SERVICES, IMPROVEMENTS, AND  
27 FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter

1 approval and adoption of the order described by Section 3981.0603,  
2 the district may apply separately, differently, equitably, and  
3 specifically its taxing power and lien authority to the defined  
4 area or designated property to provide money to construct,  
5 administer, maintain, and operate services, improvements, and  
6 facilities that primarily benefit the defined area or designated  
7 property.

8 Sec. 3981.0605. ISSUANCE OF BONDS FOR DEFINED AREA OR  
9 DESIGNATED PROPERTY. After the order under Section 3981.0603 is  
10 adopted, the district may issue bonds to provide for any land,  
11 improvements, facilities, plants, equipment, and appliances for  
12 the defined area or designated property.

13 SUBCHAPTER G. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

14 Sec. 3981.0701. DIVISION OF DISTRICT; PREREQUISITES. The  
15 district may be divided into two or more new districts only if the  
16 district:

- 17 (1) has never issued any bonds; and  
18 (2) is not imposing ad valorem taxes.

19 Sec. 3981.0702. LAW APPLICABLE TO NEW DISTRICT. This  
20 chapter applies to any new district created by division of the  
21 district, and a new district has all the powers and duties of the  
22 district.

23 Sec. 3981.0703. LIMITATION ON AREA OF NEW DISTRICT. A new  
24 district created by the division of the district may not, at the  
25 time the new district is created, contain any land outside the area  
26 described by Section 2 of the Act enacting this chapter.

27 Sec. 3981.0704. DIVISION PROCEDURES. (a) The board, on its



1 own motion or on receipt of a petition signed by the owner or owners  
2 of a majority of the assessed value of the real property in the  
3 district, may adopt an order dividing the district.

4 (b) An order dividing the district must:

5 (1) name each new district;

6 (2) include the metes and bounds description of the  
7 territory of each new district;

8 (3) appoint temporary directors for each new district;

9 and

10 (4) provide for the division of assets and liabilities  
11 between the new districts.

12 (c) On or before the 30th day after the date of adoption of  
13 an order dividing the district, the district shall file the order  
14 with the Texas Commission on Environmental Quality and record the  
15 order in the real property records of each county in which the  
16 district is located.

17 Sec. 3981.0705. DIRECTORS' ELECTION FOR NEW DISTRICT. A  
18 new district created by the division of the district shall hold a  
19 directors' election in the manner provided by Section 3981.0201.

20 Sec. 3981.0706. TAX OR BOND ELECTION. Before a new district  
21 created by the division of the district may impose an operation and  
22 maintenance tax under Section 3981.0502 or issue bonds payable  
23 wholly or partly from ad valorem taxes, the new district must hold  
24 an election as required by this chapter to obtain voter approval.

25 Sec. 3981.0707. CITY CONSENT. (a) City consent to the  
26 creation of the district and to the inclusion of land in the  
27 district granted under Section 3981.0109 acts as municipal consent

1 to the creation of any new district created by the division of the  
2 district and to the inclusion of land in the new district.

3 (b) A new district created by division of the district is  
4 subject to the terms and conditions contained in the ordinance or  
5 resolution consenting to the creation of the district under Section  
6 3981.0109.

7 Sec. 3981.0708. OPERATING AGREEMENT AND PROJECT AGREEMENT.

8 (a) Except as provided by Subsection (b), before a new district  
9 created by division of the district may exercise any powers under  
10 this chapter:

11 (1) the new district must enter into:

12 (A) a joinder to the existing operating agreement  
13 between the city and the district; or

14 (B) a separate operating agreement with the city;  
15 and

16 (2) each developer of property in the new district  
17 must enter into:

18 (A) a joinder to an existing project agreement  
19 between the city and a developer of property in the district  
20 applicable to the territory in the new district; or

21 (B) a separate project agreement with the city.

22 (b) A new district created by division of the district has  
23 the powers necessary, convenient, or desirable to negotiate and  
24 execute an agreement described by Subsection (a).

25 SUBCHAPTER H. DISSOLUTION

26 Sec. 3981.0801. DISSOLUTION. (a) The board shall dissolve  
27 the district on written petition filed with the board by the owner

1 or owners of:

2 (1) 66 percent or more of the assessed value of the  
3 property subject to assessment by the district based on the most  
4 recent certified county property tax rolls; or

5 (2) 66 percent or more of the surface area of the  
6 district, excluding roads, streets, highways, utility  
7 rights-of-way, other public areas, and other property exempt from  
8 assessment by the district according to the most recent certified  
9 county property tax rolls.

10 (b) The board by majority vote may dissolve the district at  
11 any time.

12 (c) The district may not be dissolved by its board under  
13 Subsection (a) or (b) if the district:

14 (1) has any outstanding bonded indebtedness until that  
15 bonded indebtedness has been repaid or defeased in accordance with  
16 the order or resolution authorizing the issuance of the bonds;

17 (2) has a contractual obligation to pay money until  
18 that obligation has been fully paid in accordance with the  
19 contract; or

20 (3) owns, operates, or maintains public works,  
21 facilities, or improvements unless the district contracts with  
22 another person for the ownership, operation, or maintenance of the  
23 public works, facilities, or improvements.

24 (d) Sections 375.261, 375.262, and 375.264, Local  
25 Government Code, do not apply to the district.

26 SECTION 2. The Cole Ranch Improvement District No. 1 of  
27 Denton County, Texas, initially includes all territory contained in

1 the following area:

2 TRACT 1 (North Tract):

3 SITUATED in Denton County, Texas in the J. W. Kjellberg  
4 Survey, Abstract No. 1610, the James McDonald Survey, Abstract  
5 No. 873, the I.W. Byerly Survey, Abstract No. 1458, the J. Dalton  
6 Survey, Abstract No. 353, the J. A. Burn Survey, Abstract No. 132,  
7 the T. & P. R. R., Abstract No. 1292, the A. C. Madden Survey,  
8 Abstract No. 851, the I. N. Hembree Survey, Abstract No. 594, the  
9 J. Bacon Survey, Abstract No. 1540, the Wm. Neill Survey, Abstract  
10 No. 970, the B. B. B. & C.R.R. Co. Survey, Abstract No. 176, the T.  
11 E. Carruth Survey, Abstract 1707, being a Survey of part of the  
12 562.8 acre "First tract", a Survey of the 798.2 acre "Second Tract",  
13 a Survey of part of the 640 acre "Third Tract" described in a deed  
14 from T. E. Carruth, et al to M. T. Cole, dated December 22, 1931,  
15 recorded in Volume 238, Page 410, a Survey of part of the 415 acre  
16 tract described in a deed from Rudy Copeland and wife, Mary A.  
17 Copeland to M. T. Cole, dated September 26, 1933, recorded in Volume  
18 243, Page 572, both deeds of the Denton County Deed Records, being  
19 described by metes and bounds as follows:

20 BEGINNING at an 1/2-inch iron pin found at the Northwest  
21 corner of said 798.2 acre tract in the center of Tom Cole Road  
22 (East-West asphalt road) and C. Wolfe Road (rock road) from the  
23 South;

24 THENCE South 88 degrees 55 minutes 44 seconds East, generally  
25 with the center of said Tom Cole Road, 4685.36 feet to an "x" cut in  
26 a concrete bridge;

27 THENCE North 89 degrees 43 minutes 13 seconds East, generally

1 with the center of said Tom Cole Road, 2521.29 feet to a 3/4-inch  
2 iron pin set in place of a nail found at the Northeast corner of said  
3 798.2 acre tract;

4         THENCE South 00 degrees 23 minutes 40 seconds West, with the  
5 East line of said 798.2 acre tract and generally near an old fence,  
6 1865.00 feet to an 1/2-inch iron pin set by a corner post at the  
7 East-Southeast corner of said 798.2 acre tract; same being in the  
8 North line of said 640 acre tract;

9         THENCE South 88 degrees 52 minutes 00 seconds East, with the  
10 North line of said 640 acre tract and generally near an old fence,  
11 1616.90 feet to an 1/2-inch iron pin set near a corner post at the  
12 Northwest corner of the 24.73 acre "Tract One" recorded in Volume  
13 871, Page 137;

14         THENCE South 01 degree 07 minutes 58 seconds West, with the  
15 West line of said 24.73 acre tract and generally near a fence,  
16 950.05 feet to an 1/2-inch iron pin found at the West-Southwest  
17 corner of said 24.73 acre tract;

18         THENCE South 88 degrees 58 minutes 35 seconds East, with a  
19 South line of said 24.73 acre tract, 144.97 feet to an 1/2-inch iron  
20 pin found at an inside corner of said 24.73 acre tract;

21         THENCE South 01 degree 05 minutes 17 seconds West, with a West  
22 line of said 24.73 acre tract and with the West line of the 13.89  
23 acre "Tract Two" in said Volume 871, Page 137, 699.86 feet to an  
24 1/2-inch iron pin found at the Southwest corner of said 13.89 acre  
25 tract; same being the Northwest corner of the 31.107 acre tract  
26 recorded in Clerk's File No. 94-71013;

27         THENCE South 09 degrees 20 minutes 01 second West, with the

1 West line of said 31.107 acre tract, 1010.79 feet to an 1/2-inch  
2 iron pin found at the Southwest corner of said 31.107 acre tract;

3       THENCE South 88 degrees 53 minutes 58 seconds East, with the  
4 South line of said 31.107 acre tract, 1499.78 feet to an 1/2-inch  
5 iron pin found at the Southeast corner of said 31.107 acre tract;

6       THENCE North 07 degrees 10 minutes 06 seconds West, with the  
7 East line of said 31.107 acre tract, 1009.80 feet to an 1/2-inch  
8 iron pin found at the Northeast corner of said 31.107 acre tract;  
9 same being the Southeast corner of said 13.89 acre tract;

10       THENCE North 01 degree 06 minutes 57 seconds East, with the  
11 East line of said 13.89 acre tract and an East line of said 24.73  
12 acre tract 699.98 feet to an 1/2-inch iron pin found at an inside  
13 corner of said 24.73 acre tract;

14       THENCE South 88 degrees 52 minutes 57 seconds East, with a  
15 South line of said 24.73 acre tract, 144.76 feet to an 1/2-inch iron  
16 pin found at the East-Southeast corner of said 24.73 acre tract;

17       THENCE North 01 degree 04 minutes 51 seconds East, with the  
18 East line of said 24.73 acre tract, 629.19 feet to an 1/2-inch iron  
19 pin found at the Northeast corner of said 24.73 acre tract;

20       THENCE North 89 degrees 25 minutes 26 seconds East, with the  
21 South line of the Southeast Airport Addition recorded in Volume G,  
22 Page 295 of the Denton County Plat Records, 1534.00 feet to an  
23 1/2-inch iron pin found at the Southeast corner of said Airport  
24 Addition, in the center of Westcourt Road (North-South asphalt  
25 road);

26       THENCE South 00 degrees 38 minutes 25 seconds West, with an  
27 East line of said 415 acre tract and generally with the center of

1 said Westcourt Road, 1150.78 feet to a 5/8-inch iron pin found at an  
2 inside corner of said 415 acre tract;

3       THENCE North 89 degrees 48 minutes 14 seconds East, generally  
4 along Spring Side Road, 870.00 feet to an 1/2-inch iron pin found at  
5 the Northwest corner of the 10 acre tract recorded in Volume 971,  
6 Page 251;

7       THENCE southerly along the East side of Underwood Road  
8 (North-South asphalt road) as follows:

9       South 00 degrees 11 minutes 34 seconds East, 646.53 feet to a  
10 5-inch pipe corner post;

11       South 00 degrees 48 minutes 00 seconds East, generally near a  
12 fence for part of the way, 645.16 feet to a 5-inch pipe corner post;

13       South 00 degrees 41 minutes 32 seconds East, 547.42 feet to a  
14 5/8-inch iron pin found at the North-Northwest corner of the 76.768  
15 acre tract recorded in Volume 1166, Page 235;

16       South 00 degrees 00 minutes 11 seconds West, with a West line  
17 of said 76.768 acre tract and generally near a wood fence for part  
18 of the way, 344.00 feet to an 1/2-inch iron pin set at an inside  
19 corner of said 76.768 acre tract;

20       THENCE South 89 degrees 58 minutes 11 seconds West, with a  
21 North line of said 76.768 acre tract and crossing said Underwood  
22 Road, 125.00 feet to an 1/2-inch iron pin set at the West-Northwest  
23 corner of said 76.768 acre tract;

24       THENCE South 00 degrees 15 minutes 42 seconds East, with the  
25 West line of said 76.768 acre tract and on the West side of said  
26 Underwood Road, passing the Southwest corner of said 76.768 acre  
27 tract and continuing in all, 1561.35 feet to an 1/2-inch iron pin

1 found near said Underwood Road; same being the North-Northwest  
2 corner of the 96.85 acre tract recorded in Clerk's File  
3 No. 98-117450;

4       THENCE South 01 degree 54 minutes 54 seconds West, with a West  
5 line of said 96.85 acre tract and generally with said Underwood  
6 Road, 1205.51 feet to an one inch iron pin found at the an inside  
7 corner of said 96.85 acre tract; same being the Southeast corner of  
8 said 415 acre tract; same being where said road turns West;

9       THENCE North 89 degrees 27 minutes 33 seconds West, with the  
10 South line of said 415 acre tract and generally with the center of  
11 said Underwood Road, 1362.76 feet to an 1/2-inch iron pin set at the  
12 East-Southeast corner of the 18.726 acre "Tract II" recorded in  
13 Volume 489, Page 551 of the right-of-way of Farm Road No. 2449;

14       THENCE North 00 degrees 28 minutes 37 seconds East, with the  
15 East line of said 18.726 acre tract and the right-of-way line of  
16 said Farm Road No. 2449, 45.00 feet to an 1/2-inch iron pin set at  
17 the Northeast corner of said 18.726 acre tract;

18       THENCE with the North line of said 18.726 acre tract, the  
19 North right-of-way line of said Farm Road No. 2449 and generally  
20 near a fence as follows:

21       North 89 degrees 31 minutes 23 seconds West, 2944.75 feet to  
22 an 1/2-inch iron pin set;

23       South 89 degrees 46 minutes 37 seconds West, 7200.01 feet to  
24 an 1/2-inch iron pin set;

25       North 84 degrees 30 minutes 45 seconds West, 100.50 feet to an  
26 1/2-inch iron pin set;

27       South 89 degrees 46 minutes 37 seconds West, 200.00 feet to an



1 1/2-inch iron pin set;

2 South 84 degrees 03 minutes 59 seconds West, 100.50 feet to an  
3 1/2-inch iron pin set;

4 South 89 degrees 46 minutes 37 seconds West, 678.22 feet to an  
5 1/2-inch iron pin set;

6 North 44 degrees 49 minutes 38 seconds West, 39.98 feet to an  
7 1/2-inch iron pin set at the Northwest corner of said 18.726 acre  
8 tract; same being in the East line of said C. Wolfe Road;

9 THENCE North 00 degrees 30 minutes 56 seconds East, with the  
10 East line of said C. Wolfe Road and generally near a fence, 1353.53  
11 feet to an 1/2-inch iron pin set;

12 THENCE North 89 degrees 32 minutes 13 seconds West, 17.14  
13 feet to an 1/2-inch iron pin set in the center of said C. Wolfe Road,  
14 in the West line of said 798.2 acre tract;

15 THENCE North 00 degrees 32 minutes 15 seconds East, with the  
16 West line of said 798.2 acre tract and generally with the center of  
17 said C. Wolfe Road, 6972.35 feet to the PLACE OF BEGINNING and  
18 containing 2049.00 acres.

19 TRACT 2 (South Tract):

20 SITUATED in Denton County, Texas in the S. Paine Survey,  
21 Abstract No. 1035, the M. Paine Survey, Abstract No. 1036, the  
22 George West Survey, Abstract No. 1393, the B. B. B. & C.R.R. Co.  
23 Survey, Abstract No. 176, the E.N. Oliver Survey, Abstract No. 989,  
24 the J. T. Evans Survey, Abstract No. 411, the C. Manchaca Survey,  
25 Abstract No. 789, the G. W. Pettingale Survey, Abstract No. 1041,  
26 the J. W. Kjellberg Survey, Abstract No. 1610, being a Survey of  
27 part of 1.086 acre tract described in a deed from Maurine P. Myers,

1 et al to M. T. Cole Trust NO. 1, recorded in Volume 1018, Page 453,  
2 being a Survey of part of the 562.8 acre "First tract" described in  
3 a deed from T. E. Carruth, et al to M. T. Cole, dated December 22,  
4 1931, recorded in Volume 238, Page 410, a Survey of the 640 acre  
5 tract described in a Deed from T. E. Carruth, et al to M. T. Cole,  
6 dated January 4, 1935, recorded in Volume 250, Page 121, a Survey of  
7 the 429-3/4 acre tract described in a deed from T. E. Carruth, et al  
8 to M. T. Cole, dated March 28, 1936, recorded in Volume 256, Page  
9 285, all Deeds of the Denton County Deed Records, being described by  
10 metes and bounds as follows:

11 BEGINNING at an 1/2-inch iron pin set in a broke off Bois  
12 d'arc corner post at the Southwest corner of said 640 acre tract;  
13 same being in the East line of the 320.350 acre tract recorded in  
14 Clerk's File No. 99-67258;

15 THENCE North 00 degrees 35 minutes 15 seconds East, with the  
16 East line of said 320.350 acre tract and generally near a fence,  
17 3057.12 feet to a 5/8-inch iron pin found at the Northeast corner of  
18 said 320.350 acre tract;

19 THENCE North 89 degrees 23 minutes 04 seconds West, with the  
20 North line of said 320.350 acre tract, 153.52 feet to an 1/2-inch  
21 iron pin set in the West line of said 1.086 acre tract; same being on  
22 the East side of H. Lively Road (rock road);

23 THENCE northerly with the East side of said H. Lively Road,  
24 with the West line of said 1.086 acre tract and generally near a  
25 fence as follows:

26 North 49 degrees 11 minutes 19 seconds East, 31.80 feet to an  
27 1/2-inch iron pin set;

1 North 06 degrees 29 minutes 42 seconds East, 103.71 feet to an  
2 1/2-inch iron pin set;

3 North 07 degrees 48 minutes 12 seconds East, 90.24 feet to an  
4 1/2-inch iron pin set;

5 North 19 degrees 36 minutes 29 seconds East, 83.19 feet to an  
6 1/2-inch iron pin set;

7 North 17 degrees 17 minutes 59 seconds East, 221.61 feet to an  
8 1/2-inch iron pin set at the Northwest corner of said 1.086 acre  
9 tract;

10 THENCE South 89 degrees 52 minutes 01 second East, with the  
11 North line of said 1.086 acre tract, 17.07 feet to an 1/2-inch iron  
12 pin found at the Northeast corner of said 1.086 acre tract; same  
13 being in the East line of the 160.939 acre tract recorded in Volume  
14 1300, Page 933;

15 THENCE northerly with the East line of said 160.939 acre  
16 tract, the East side of said H. Lively Road and generally near a  
17 fence as follows:

18 North 00 degrees 48 minutes 45 seconds East, 72.34 feet to an  
19 1/2-inch iron pin found;

20 North 00 degrees 23 minutes 31 seconds East, 2695.55 feet to  
21 an 1/2-inch iron pin set in the South right-of-way line of Farm Road  
22 No. 2449;

23 THENCE easterly with the South right-of-way line of said Farm  
24 Road No. 2449 and generally near a fence as follows:

25 North 45 degrees 10 minutes 52 seconds East, 41.58 feet to an  
26 1/2-inch iron pin set;

27 North 89 degrees 46 minutes 37 seconds East, 679.48 feet to an

1 1/2-inch iron pin set;  
2 South 84 degrees 30 minutes 45 seconds East, 100.50 feet to an  
3 1/2-inch iron pin set;  
4 North 89 degrees 46 minutes 37 seconds East, 200.00 feet to an  
5 60d nail set in top of a wood right-of-way marker;  
6 North 84 degrees 03 minutes 59 seconds East, 100.50 feet to an  
7 1/2-inch iron pin set;  
8 North 89 degrees 46 minutes 37 seconds East, 1462.48 feet to  
9 an 1/2-inch iron pin found at the Northwest corner of the 18.28 acre  
10 tract recorded in Volume 5, Page 709 of the Lis Pendens records of  
11 Denton County, Texas  
12 THENCE South 00 degrees 16 minutes 13 seconds East, with an  
13 West line of said 18.28 acre tract and generally near a fence 711.07  
14 feet to an 1/2-inch iron pin found by a corner post at the Southwest  
15 corner of said 18.28 acre tract;  
16 THENCE North 89 degrees 45 minutes 23 seconds East, with the  
17 South line of said 18.28 acre tract and generally near a fence,  
18 1119.68 feet to an 1/2-inch iron pin found by a corner post at the  
19 Southeast corner of said 18.28 acre tract;  
20 THENCE North 00 degrees 12 minutes 56 seconds West, with the  
21 East line of said 18.28 acre tract and generally near a fence,  
22 710.67 feet to an 1/2-inch iron pin set at the Northeast corner of  
23 said 18.28 acre tract, in the South right-of-way line of said Farm  
24 Road No. 2449;  
25 THENCE North 89 degrees 46 minutes 37 seconds East, with the  
26 North right-of-way line of said Farm Road No. 2449 and generally  
27 near a fence, 4616.62 feet to an 1/2-inch iron pin set in an East

1 line of said 562.8 acre tract;

2           THENCE South 00 degrees 09 minutes 33 seconds West, with an  
3 East line of said 562.8 acre tract and generally with the center of  
4 a rock road 1652.60 feet to an 1/2-inch iron pin set at the  
5 South-Southeast corner of said 562.8 acre tract, where said road  
6 turns to the West;

7           THENCE North 89 degrees 28 minutes 35 seconds West, with the  
8 South line of said 562.8 acre tract and generally with the center of  
9 said rock road, 254.68 feet to an 1/2-inch iron pin set in place of a  
10 60d nail found at the North-Northeast corner of said 429-3/4 acre  
11 tract;

12           THENCE South 00 degrees 24 minutes 30 seconds West, with an  
13 East line of said 429-3/4 acre tract and generally near an old  
14 fence, 2169.07 feet to a Bois d'arc corner post found at the inside  
15 corner of said 429-3/4 acre tract;

16           THENCE South 89 degrees 56 minutes 06 seconds East, with a  
17 North line of said 429-3/4 acre tract and generally near the  
18 evidence of an old fence, passing an 1/2-inch iron pin set by a  
19 corner post at 3125.59 feet and continuing in all, 3151.06 feet to a  
20 point on the West edge of John Paine Road (North-South rock road);  
21 same being in a West line of the 2329.49 acre tract recorded in  
22 Clerk's File No. 98-117450;

23           THENCE South 00 degrees 33 minutes 24 seconds West, with a  
24 West line of said 2329.49 acre tract and with the West edge of said  
25 John Paine Road, 2545.07 feet to an 1/2-inch iron pin found at the  
26 Southeast corner of said 429-3/4 acre tract and an inside corner of  
27 said 2329.49 acre tract;

1           THENCE North 89 degrees 47 minutes 59 seconds West, with the  
2 South line of said 429-3/4 acre tract, a North line of said 2329.49  
3 acre tract and generally near an old fence, 5406.60 feet to a Bois  
4 d'arc corner post found at the Southwest corner of said 429-3/4 acre  
5 tract and a Northwest corner of said 2329.49 acre tract;

6           THENCE South 01 degree 59 minutes 48 seconds West, with a West  
7 line of said 2329.49 acre tract and generally near a fence, 92.25  
8 feet to a Bois d'arc corner post found at an inside corner of said  
9 2329.49 acre tract and the Southeast corner of said 640 acre tract;  
10 an one inch iron pipe found bears South 87 degrees 45 minutes 56  
11 seconds East, 3.46 feet;

12           THENCE North 89 degrees 30 minutes 24 seconds West, with the  
13 South line of said 640 acre tract, a North line of said 2329.49 acre  
14 tract and generally near an old fence for most of the way, 5806.65  
15 feet to the PLACE OF BEGINNING and containing 1357.12 acres.

16           SAVE AND EXCEPT THE FOLLOWING TRACTS OF LAND:

17           Except Tract 1:

18           22.18748 acres of land situated in Denton County, Texas, in  
19 the George West Survey, Abstract No. 1393 and the G.W. Pettingale  
20 Survey, Abstract No. 1041, being more particularly described in  
21 that certain Special Warranty Deed from SLF II Cole Property, L.P.  
22 to Corporation of the Episcopal Diocese of Dallas dated to be  
23 effective as of February 29, 2008 and recorded on March 4, 2008 as  
24 Instrument No. 2008-22241 in the Real Property Records of Denton  
25 County, Texas.

26           Except Tract 2:

27           184.812 acres of land situated in Denton County, Texas, in

1 the William Neill Survey, Abstract No. 970, the John Bacon Survey,  
2 Abstract No. 1540, the Isaac N. Hambree Survey, Abstract No. 594,  
3 the Jeremiah Dalton Survey, Abstract No. 353 and the J.W. Kjellberg  
4 Survey, Abstract No. 1610, being more particularly described in  
5 that certain Special Warranty Deed from SLF II Cole Property, L.P.  
6 to Aldi (Texas) L.L.C. dated to be effective as of May 8, 2008 and  
7 recorded on May 8, 2008 as Instrument No. 2008-50360 in the Real  
8 Property Records of Denton County, Texas.

9 Except Tract 3:

10 0.247 acre of land situated in Denton County, Texas, in the  
11 Jeremiah Dalton Survey, Abstract No. 353, being more particularly  
12 described in that certain Donation Deed from SLF II Cole Property,  
13 L.P. to Denton County, Texas dated to be effective as of September  
14 1, 2010 and recorded on October 26, 2010 as Instrument  
15 No. 2010-107113 in the Real Property Records of Denton County,  
16 Texas, and recorded again on July 25, 2011 as Instrument  
17 No. 2011-68617 in the Real Property Records of Denton County,  
18 Texas.

19 Except Tract 4:

20 29.444 acres of land, situated in the J. McDonald Survey,  
21 A-873, Denton County, Texas, and being more particularly described  
22 in that certain Special Warranty Deed from SLF II Cole Property,  
23 L.P. to the City of Denton, Texas dated to be effective as of  
24 December 27, 2016 and recorded on December 29, 2016 as Instrument  
25 No. 163835 in the Real Property Records of Denton County, Texas.

26 SECTION 3. (a) The legal notice of the intention to  
27 introduce this Act, setting forth the general substance of this

1 Act, has been published as provided by law, and the notice and a  
2 copy of this Act have been furnished to all persons, agencies,  
3 officials, or entities to which they are required to be furnished  
4 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
5 Government Code.

6 (b) The governor, one of the required recipients, has  
7 submitted the notice and Act to the Texas Commission on  
8 Environmental Quality.

9 (c) The Texas Commission on Environmental Quality has filed  
10 its recommendations relating to this Act with the governor,  
11 lieutenant governor, and speaker of the house of representatives  
12 within the required time.

13 (d) All requirements of the constitution and laws of this  
14 state and the rules and procedures of the legislature with respect  
15 to the notice, introduction, and passage of this Act have been  
16 fulfilled and accomplished.

17 SECTION 4. This Act takes effect immediately if it receives  
18 a vote of two-thirds of all the members elected to each house, as  
19 provided by Section 39, Article III, Texas Constitution. If this  
20 Act does not receive the vote necessary for immediate effect, this  
21 Act takes effect September 1, 2019.