

For contingent expiration of this chapter, see Section XXXX

CHAPTER XXXX. MUNICIPAL
SUBCHAPTER A. GENERAL PROVISIONS

Sec. XXXX.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district 's board of directors.
- (2) "Capital improvement plan" means a plan created under Section XXXX.
- (3) "City" means the City of Coppell, Texas.
- (4) "Development agreement" means an agreement created under Section XXXX.
- (5) "Director" means a board member.
- (6) "District" means the Old Town Entertainment District.
- (7) "Financial plan" means a plan created under Section XXXX.
- (8) "Improvement project" means a project authorized by _____.

Sec. XXXX.002. CREATION AND NATURE OF DISTRICT.

The district is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Sec. XXXX.003. PRIMARY PURPOSE; ENTERTAINMENT AND COMMERCIAL DEVELOPMENT.

The primary purpose of the district is to facilitate the construction and continued maintenance of a quality entertainment and commercial development to benefit city residents.

Sec. XXXX.004. ADDITIONAL PURPOSES; LEGISLATIVE FINDINGS.

(a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

(c) This chapter and the creation of the district may not be interpreted to relieve the City, Dallas or Denton County from providing or requiring the City or the counties to provide the level of services provided as of the effective date of the Act enacting this chapter to the area in the district as the City or counties do to similarly situated property in the city. The district is created to supplement and not to supplant city and county services provided in the district.

Sec. XXXX.005. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

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

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

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

(1) further the public purposes of developing and diversifying the economy of the state;

(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and

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

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

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

Sec. XXXX.006. INITIAL DISTRICT TERRITORY.

(a) The district is initially composed of the territory described by Section 2 of the Act.

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

(1) organization, existence, or validity;

(2) right to contract; or

(3) legality or operation.

Sec. XXXX.007. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

- (a) All or any part of the area of the district is eligible to be included in:
 - (1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
 - (2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;
 - (3) an enterprise zone created under Chapter 2303, Government Code; or
- (b) If the city creates a tax increment reinvestment zone described by Subsection (a), the city and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for:
 - (1) the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code; and
 - (2) any other district purpose, including the right to pledge the money as security for any bonds or other obligations issued by the district under Section 3902.253.
- (c) A tax increment reinvestment zone created by the city in the district is not subject to the limitations provided by Section 311.006, Tax Code.

Sec. XXXX.008. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICT LAW; PURPOSE.

- (a) Except as provided by this chapter, Chapter 375, Local Government Code, applies to the district.
- (b) The district is created to accomplish the purposes of a municipal management district as provided by general law and Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Sec. XXXX.009. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. XXXX.051. GOVERNING BODY; TERMS.

- (a) The district is governed by a board of seven directors consisting of five (5) City Council members; and two (2) consisting of one single-family resident, and one business property owner.
- (b) Directors serve staggered two-year terms, with two or three directors selected in even-numbered years, and, the remainder on odd number years.

Sec. XXXX.052. TEMPORARY DIRECTORS.

- (a) The initial temporary board consists of seven (7) City Council members plus the mayor.
- (b) The temporary directors shall establish a process for the selection and appointment of the permanent directors.
- (c) Temporary directors serve until the earlier of:
 - (1) the date permanent directors are selected and appointed under Subsection (b).

Sec. XXXX.053. QUALIFICATIONS.

- (a) To be qualified to serve as a director, a person must:
 - (1) a current City Council member of the City;
 - (2) meet the qualifications prescribed by Section 375.063, Local Government Code;
 - (3) be a partner of a partnership that owns property in the district;
 - (4) be a shareholder, director, or officer of a corporation that owns property in the district;
 - (5) be a member, manager, or officer of a limited liability company that owns property in the district; or
 - (6) reside in the district
- (b) Section 49.052, Water Code, does not apply to the district.

Sec. XXXX.054. APPOINTMENT OF DIRECTORS.

- (a) In this section, "homeowner" means a person who owns residential property in the district that is used for personal, family, or household purposes.
- (b) After 500 residential units in the district are sold to homeowners.
- (c) The governing body of the city shall appoint seven directors. The appointments may include one or more of the persons named as set forth in Section XXXX.051.

Sec. XXXX.055. EX OFFICIO DIRECTORS.

- (a) The governing body of the city may appoint up to three persons to serve ex officio as nonvoting directors:

- (1) City Manager
 - (2) Community Development Director
 - (3) Director of Strategic Financial Engagement
- (b) An ex officio director is not counted for purposes of determining a quorum.
- (c) An ex officio director:
- (1) is entitled to all notices and information given to and accessible to a director; and
 - (2) may attend any board meeting, regardless of whether the meeting is open or closed to the public.

Sec. XXXX.056. VACANCY. The City Council shall appoint a person to fill a vacancy for the remainder of any unexpired term.

Sec. XXXX.057. COMPENSATION; EXPENSES.

- (a) Directors are not compensated but is entitled to reimbursement for actual expenses reasonably and necessarily incurred while engaging in activities on behalf of the district under a policy established by the board.

SUBCHAPTER C. POWERS AND DUTIES

Sec. XXXX.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. XXXX.102. IMPROVEMENT PROJECTS.

- (a) The district may provide, or it may enter into contracts with a governmental or private entity to provide, the following types of improvement projects or activities in support of or incidental to those projects:

- (1) a supply and distribution facility or system to provide potable and city-approved non-potable water to the residents and businesses of the district, including a wastewater collection facility;

- (2) a paved road or street, inside and outside the district, to the extent authorized by Section 52, Article III, Texas Constitution;

- (3) the planning, design, construction, improvement, and maintenance of:

- (A) landscaping;

- (B) highway right-of-way or transit corridor beautification and improvement;
 - (C) lighting, banners, and signs;
 - (D) a street or sidewalk;
 - (E) a hiking and cycling path or trail;
 - (F) a pedestrian walkway, skywalk, crosswalk, or tunnel;
 - (G) a park, lake, garden, recreational facility, sports facility, open space, scenic area, or related exhibit or preserve;
 - (H) a fountain, plaza, or pedestrian mall; or
 - (I) a drainage or storm-water detention improvement;
- (4) protection and improvement of the quality of storm water that flows through the district;
- (5) the planning, design, construction, improvement, maintenance, and operation of:
- (A) a water or sewer facility; or
 - (B) an off-street parking facility or heliport;
- (6) the planning and acquisition of:
- (A) public art and sculpture and related exhibits and facilities; or
 - (B) an educational and cultural exhibit or facility;
- (7) the planning, design, construction, acquisition, lease, rental, improvement, maintenance, installation, and management of and provision of furnishings for a facility for:
- (A) a conference, convention, or exhibition;
 - (B) a manufacturer, consumer, or trade show;
 - (C) a civic, community, or institutional event; or
 - (D) an exhibit, display, attraction, special event, or seasonal or cultural celebration or holiday;
- (8) the removal, razing, demolition, or clearing of land or improvements in connection with an improvement project;
- (9) the acquisition and improvement of land or other property for the mitigation of the environmental effects of an improvement project;

(10) the acquisition of property or an interest in property in connection with an authorized improvement project;

(11) a special or supplemental service for the improvement and promotion of the district or an area adjacent to the district or for the protection of public health and safety in or adjacent to the district, including:

(A) advertising;

(B) promotion;

(C) tourism;

(D) health and sanitation;

(E) public safety;

(F) security;

(G) fire protection or emergency medical services;

(H) business recruitment;

(I) development;

(J) elimination of traffic congestion; and

(K) recreational, educational, or cultural improvements, enhancements, and services; or

(12) any similar public improvement, facility, or service.

(b) The district may not undertake an improvement project under this section unless the board determines the project to be necessary to accomplish a public purpose of the district.

(c) An improvement project must comply with any applicable city requirements, including codes and ordinances.

(d) The district may not provide, conduct, or authorize any improvement project on the city streets, highways, rights-of-way, or easements without the consent of the governing body of the city.

(e) The district shall immediately comply with any city ordinance, order, or resolution that:

(1) requires the district to transfer to the city the title to all or any portion of an improvement project.

Sec. XXXX.103. DEVELOPMENT CORPORATION POWERS. If approved by the governing body of the city, the district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Sec. XXXX.104. WATER DISTRICT POWERS. The district has the powers provided by the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Sec. XXXX.105. ALCOHOL BEVERAGES. The district and City Council has the power to adopt general laws, notwithstanding the provisions of 251 of the State Election Code, to allow businesses within the district concerning the sale, consumption and distribution of alcoholic beverages within the district, subject to the licensing of business by the Texas Alcoholic Beverage Commission.

Sec. XXXX.106. PUBLIC IMPROVEMENT DISTRICT POWERS. The district has the powers provided by Chapter 372, Local Government Code, to a municipality or county.

Sec. XXXX.107. CONTRACT POWERS. The district may contract with a governmental or private entity, on terms determined by the board, to carry out a power or duty authorized by this chapter or to accomplish a purpose for which the district is created.

Sec. XXXX.108. AGREEMENTS; GRANTS.

(a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift or grant from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Sec. XXXX.109. DEVELOPMENT AGREEMENT.

(a) The district may:

(1) contract with any person to accomplish any district purpose, including a contract for:

(A) the payment, repayment, or reimbursement of costs incurred by that person on behalf of the district, including all or part of the costs of an improvement project and interest on the reimbursed cost; or

(B) the use, occupancy, lease, rental, operation, maintenance, or management of all or part of a proposed or existing improvement project; and

(2) apply for and contract with any person to receive, administer, and perform a duty or obligation of the district under a federal, state, local, or private gift, grant, loan, conveyance, transfer, bequest, or other financial assistance arrangement relating to the investigation, planning, analysis, study, design, acquisition, construction, improvement, completion, implementation, or operation by the district or others of a proposed or existing improvement project.

(b) A contract the district enters into to carry out a purpose of this chapter may be on any terms and for any period the board determines, including a negotiable or nonnegotiable note or warrant payable to the city, Dallas County, and any other person.

(c) Any person may contract with the district to carry out the purposes of this chapter without further statutory or other authorization.

(d) A contract payable from ad valorem taxes for a period longer than one year must be approved by the governing body of the city.

Sec. XXXX.110. CAPITAL IMPROVEMENT PLAN.

(a) The district shall prepare a plan that includes:

- (1) a description of each improvement project to be constructed in the district;
- (2) the timing of construction for each improvement project to be constructed in the district;
- (3) the financing and general budget of each improvement project to be constructed in the district; and
- (4) any other information the city needs to make a decision on the plan.

(b) The district shall submit the plan to the city for approval.

Sec. XXXX.111. PARKING FACILITIES.

(a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district 's parking facilities may be considered an economic development program.

Sec. XXXX.112. ADDING OR REMOVING TERRITORY; CITY APPROVAL. As provided by Subchapter J, Chapter 49, Water Code, the board with the approval of the City Council may add territory to the district, subject to Section 54.016, Water Code, or remove territory from the district, except that:

- (1) the addition or removal of the territory must be approved by three-fourths of all the members of the governing body of the city; and
- (2) territory may not be removed from the district if bonds or other obligations of the district payable wholly or partly from any assessments, if any, levied or assessed on the territory are outstanding.

Sec. XXXX.113. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

SUBCHAPTER C-1.IMPROVEMENT PROJECTS AND SERVICES

Sec. XXXX.114. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Sec. XXXX.115. BOARD DETERMINATION REQUIRED. The district may not undertake an improvement project unless the board determines the project:

- (1) is necessary to accomplish a public purpose of the district;
- (2) complies with the development agreement or the parties to the development agreement agree to the project, in writing; and
- (3) is approved by resolution or ordinance of the City Council.

Sec. XXXX.116. CITY APPROVAL REQUIRED. The district may not undertake an improvement project unless the district obtains approval from the governing body of the city by resolution or ordinance.

Sec. XXXX.117. FINANCIAL PLAN.

- (a) The district shall prepare a financial plan that details the cost, method of financing, cost of financing, and feasibility of financing for each improvement to be constructed by the district.
- (b) The district shall submit the plan to the city council for approval.

Sec. XXXX.118. DEVELOPMENT AGREEMENT, CAPITAL IMPROVEMENT

PLAN, AND FINANCIAL PLAN REQUIRED. The district may not undertake an improvement project or spend money for a project or service, including an economic development project or an expenditure for economic development incentives, unless the governing body of the city has approved:

- (1) a development agreement; and
- (2) a capital improvement plan and financial plan for the improvement project or expenditure.

Sec. XXXX.119. LOCATION OF IMPROVEMENT PROJECT OR SERVICE. An improvement project or service may be located:

- (1) in the district; or
- (2) outside the district if the project or service is necessary to extend, connect to, or increase the functionality of an improvement project or service in the district, including water and sewer utilities, a drainage improvement, and a road or street improvement.

Sec. XXXX.120. CITY REQUIREMENTS.

- (a) An improvement project in the city must comply with city ordinances, land use regulations, and construction codes.
- (b) The district may not provide, conduct, or authorize any improvement project on the city's streets, highways, rights-of-way, or easements without the consent of the governing body of the city.

Sec. XXXX.121. CITY ORDINANCE, ORDER, OR RESOLUTION.

- (a) Unless the district and city agree otherwise, the city may by ordinance, order, or resolution:
 - (1) require that title to all or any portion of an improvement project vest in the city; or
 - (2) authorize the district to:

- (A) own, encumber, maintain, or operate an improvement project; or
 - (B) convey the project to the city at a later date.
- (b) The district shall immediately comply with a city ordinance, order, or resolution described by this section.

Sec. XXXX.151. DIVISION OF DISTRICT; PREREQUISITES; CITY APPROVAL.

The district may be divided into two or more new districts only if:

- (1) the district has no outstanding bonded debt; and
- (2) three-fourths of all members of the governing body of the city approve of each division.

Sec. XXXX.152. LAW APPLICABLE TO NEW DISTRICT. This chapter applies to any new district created by division of the district, and a new district has all the powers and duties of the district.

Sec. XXXX.153. DIVISION PROCEDURES.

- (a) The board, on its own motion or on receipt of a petition signed by an owner of real property in the district, may adopt an order proposing to divide the district.
- (b) The board may not divide the district unless the division is approved by the governing body of the city by resolution. The resolution may set terms for the division under Subsection (c).
- (c) If the board decides to divide the district, the board shall, subject to the city's resolution:
 - (1) set the terms of the division, including names for the new districts and a plan for the payment or performance of any outstanding district obligations;
 - (2) prepare a metes and bounds description for each proposed district; and
 - (3) appoint initial directors for each new district.

Sec. XXXX.154. NOTICE AND RECORDING OF ORDER. Not later than the 30th day after the date of an order dividing the district, the district shall:

- (1) file the order with the Texas Commission on Environmental Quality; and
- (2) record the order in the real property records of the county in which the district is located.

Sec. XXXX.155. CONTRACT AUTHORITY OF NEW DISTRICTS.

(a) Except as provided by Subsection (b), the new districts may contract with each other for any matter the boards of the new districts consider appropriate.

(b) The new districts may not contract with each other for water and wastewater services.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. XXXX.201. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Sec. XXXX.202. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may undertake and provide an improvement project or service authorized by this chapter using any money available to the district.

Sec. XXXX.203. BORROWING MONEY; OBLIGATIONS.

(a) The district may borrow money for a district purpose without holding an election by issuing bonds, notes, time warrants, or other obligations, or by entering into a contract or other agreement payable wholly or partly from an assessment, a contract payment, a grant, revenue from a zone created under Chapter 311 or 312, Tax Code, other district revenue, or a combination of these sources.

(b) An obligation described by Subsection (a):

- (1) may bear interest at a rate determined by the board; and
- (2) may include a term or condition as determined by the board.

Sec. XXXX.204. DEVELOPMENT AGREEMENT, CAPITAL IMPROVEMENT PLAN, AND FINANCIAL PLAN REQUIRED.

(a) Before the district borrows money or issues an obligation under Section 3902.253, the district must submit and the governing body of the city must approve a capital improvement plan, a financial plan, and a development agreement that describe the method of:

- (1) borrowing the money or issuing that type of obligation; and
- (2) using the proceeds that result from borrowing the money or issuing the obligation.

(b) Before the district issues an obligation described in the capital improvement plan, financial plan, and development agreement, the district shall:

- (1) provide the governing body of the city with the information required to make an informed decision relating to the obligation; and

(2) obtain approval from the governing body of the city for the obligation.

Sec. XXXX.205. QUARTERLY REPORTING.

(a) After the district incurs an obligation described by Section XXXX and until all obligations of the district are paid in full or otherwise satisfied, the district shall submit a quarterly financial report to the city.

(b) The report must be based on sound accounting methods and detail: and

- (1) the obligation incurred;
- (2) the amount of the obligation that has been repaid;
- (3) any other information the city requires.

Sec. XXXX.206. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. The city is not obligated to pay bonds, notes, or any other obligation of the district, including bonds or debt payable from assessments or other district revenue, unless the city assumes the district's obligations by a vote of three-fourths of the governing body of the city.

Sec. XXXX.207. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

Sec. XXXX.208. NO IMPACT FEES. The district may not impose an impact fee.

Sec. XXXX.209. NO TAXATION POWER. The district may not impose a tax, including a sales tax and an ad valorem tax.

SUBCHAPTER E. DISSOLUTION

Sec. XXXX.301. AUTOMATIC DISSOLUTION. The district dissolves and this chapter expires on September 1, _____, if:

- (1) the district does not have outstanding debt or other obligations; and
- (2) a developer does not begin, on or before September 1, _____, to construct a road or other improvement project in the district that is to be financed with district bonds or other obligations in accordance with a capital improvement plan or financial plan approved by the city.

Sec. XXXX.302. DISSOLUTION BY CITY.

- (a) The city may dissolve the district by ordinance.
- (b) The city may not dissolve the district until:
 - (1) the district 's outstanding debt or contractual obligations have been repaid or discharged;
or
 - (2) the city agrees to succeed to the rights and obligations of the district.

Sec. XXXX.303. ASSUMPTION OF ASSETS AND LIABILITIES.

- (a) After dissolution, the city assumes the obligations of the district, including any bonds or other debt payable from assessments or other district revenue.
- (b) On or before dissolution, the board shall transfer ownership of all district property to the city.