

# Jim Christal Road Rezoning Community Meeting

Thank you for joining us! The meeting will begin momentarily.

# Participants and Agenda

## Participants

- Development Services
  - Karina Maldonado, Assistant Planner
  - Rhonda Hurst, Development Project Facilitator
- Denton Municipal Electric
  - Terry Naulty, Assistant General Manager
  - Chris Lutrick, Executive Manager of Operations
- Tenaska Energy Solutions
  - Gregory Kelly, President
  - Chris Hemschot, Director Origination

## Agenda

- Introductions
- Virtual Community Reminders
- Project Background
- Rezoning Request
- Questions and Feedback

# Virtual Community Meeting Reminder

All attendees are muted

All attendees videos are disabled

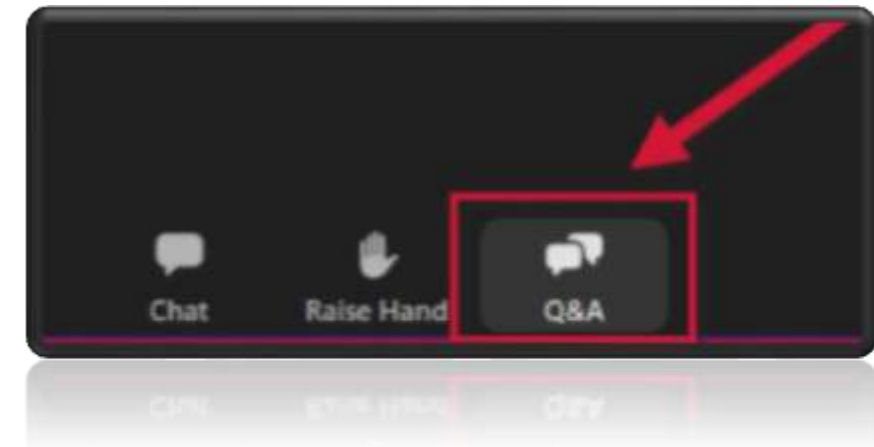
Short presentation by staff

## Questions

Q&A - Questions will be answered at the end of the presentation in the order they are received, and will only display in the Q&A after they are answered

Select “Raise Hand” to request to speak –For people wishing to verbally ask a question, those questions will be answered at the end of the presentation. If you raise your hand, the presenter will call your name and you will need to unmute after you have been called on to ask your question

Presentation will be available at  
[www.cityofdenton.com/virtualcommunitymeeting](http://www.cityofdenton.com/virtualcommunitymeeting)



# Project Background

Tenaska is a large, private energy company specializing in power plant development and operation and natural gas and electric power marketing.

DME and Economic Development have been working with Tenaska and a data center client on the development of a high-density computing operation.

The project has very large electric demand.

The project's electric demand will be larger than total DME annual electric demand at full build out.

Proposed to be constructed on leased land at the Denton Energy Center.

Adequate transmission and substation capacity with minimal build out.

Requires zoning change from Public Facility (PF) to Light Industrial (LI) – June 23<sup>rd</sup> P&Z consideration.

# Project Site Plan

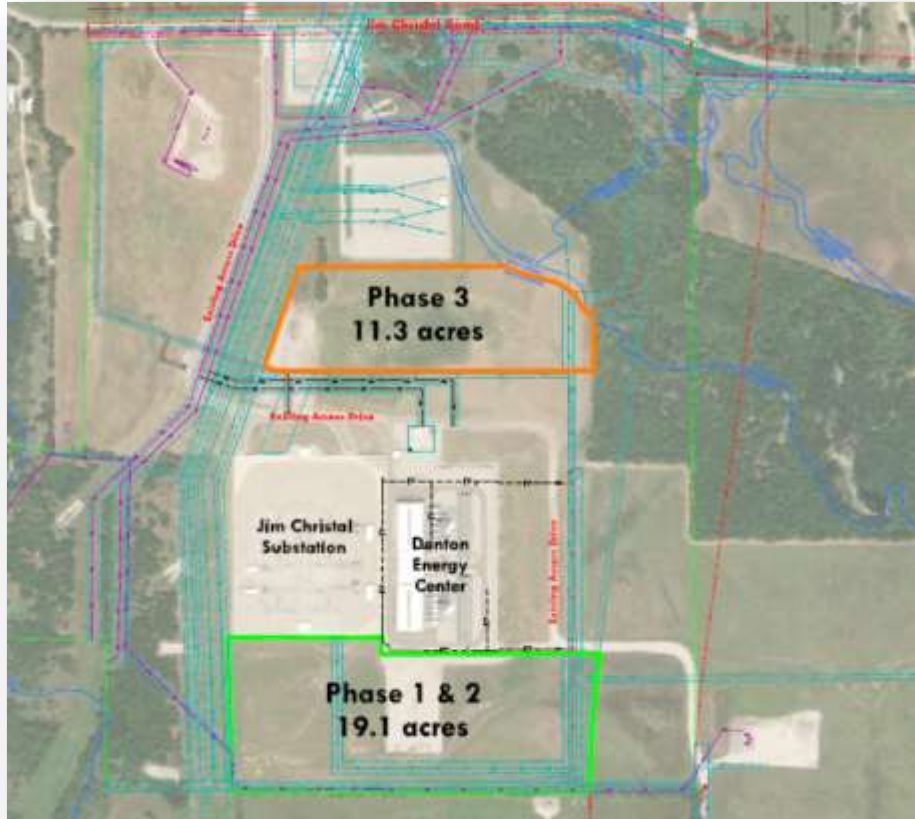


## Modular Data Mining Campus

- Co-location services for high performance computing applications
  - Blockchain
  - Cryptocurrency mining
  - Artificial intelligence
  - Machine learning
  - DNA mapping



# Project Development



- The project will be developed in 3 phases:
  - Phases 1 & 2 includes 19 acres south of the Denton Energy Center (Target COD – Sept. 2021)
  - Phase 3 includes 11 acres north of the Denton Energy Center (Target COD – March 2022).
- Electric supply from the Jim Christal substation.
- Project will require negotiation of a Purchase Power Agreement due to large electric demand of project.
  - Project is not asking for an economic development agreement.
- DME negotiating land lease that will part of the proposed PPA.
  - Lease rate will be market based.
- Property currently zoned Public Facility.
  - Converted from Industrial when purchased by the City in 2017.
  - Zoning change will revert these parcels to Light Industrial classification.

# Direct Benefits to City of Denton

- Aligned with Denton's Economic Development Strategic Plan.
  - 2A.2: Attract New Investment.
  - 2C.2: Target Environmentally Conscious Businesses.
    - 2C.2.1: Identify business that are high electricity users, such as data centers.
- Full build-out of the project would more than double all of DME's current retail energy sales creating additional General Fund Revenue for the City at full build-out.
  - Franchise fee and ROI revenue increases from DME to the City.
- New Sales Tax Revenue for the City (from electric sales).
- New Property Tax Revenue for the City.
- Increase DME's system load profile potentially reducing overall cost to serve existing customers.

# Rezoning Request

Request to rezone 30.43 acres to **Light Industrial (LI)** Zoning District

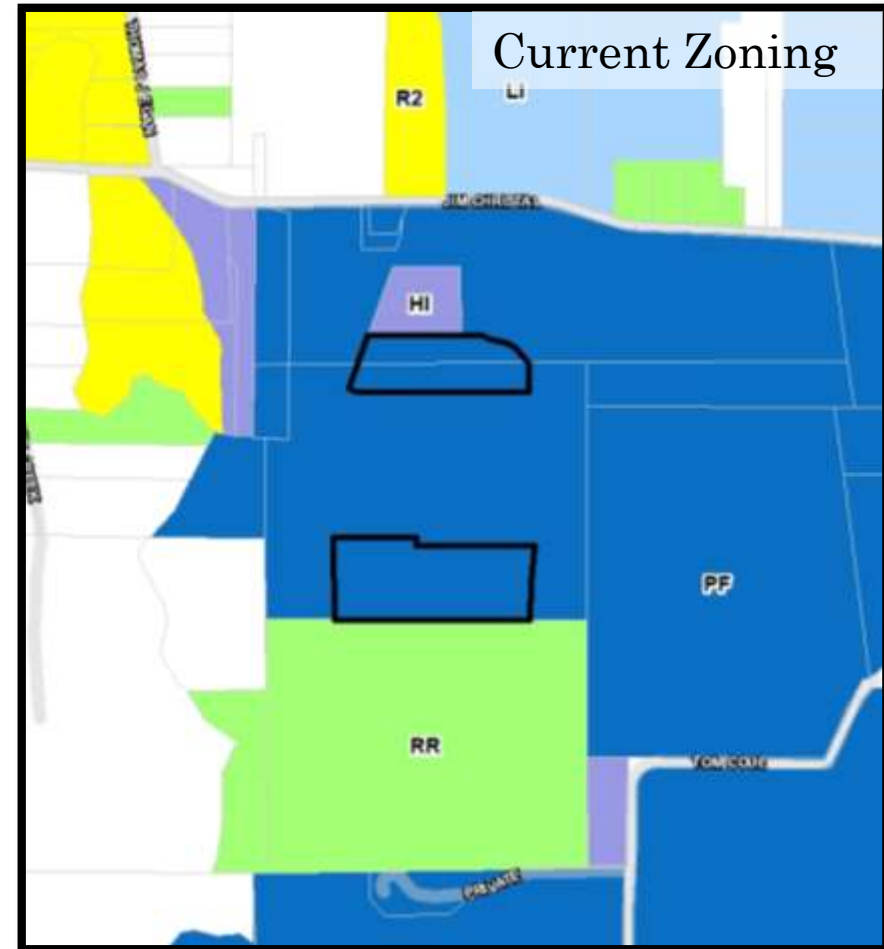
Intended to support uses such as light manufacturing, assembly, fabrication, **warehousing and distributing**, indoor and outdoor storage, and a wide range of **supporting commercial uses and activities**.

Existing **Public Facilities (PF)** Zoning District

Intended for public and quasi-public community uses and services only.

Default zoning for publicly owned properties (e.g., City of Denton, TWU, UNT, DISD, state, and federal properties)

Warehouse use is not permitted



# Rezoning Approval Criteria

## General Approval Criteria for All Applications (Sec. 2.4.5E)

1. General Criteria
2. Prior Approvals
- 3. Consistent with the Comprehensive Plan and Other Applicable Plans**
4. Compliance with this DDC
5. Compliance with other regulations
6. Consistent with Interlocal and Development Agreements
7. Minimizes Adverse Environmental Impacts
- 8. Minimizes Adverse Impacts on surrounding Property**
9. Minimizes Adverse Fiscal Impacts
10. Compliance with Utility, Service, and Improvement Standards
- 11. Provides Adequate Road Systems**
- 12. Provides Adequate Public Services and Facilities**
13. Rational Phasing Plan

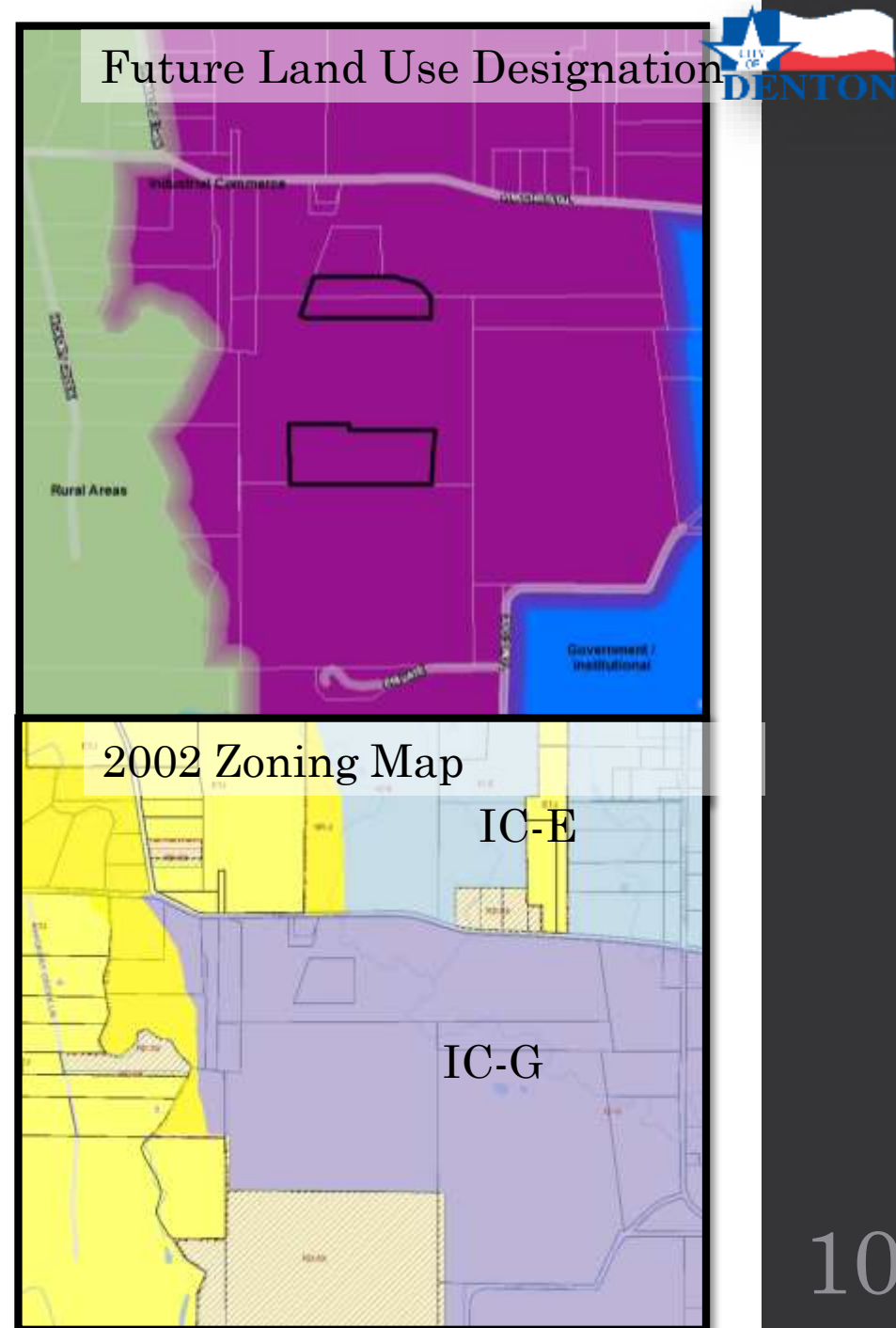
## Zoning Criteria for Approval (Sec 2.7.2.D)

- 1. The proposed rezoning is consistent with the Future Land Use Map designation.**
2. The proposed rezoning is consistent with relevant Small Area Plan(s).
- 3. The proposed rezoning is consistent with the purpose statement of the proposed zoning district, as provided in Subchapter 3, Zoning Districts.**
4. There have been or will be significant changes in the area to warrant a zoning change.
- 5. The intensity of development in the new zoning district is not expected to create significantly adverse impacts to surrounding properties or the neighborhood.**
- 6. Public facilities and services are available to adequately serve the subject property while maintaining adequate level of service to existing development.**
7. There was an error in establishing the current zoning district.



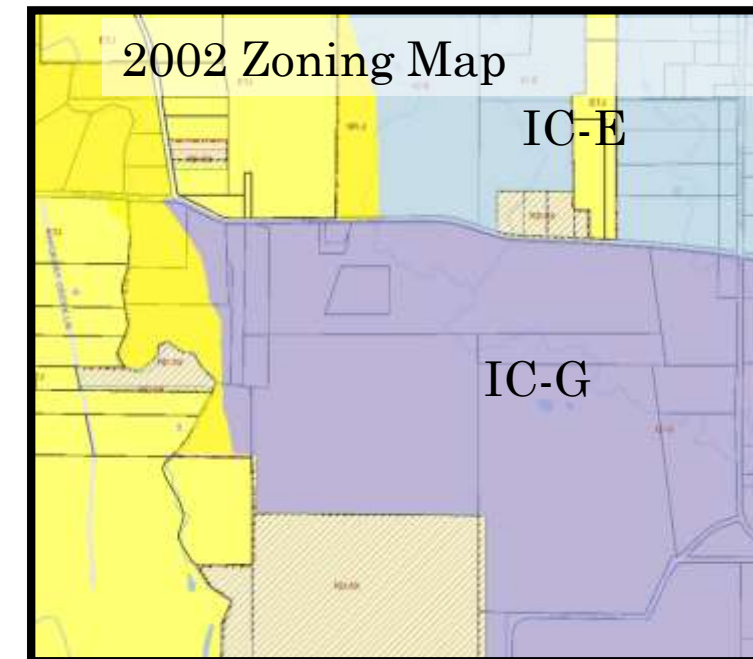
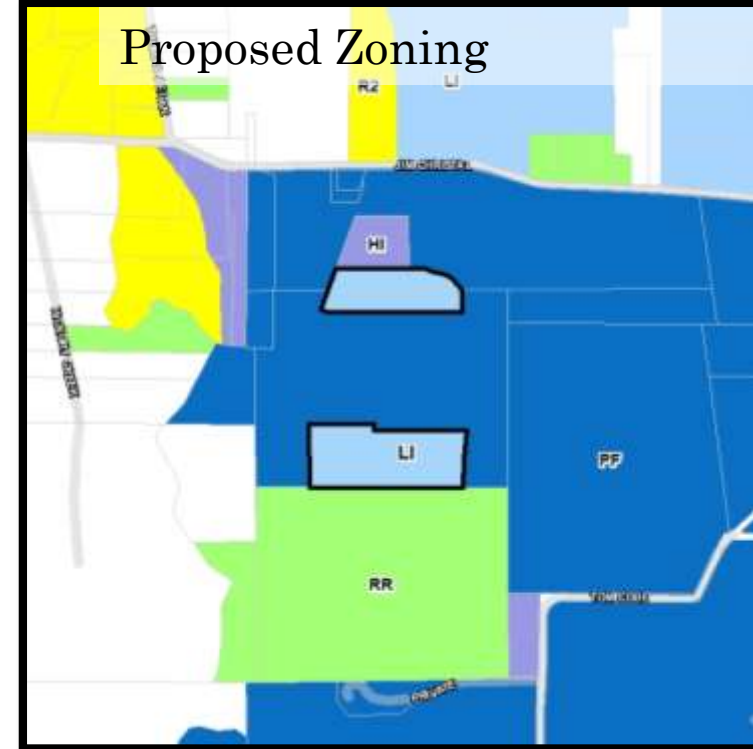
# Denton 2030 & Denton Development Code

- Designated for future Industrial Commerce in Comprehensive Plan
  - Predominately for **light** and heavy industrial uses
  - Primary uses: manufacturing, assembly, fabrication, and **wholesaling and distribution**.
- **Light Industrial (LI) Zoning District** is consistent with the Future Land Use Designation and is less intensive than Heavy Industrial (HI)
  - LI would be extended from the north side of Jim Christal
- Previous 2002 Zoning Map designated this area for Industrial Commerce General
  - IC-G transitioned to the HI Zoning District in 2019 for non-governmental owned properties



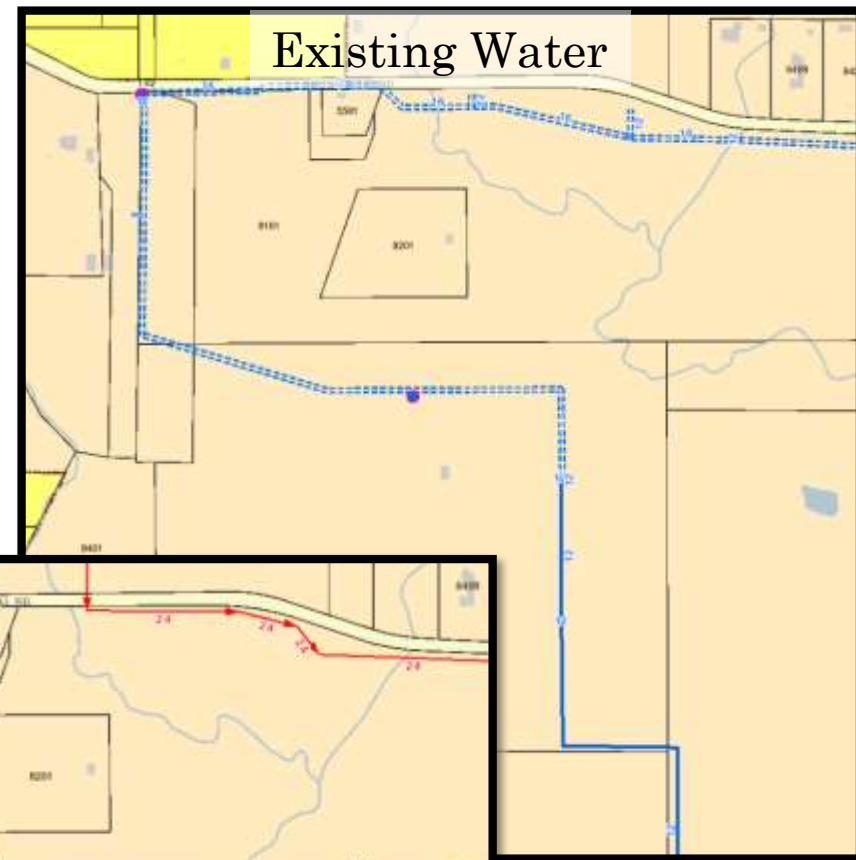
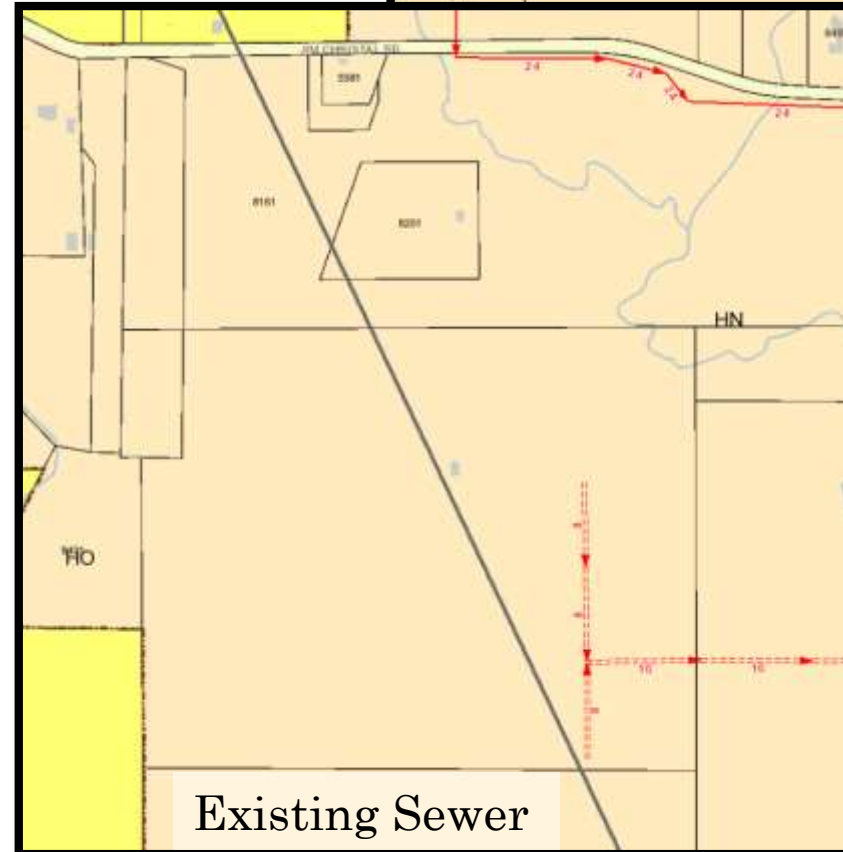
# Impact to Surrounding Property

- Project is proposed as part of a ground lease on City-owned property.
  - Future use of the property immediately adjacent to the project site is designated for city services only.
- Northern site is located approximately 1000 feet east and approximately 1000 feet south of the nearest Residential zoning district
- Southern site is located directly adjacent to property zoned for Rural Residential
  - Placeholder zoning for property that was annexed in 2010
  - Adjacent to vacant land, except for three active gas wells which would restrict any development of residential based on the required 500 foot reverse setback.



# Adequate Public Infrastructure

- Existing water and sewer are available of the property
  - Capacity and any extension of utilities would be assessed with platting and site development applications
- Site currently has access from Jim Christal Road
- Site is served by Fire Station #3, located at 1401 Underwood



# Timeline & Next Steps

Project is pursuing a very aggressive schedule since it is a modular installation.

**Rezoning of the property and submittal of Development Applications as soon as possible**

Power Purchase Agreement negotiations are ongoing.  
Staff will bring to City Council and PUB in late July or early August.

Project wants to be online on or before December 2021.  
With final phase online on or before March 2022.

**Negotiate comprehensive power purchase agreement**

- Purchase Power Costs

- Land Lease Terms

- Credit/Financial Security

- Aid in Construction for facility interconnection

- Operational requirements and flexibility

- No economic growth rider incentive planned

# Rezoning and Development Timeline



*July 14, 2021 @ 6:30 PM  
City Hall Council Chambers*

*\* Step 3 and 4 are contingent upon approval of the rezoning request by City Council*

# Stay Connected

## Rezoning:

- Karina Maldonado, Assistant Planner
  - [Karina.Maldonado@cityofdenton.com](mailto:Karina.Maldonado@cityofdenton.com) | (940) 349-8176

## Overall Development Process:

- Rhonda Hurst, Development Project Facilitator
  - [Rhonda.Hurst@cityofdenton.com](mailto:Rhonda.Hurst@cityofdenton.com) | (940) 349-7783

## Project-Specific Questions:

- Chris Lutrick, Executive Manager of Operations (DME)
  - [Chris.Lutrick@cityofdenton.com](mailto:Chris.Lutrick@cityofdenton.com) | (940) 349-7152
- Terry Naulty, Assistant General Manager (DME)
  - [Terrance.Naulty@cityofdenton.com](mailto:Terrance.Naulty@cityofdenton.com) | (940) 349 -7565

# Questions?