

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (the "MOU") is made and entered into by and between the TOWN OF CROSS ROADS, a Texas general-law municipality located in Denton County ("Cross Roads"), and DENTON INDEPENDENT SCHOOL DISTRICT, a public school district located in Denton County ("DISD") to set forth certain general understandings and agreements in principle between Cross Roads and DISD regarding the acquisition and development of certain land in Cross Roads.

### **I. Recitals**

1. Cross Roads relies heavily on sales tax revenue as the primary basis for generating funds to operate and maintain a family-oriented, safe town environment while preserving its small-town country living, and making the community a better place to do business, live and work.
2. Denton ISD relies entirely on ad-valorem property taxes to generate funds to build and construct new facilities, and a combination of state and local funds to maintain and operate schools within Denton ISD and the Town of Cross Roads.
3. Cross Roads has developed and adopted the Cross Roads Vision 2035 Final Vision and Next Steps Plan regarding the Cross Roads vision for the future of Cross Roads (the "Plan").
4. US 380 is a crucial commercial corridor for economic development, specifically including sales tax-generating businesses for the Town of Cross Roads that does not have an Ad Valorem property tax, and for property tax generating businesses for Denton ISD that does have an Ad Valorem property tax.
5. Cross Roads previously worked with the owner/developer of Volunteer Enterprises, the previous owner of an approximately 32-acre parcel of land at the corner of US 380 and Naylor (the "Cross Roads Property" depicted in Exhibit "A").
6. The Cross Roads Property is the subject of Development Agreement(s) which obligated the previous owner/developer of the Cross Roads Property to make significant financial contributions, real estate dedications, and improvements to Cross Roads (the "Encumbrances"), and the Cross Roads Property is encumbered by those obligations.
7. The total amount of the Encumbrances encumbered the prior owner to just over \$11mm.
8. DISD has purchased the Cross Roads Property.
9. DISD has also acquired approximately 113 acres of land immediately South of the Cross Roads Property which were previously owned by Bloomfield Homes (the "High School No. 5 Property" depicted in Exhibit "B").
10. DISD has plans to develop and construct an elite public high school on the High School No. 5 Property.
11. DISD also has plans to develop and construct a Career Technical Education Center on the same site as High School No. 5.
12. The Encumbrances on the Cross Roads Property included payment obligations from the Development Agreement(s), required roadway improvements, tree mitigation obligations, and 5 acres of real estate to be dedicated to the Town adjacent to the High School No. 5 Property (the "Exchange Parcel" depicted in Exhibit "C").
13. The proposed high school DISD intends to develop on the High School No. 5 Property will create a need for public services in Cross Roads, including police and fire protection, along



- with the construction, operation, and maintenance of roadway and traffic light infrastructure.
14. DISD is committed to contributing towards and participating in solutions to the additional public needs arising from the development and operation of the proposed high school on the High School No. 5 Property for services directly related to the new High School.
  15. DISD has also purchased approximately 80-acre tract of land that fronts a future East/West connector in Cross Roads for possible development by DISD (the "Connector Parcel" depicted in Exhibit "D").
  16. The Connector Parcel and the Cross Roads Property represent significant opportunities for future retail, commercial, and sales tax-generating development in both Cross Roads and Denton ISD as well as significant opportunities for future educational facilities to enhance student learning.
  17. DISD does not have definitive plans for its future use of the Connector Parcel.
  18. DISD does not have definitive plans for its future use of the Cross Roads Property.
  19. Cross Roads is committed to achieving the approximate net benefits of the Encumbrances for Cross Roads.
  20. Cross Roads and DISD are mutually willing to partner in a constructive manner to assist both entities with providing services to their constituents so Cross Roads does not assume any additional costs or responsibilities related to DISD developments, and Denton ISD does not assume any additional costs as it relates to future economic development.
  21. Cross Roads and DISD recognize further that the transactions contemplated under this MOU will benefit Cross Roads' and DISD's long-term interests by promoting economic development and job creation in Cross Roads and Denton ISD, and fostering the future development of DISD schools and facilities, both to the betterment of Cross Roads and DISD (collectively the "Parties").

## **II. Purpose of the MOU**

This MOU is intended to form the basis of a final, binding agreement for the transactions described herein. Following the execution of this MOU by Cross Roads and DISD, Cross Roads will cause to be prepared a draft development agreement ("Development Agreement") for consideration and ultimately execution by the Parties which will set forth in detail the terms and conditions of the proposed transactions described in this MOU and such other terms as are mutually agreed upon by the Parties. The provisions in this MOU reflect Cross Roads' and DISD's understandings and agreements in principle but are expressly understood not to constitute a complete statement of or a legally binding or enforceable agreement of the Parties. It will be and remain within the sole discretion of each party whether to enter into the Development Agreement, and no party will have any liability for failing to do so.

## **III. DISD Responsibilities**

DISD will work cooperatively with Cross Roads to amend the Development Agreement(s) as follows:

- A. Recognizing the importance of Cross Roads community involvement, DISD will invite and involve Cross Roads representatives to work with DISD's architects as time allows through the charette process to bring major themes of the Plan into



- development, including land use plans for the High School No. 5 Property, the Connector Tract, and the Cross Roads property.
- B. DISD will work to bring internet service to DISD schools built in Cross Roads and the CTE. If there is additional capacity available in the DISD's fiber conduit, the DISD agrees to work with Cross Roads to make such capacity available to the Town of Cross Roads, subject to mutually agreeable terms..
  - C. In consideration for being relieved of the Encumbrances and to create economic benefits provided for herein, DISD will convey a 2.5 acre portion of the Cross Roads Property to Cross Roads in fee simple for the 5 acre Exchange Parcel owned by the Town of Cross Roads at the Northwest corner of Naylor and the Connector Road and release. DISD will also convey a fifty-percent (50%) ownership interest in the remainder of the Cross Roads Property to Cross Roads. In exchange Cross Roads will release the Encumbrances on the Cross Roads Property as to DISD but not to any potential future owner(s).
  - D. The shared goal for Cross Roads and DISD is that the Cross Roads Property be developed into a master planned, community based concept, that maximizes the generation of sales tax revenue, ad valorem revenue, and learning opportunities for Texas students.
  - E. Development, management, and lease arrangements of the Cross Road Property will be the responsibility of the Town of Cross Roads, and Denton ISD will have 50% interest in proceeds.
  - F. DISD currently has no plans to construct on more than one school campus within Cross Roads. In the event DISD pursues the development of a second school campus within the Town of Cross Roads, then the parties agree to work cooperatively on agreeable terms, location, and impact associated with such new campus.
  - G. The grounds of the High School No. 5 Property will be designed to include walking and biking trails throughout the High School No. 5 Property and open spaces to include outdoor spaces which may include performance areas and playfields. DISD will comply with applicable landscaping codes for Cross Roads.
  - H. In naming the new High School DISD will endeavor to include recognition of the geographic location of the new High School being within Cross Roads.
  - I. The new DISD High School and the CTE available for public use on an as-available basis, including but not limited to the following: indoor walking for senior citizens, joint library use, after-hours and weekend use for the public, community play on the tennis courts and community use of the theatre and fine arts facilities, in the same manner as all other DISD facilities. The Parties agree to enter into future agreements for facility use.
  - J. DISD will work cooperatively with Cross Roads regarding the payment of Building Permit fees for the new High School and the CTE.
  - K. DISD will allow Cross Roads to utilize the outdoor spaces on Denton ISD property, including the new High School and the CTE, for community events, including but not limited to Founders Day under separate use agreements, so long as such use does not interfere with educational operations.
  - L. The new High School will be zoned to reduce or eliminate the need for students of the new High School to utilize Highway 380 to commute to school. It is anticipated that the attendance zone for the new High School will be generally consistent with the zones

for Rodriguez and Strickland Middle Schools. The Parties understand nothing contained herein limits the ability of DISD to rezone schools.

- M. DISD will be solely responsible for student resource officers and equipment in the same manner as with other DISD facilities. These contributions will be on the same or equivalent terms as provided to other municipalities within DISD's boundaries. Cross Roads and DISD will work together to budget for these costs annually, which will be paid in advance and settled at the end of each fiscal year.
- N. DISD will collaborate with Cross Roads to address the costs to construct any required public infrastructure to serve its new campus in Cross Roads, including but not limited to all roadway, drainage, and traffic light improvements so that Cross Roads does not assume any additional financial responsibilities. DISD will pay any fees required under Texas law, and the Parties may enter into additional agreements for impact, permit and other development fees.
- O. The Parties may develop a mutually beneficial specific agreement for the CTE to include capacity for Cross Roads Town Hall facilities, including but not limited to meeting space, offices, conference rooms, and associated facilities subject to and conditioned upon mutually agreeable terms and conditions.
- P. DISD will develop a specific agreement to develop a community garden at Star Ranch for possible use when students are not present.
- Q. DISD will not locate a bus barn or bus storage facility within Cross Roads.

#### **IV. Cross Roads Responsibilities**

Cross Roads will work cooperatively with DISD to amend the Development Agreement(s) as follows:

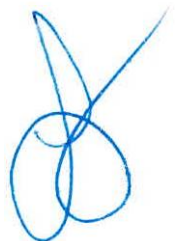
- A. Cross Roads will convey the Exchange Parcel to DISD in fee simple. Closing on the Exchange Parcel and the Cross Roads Property shall be simultaneous.
- B. Cross Roads will develop a new specific agreement to govern development of the Denton ISD properties which will eliminate any other development contributions on the Cross Roads Property. In particular, there will be no tree mitigation requirements.
- C. Cross Roads will release all Encumbrances on the Cross Roads Property and the High School No. 5 property as to DISD, but not to future owners.

#### **V. Miscellaneous**

- A. This MOU shall be executed by the duly authorized official(s) of Cross Roads and DISD.
- B. This MOU shall be governed by the laws of the State of Texas and the venue for any dispute hereunder shall be State District Court of Denton County.

**EXECUTED** on the dates set forth below and effective upon the last date of execution.

*(Signature page to follow)*





**TOWN OF CROSS ROADS, TEXAS**


By:   
T. Lynn Tompkins, Jr., Mayor

Date: 12/1/2023

ATTEST:


  
Donna Butler, Town Secretary

APPROVED AS TO FORM:

  
Town Attorney

**DENTON INDEPENDENT SCHOOL DISTRICT**

Approved at the regularly scheduled meeting of the Denton ISD Board of Trustees on December 12, 2023.

By:   
Mrs. Mia Price  
President, Denton ISD Board of Trustees

Date: 12-12-2023

ATTEST:

By:   
Dr. Patsy Sosa-Sanchez  
Secretary, Denton ISD Board of Trustees

Date: 12-15-2023

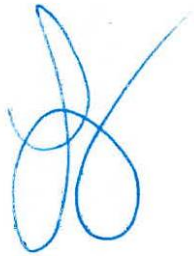


EXHIBIT "A"  
CROSS ROADS PROPERTY



EXHIBIT "B"  
HIGH SCHOOL NO. 5 PROPERTY

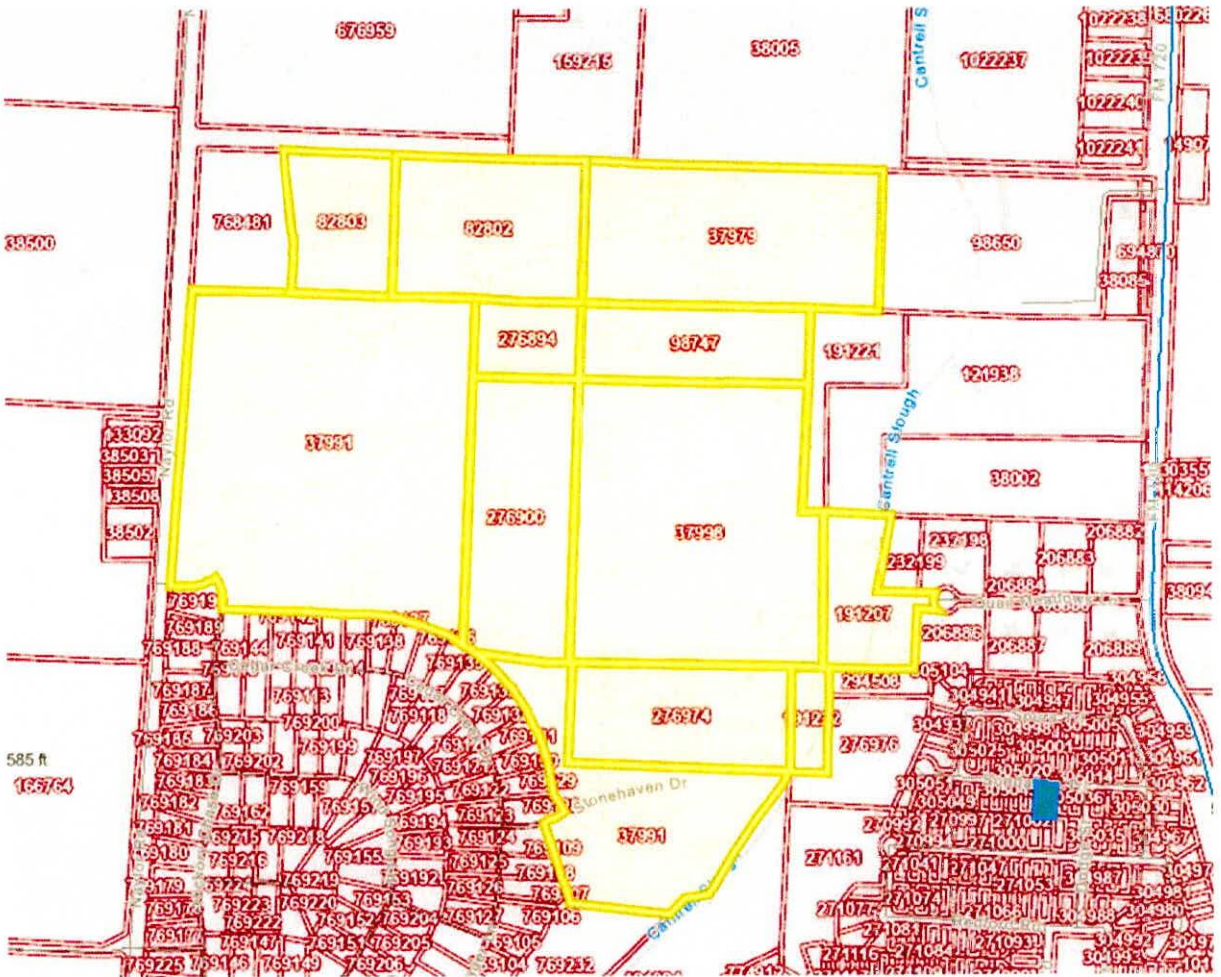








EXHIBIT "D"  
CONNECTOR PARCEL

