



City of Mesquite, Texas

Minutes - Final City Council

Monday, October 21, 2024

5:00 PM

City Hall | Council Chamber
757 N. Galloway Avenue | Mesquite, Texas

Present: Mayor Daniel Alemán, Jr., and Councilmembers B. W. Smith, Jeff Casper, Tandy Boroughs, Kenny Green, Elizabeth Rodriguez-Ross and Brandon Murden, City Manager Cliff Keheley and City Secretary Sonja Land.

PRE-MEETING - TRAINING ROOMS A&B - 5:00 P.M.

AGENDA REVIEW

STAFF PRESENTATIONS

- 1 Receive Behavioral Health Division Update.
- 2 Receive update regarding the use of the American Rescue Plan Act (ARPA) Coronavirus Local Fiscal Recovery Funds, expenditures and impact.

REGULAR CITY COUNCIL MEETING - CITY COUNCIL CHAMBER - 7:01 P.M.

INVOCATION

Chad Flowers, Pastor, Emmanuel Pentecostal Church, Mesquite, Texas.

PLEDGE OF ALLEGIANCE

City Staff.

SPECIAL ANNOUNCEMENTS

- 1. Mr. Casper invited citizens to attend the Mesquite Arts Theatre's adaption of "Frankenstein" on stage through Sunday, November 3, 2024, at the Mesquite Arts Center, 1527 North Galloway Avenue. See the story from the point of view of Dr. Frankenstein's Creature after he is brought to life and then abandoned. The Creature encounters some kindness but is mainly treated with prejudice and fear wherever he goes. This sets in motion a spiral of tragic events. Please note that this show is intended for mature audiences only.
- 2. Mr. Green stated that the weather is perfect for a visit to the Downtown Mesquite Farmer's Market. Shop for locally grown produce, baked goods, bath and body products and much more. The Farmer's Market is held every Saturday, from 9:00 a.m. to 1:00 p.m., through the end of November at Front Street Station, 100 West Front Street.
- 3. Mr. Green invited citizens to attend a District 2 Neighborhood Meeting, on Saturday, November 2, 2024, at 10:00 a.m., at Florence Recreation Center, 2501 Whitson Way.

4. Ms. Rodriguez-Ross encouraged citizens to celebrate Hispanic culture and heritage with the Mesquite Arts Council's 8th Annual Dia de los Muertos Celebration, on Saturday, October 26, 2024, from 3:00 p.m. to 6:00 p.m., inside the building and on the grounds of the Mesquite Arts Center, 1527 North Galloway Avenue. This free, family-friendly Day of the Dead event will include cultural arts workshops, music, dancing, theatrical performances, foot trucks, vendors and more.
5. Mr. Boroughs announced that the Fall Book Sale, benefitting the Mesquite Public Library System, will be held on Friday, October 25, 2024, and Saturday, October 26, 2024, at the Mesquite Main Library, 300 West Grubb Drive. The twice annual sale is hosted by the Friends of the Mesquite Public Library. You can find gently used books, movies and more. Proceeds from the sale pays for programs, artwork and much more for Library patrons.
6. Mr. Smith invited citizens to participate in Mesquite Recycles Day, hosted by Keep Mesquite Beautiful, Inc., on Saturday, November 2, 2024, from 8:00 a.m. to Noon, at Poteet High School, 3300 Poteet Drive. This community event offers an opportunity to recycle various items from cell phones and computers to toys, clothes, household items and more. Document shredding will also be available onsite. There are some items that will not be accepted for recycling, including household hazardous waste so check the City's website at www.cityofmesquite.com/MesquiteRecyclesDay for more information.
7. Mr. Murden stated that music lovers have two upcoming opportunities to enjoy the sounds of the Mesquite Symphony Orchestra. On Saturday, October 26, 2024, at 7:00 p.m., at the Mesquite Arts Center, 1527 North Galloway Avenue, the Mesquite Symphony Orchestra will perform "Fantastic Symphony" by Berlioz, a revolutionary piece of music that tells the story of a gifted but self-destructive artist. Then on Saturday, November 9, 2024, at 3:00 p.m., the Orchestra will perform "Peter and the Wolf" by Prokofiev. A narrator tells this tale for children with the orchestra using different instrument sounds to portray each character.
8. Mayor Alemán stated that the City's Spread the Love campaign was a huge success this year. This campaign is so important because it helps feed Mesquite kids over the Summer by collecting jars of nut and seed butters and jelly. This year, Spread the Love brought in 282 percent more donations. Residents, businesses and local organizations donated 3,912 pounds of jars, which is enough to make more than 25,000 sandwiches. He stated that we truly appreciate our long-standing partnership with Sharing Life Community Outreach to distribute this food to our residents and thanked everyone who contributed.
9. Mayor Alemán reminded everyone that proper trash disposal is important for an attractive and healthy community. The City had a special situation this Summer with the massive clean up after the Tuesday, May 28, 2024, storm that disrupted regular procedures, so now it's time to get back to the basics. As a reminder, all trash must be in plastic bags and placed in an authorized container. Please remember that loose trash placed in the container is not allowed. Also, be sure you are putting your trash out at the right time for your designated pick up. You can find out about all these things and more at www.cityofmesquite.com/TrashBasics. He thanked the citizens for helping to keep Mesquite clean and safe.
10. Mayor Alemán announced that the Community Room at the new Dallas County Mesquite Government Center has been named after our very own City Manager Cliff Keheley. Cliff was presented with a Resolution from the Dallas County Commissioners Court last Monday, October 14, 2024, put forth by District 3 Commissioner John Wiley Price. The Cliff Keheley Community Room will officially open to the public on Friday, November 15, 2024, as part of the ribbon cutting ceremony for the new government center. Mayor Alemán expressed appreciation to Cliff for his servant-leadership and all that he has done for the City of Mesquite.

CITIZENS FORUM

1. Lakolya London, 1104 Buckeye Drive, expressed concerns regarding racism in her neighborhood.
2. Paul Walker, 2101 Crawford Dr., expressed support for improvements to Lawson Road.

CONSENT AGENDA**Approval of the Consent Agenda**

Mr. Boroughs requested that Item No. 10 be removed from the Consent Agenda to be considered separately. Mr. Green moved to approve the remaining items on the Consent Agenda, as follows. Motion was seconded by Mr. Casper and approved unanimously.

- 3 Minutes of the regular City Council meeting held October 7, 2024.

Approved on the Consent Agenda.

- 4 A resolution endorsing and accepting the 2024-2025 Comprehensive Safety Grant (the "Grant") for the Selective Traffic Enforcement Program (the "STEP Program"), authorizing the filing of the application for the Grant, approving the contribution of City funds in the amount of \$10,713.99, designating the City Manager as the official representative of the City in connection with the Grant, and authorizing the City Manager to take all actions and execute all documents with the Texas Department of Transportation (TxDOT) in connection with such Grant and STEP Program.

Approved on the Consent Agenda.

Resolution No. 45-2024, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, ENDORSING AND ACCEPTING THE 2024-2025 COMPREHENSIVE SAFETY GRANT (THE "GRANT") FOR THE SELECTIVE TRAFFIC ENFORCEMENT PROGRAM (THE "STEP PROGRAM"); AUTHORIZING THE FILING OF THE APPLICATION FOR THE GRANT; APPROVING THE CONTRIBUTION OF CITY FUNDS IN THE AMOUNT OF \$10,713.99; DESIGNATING THE CITY MANAGER AS THE OFFICIAL REPRESENTATIVE OF THE CITY IN CONNECTION WITH THE GRANT; AND AUTHORIZING THE CITY MANAGER TO TAKE ALL ACTIONS AND EXECUTE ALL DOCUMENTS WITH THE TEXAS DEPARTMENT OF TRANSPORTATION IN CONNECTION WITH SUCH GRANT AND STEP PROGRAM. (Resolution No. 45-2024 recorded in Resolution Book No. 69.)

- 5 A resolution authorizing the City Manager to execute Amendment No. 2 to the Dallas Area Household Hazardous Waste Network Interlocal Agreement with Dallas County for Fiscal Year 2024-25 in an amount not to exceed \$129,448.00.

Approved on the Consent Agenda.

Resolution No. 46-2024, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 2 TO THE DALLAS AREA HOUSEHOLD HAZARDOUS WASTE NETWORK INTERLOCAL AGREEMENT WITH DALLAS COUNTY FOR FISCAL YEAR 2024-25 FOR AN AMOUNT NOT TO EXCEED \$129,448.00. (Resolution No. 46-2024 recorded in Resolution Book No. 69.)

- 6 Bid No. 2024-126 - Mesquite to Crandall Water Line Connector.
(Authorize the City Manager to finalize and execute a contract with BRCT, LLC, dba Black Rock Construction, in the amount of \$5,137,596.00.)
Approved on the Consent Agenda.
- 7 Bid No. 2024-149 - Paving and Utility Improvements for Lorraine, Candise, Ivy, Mt. Vernon, Fernwood, Monticello, and Stoney Glen Neighborhoods.
(Authorize the City Manager to finalize and execute a contract with low bidder ANA Site Construction, LLC, in the amount of \$9,991,724.00.)
The Agenda Item be Approved.
- 8 Bid No. 2025-002 - Purchase of One Velocity Pumper Truck and One Enforcer Pumper Truck.
(Staff recommends award to Siddons Martin Emergency Group, LLC., through BuyBoard Purchasing Cooperative Contract No. 651-21, in the amount of \$1,803,915.00.)
Approved on the Consent Agenda.
- 9 Authorize the City Manager to finalize and execute Change Order Nos. 4, 5, and 6 to Bid No. 2023-057, Utility Relocation for IH-635 at US Highway 80 Interchange, with BRCT, LLC dba Black Rock Construction for additional services required in the total amount of \$190,933.46.
Approved on the Consent Agenda.
- 11 Approve Amendment No. 1 to the 2024-25 Police Federal Seizure Budget in accordance with Title 28, Section 524, of the United States Code and Chapter 59 of the Texas Code of Criminal Procedure in the amount of \$315,000.00.
Approved on the Consent Agenda.

CONSENT AGENDA ITEM(S) CONSIDERED SEPARATELY

- 10 Authorize the City Manager to finalize and execute a Supplemental Agreement (Phase II) to RFP No. 2023-137, Construction Manager-at-Risk (CMaR) Services for the Construction of New Fire Station No. 8, with Crossland Construction Company, Inc., to establish the Guaranteed Maximum Price (GMP) of \$13,042,264.00
Mr. Boroughs expressed support for the project and stated that the New Fire Station No. 8 should be completed by the end of 2025.
Mr. Boroughs moved to approve authorizing the City Manager to finalize and execute a Supplemental Agreement (Phase II) to RFP No. 2023-137, Construction Manager-at-Risk (CMaR) Services for the Construction of New Fire Station No. 8, with Crossland Construction Company, Inc., to establish the Guaranteed Maximum Price (GMP) of \$13,042,264.00. Motion was seconded by Mr. Casper and approved unanimously.

END OF CONSENT AGENDA

PUBLIC HEARINGS

- 12 Conduct a public hearing and consider an ordinance for Zoning Application No. Z0824-0368, submitted by Jonathan Kerby with Kimley-Horn and Associates, Inc., on behalf of NADG 10 Heartland LP and Candr LLC., for a change of zoning from Agricultural and Planned Development - General Retail Ordinance No. 5048 to Planned Development - General Retail with modified development standards to allow a restaurant and retail development located south of IH-20 and west of FM 741 (0, 6611 and 6619 FM 741, Kaufman Tax Property ID Numbers 9680, 9686, 9687, and 182255).

(No responses in favor or in opposition to the application have been received from property owners within the statutory notification area. The Planning and Zoning Commission recommends approval with certain stipulations.)

A public hearing was held for Zoning Application No. Z0824-0368.

Garrett Langford, Manager of Planning and Zoning, stated that the applicant proposes to rezone approximately 26 acres west of Heartland Parkway and FM 741 and south of IH-20 to a Planned Development (PD) - General Retail to allow a multi-lot, multi-building retail and restaurant development. The development is anticipated to consist of a grocery store, a convenience store with gas sales and a carwash along with other restaurant and retail uses.

Applicant Jonathan Kerby with Kimley-Horn and Associates, Inc., stated that the proposed development will include a large grocery store with a fueling station and car wash. No other tenants have been identified at this time.

No one appeared regarding the proposed application.

Mr. Casper moved to approve Zoning Application No. Z0824-0368, as recommended by the Planning and Zoning Commission with certain stipulations, and to approve Ordinance No. 5145, AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, AMENDING THE MESQUITE ZONING ORDINANCE BY APPROVING A CHANGE OF ZONING FROM AGRICULTURAL AND PLANNED DEVELOPMENT - GENERAL RETAIL ORDINANCE NO. 5048 TO PLANNED DEVELOPMENT - GENERAL RETAIL WITH MODIFIED DEVELOPMENT STANDARDS TO ALLOW A RESTAURANT AND RETAIL DEVELOPMENT ON PROPERTY GENERALLY LOCATED SOUTH OF IH-20 AND WEST OF FM 741 (0, 6611 AND 6619 FM 741, KAUFMAN TAX PROPERTY ID NUMBERS 9680, 9686, 9687, AND 182255); REPEALING ALL ORDINANCES IN CONFLICT WITH THE PROVISIONS OF THIS ORDINANCE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE. Motion was seconded by Mr. Green and approved unanimously. (Ordinance No. 5145 recorded in Ordinance No. 133.)

- 13 Conduct a public hearing and consider an ordinance approving a variance reducing the separation requirement from 300 feet to zero (0) feet between a winery, Thoughtful Wine, and Larry G. Smith Elementary School, a Dallas Independent School serving children grades Pre-K through 5th Grade, located at 5299 Gus Thomasson Road, to allow the winery to sell wine for retail distribution and delivery to off-premises locations and events, located at 4811 Motley Drive.

(No responses in favor or two in opposition to the application have been

received from property owners within the statutory notification area.)

A public hearing was to consider a variance request for 4811 Motley Drive.

Garrett Langford, Manager of Planning and Zoning, stated that the City of Mesquite requires businesses selling beer or wine to be a minimum of 300 feet from a public or private school. The distance is measured in a direct line from the school's property line to the property line of the place of business. The applicant requests a variance from the 300-ft separation requirement to allow their business, Thoughtful Wine, to occupy a portion of 4811 Motley Drive. Based on the survey submitted by the applicant, the subject property is approximately zero feet from the Larry G. Smith Elementary School property line. However, the entrance to the building at 4811 Motley Drive is approximately 773 feet from Larry G. Smith Elementary School's property.

Mr. Langford stated that in December 2018, the City Council passed an ordinance establishing a variance process that could allow businesses that sell beer and wine to be less than 300 feet from churches and schools. The ordinance gives Council the authority to approve such variances on a case-by-case basis when a request is found to be "...not in the best interest of the public, constitutes waste or inefficient use of land or other resources, creates an undue hardship on an applicant for a license or permit, does not serve its intended purpose, or is not effective or necessary, or for any other reason the City Council determines, after consideration of the health, safety and welfare of the public and the equities of the situation, that the variance is in the best interest of the community."

Mr. Langford stated that the applicant is attempting to obtain a Winery License ("G") from the Texas Alcoholic Beverage Commission (TABC) to sell wine at 4811 Motley Drive. The applicant does not intend to have a storefront at the property as they plan to primarily deliver wine to off-site events in individual's homes, country clubs, and restaurants or ship to individual's homes.

Applicant Rochelle Rodriguez stated that Thoughtful Wine is an online wine club with a monthly subscription that will curate family-owned wines from across the world. The intended use for the location will be for receiving the curated wine and shipping the wine to customers. There will be no hours of operation for customers to visit to the location and purchase the wine on-site. The Winery License ("G") is the only TABC license that will allow the business to ship across state lines.

(1) James Schoenrock, 1921 Cochran Drive, and Trice Battle, 3009 Sandhurst Drive, expressed opposition to the proposed variance.

(2) Vivian Johnson, 4538 Live Oak Drive, expressed support for the proposed variance.

No others appeared regarding the proposed ordinance.

Mr. Green moved to deny the variance request for Thoughtful Wine, 4811 Motley Drive. Motion was seconded by Mr. Smith. On call for a vote on the motion, the following votes were cast:

**Ayes: Green, Smith, Alemán, Rodriguez-Ross, Boroughs, Murden
Nays: Casper**

Motion carried.

14

Conduct a public hearing and consider an ordinance for Zoning Application No. Z0724-0365, submitted by Jim Dewey with JDJR Engineers & Consultants, Inc., on behalf of 20100 LBJ Freeway, LLC., for a change of zoning from Planned Development - Light Commercial Ordinance No. 2649 to Planned Development - Light Commercial with modified development standards to allow a new and used vehicle dealership with outdoor display and auto repair services located at 20100 and 20104 IH-635.

(One response in favor and four in opposition to the application have been received from property owners within the statutory notification area. The Planning and Zoning Commission recommends approval with certain stipulations.)

A public hearing was held for Zoning Application No. Z0724-0365.

Garrett Langford, Manager of Planning and Zoning, stated that on behalf of Clay Cooley Chrysler, Jeep, Dodge, and Ram of Mesquite, the applicant proposes to rezone the six-acre site for a new and used vehicle dealership with outdoor display and automotive repair services. The proposed dealership, which will only be accessed by IH-635 service road, will include an approximately 40,000-square-foot building for the showroom and service center. In addition to meeting the standard landscaping requirements, the development will have a 10-foot landscape buffer with an 8-foot-tall screening wall along the property line adjacent to the residential neighborhood.

Applicant Zak Amick, General Contractor, stated that in order to address citizen concerns, they have performed photometric studies and used more advanced LED systems that have a sharp cut-off to show that the lighting should not encroach past the 8-foot screening wall into the residential area. Dealerships no longer use loud speaker systems as persons normally communicate via cell phones. The service center will be climate controlled to allow the doors to be closed, therefore, noise should not be an issue.

No one appeared regarding the proposed application.

Mr. Boroughs moved to deny Zoning Application No. Z0724-0365. Motion was seconded by Mr. Smith. On call for a vote on the motion, the following votes were cast:

Ayes: Boroughs, Smith, Alemán, Green, Rodriguez-Ross, Murden

Nays: Casper

Motion carried.

15

Conduct a public hearing and consider an ordinance for Zoning Application No. Z0824-0366, submitted by Bohler Engineering TX, LLC, on behalf of Bhadrash Trivedi with Dosti Mesquite, LLC., for a change of zoning from Agricultural to Planned Development - Commercial to allow a flex office development with an outdoor storage yard in addition to other uses permitted in the Commercial Zoning District located at 5801 Shannon Road (southwest corner of Shannon Road and IH-20 service road).

(One response in favor and one in opposition to the application has been received from property owners within the statutory notification area. The

Planning and Zoning Commission recommends approval with certain stipulations.)

A public hearing was held for Zoning Application No. Z0824-0366.

Garrett Langford, Manager of Planning and Zoning, stated that the applicant proposes rezoning the 11.5-acre site at the southwest corner of Shannon Road and IH-20 service road to a Planned Development - Commercial to allow a flex office development with outdoor storage. The proposed development will include four 14,400-square-foot buildings with office and warehouse space for small to mid-size businesses that do not primarily use heavy-load vehicles such as 18-wheelers. Potential tenants could include contractors, trades, or businesses with limited manufacturing or warehouse uses. The proposed development will also include a 2.5-acre outdoor storage yard to be leased by the building tenants, with an approved Certificate of Occupancy, for business-related storage and as leasable storage for recreational vehicles.

Applicant Jon Kendall, representing Bohler Engineering TX, LLC, stated that after the previous plans for this location were denied, they spoke with the citizens, who were in opposition, about their concerns and what they wanted to see in this location. A large concern was flooding and they have been working to ensure that flooding will not be an issue for the surrounding properties. The leasable outdoor storage area is intended for tenants of the property with large fleets of vehicles and box trucks.

Applicant Michael Grooms, representing Bohler Engineering TX, LLC, presented an overview of the building placement and drainage channel.

No one appeared regarding the proposed application.

Mr. Murden moved to deny Zoning Application No. Z0824-0366. Motion was seconded by Ms. Rodriguez-Ross. On call for a vote on the motion, the following votes were cast:

Ayes: Murden, Rodriguez-Ross, Alemán, Smith, Casper, Green

Nays: Boroughs

Motion carried.

16

Conduct a public hearing and consider an ordinance for Zoning Application No. Z1123-0338, submitted by Jason Shaw with Serenity Senior Living II, LLC., for a comprehensive plan amendment to change the future land use designation from Low Density Residential to Medium Density Residential and for a change of zoning from Agricultural to Planned Development - Townhomes with modified planned development standards to allow an age-restricted townhome development with an assisted living facility located at 2795 Clay Mathis Road.

(One response in favor and four in opposition to the application has been received from property owners within the statutory notification area. The Planning and Zoning Commission recommends approval with certain stipulations.)

A public hearing was held for Zoning Application No. Z1123-0338.

Garrett Langford, Manager of Planning and Zoning, stated that the applicant proposes to develop the four-acre property for an age-restricted community for 55

years of age and older with 34 townhomes and an assisted living facility. The townhomes will consist of duplex, triplex, and quadplex structures. The lot areas for each townhome will be on a lot ranging from approximately 2,600 - 3,800 square feet, with an anticipated living area of 1,400 square feet. There will be no alleys, and all units will include a front-entry one-car garage with a shared driveway between each unit. The proposed development will include an assisted living facility with up to 48 beds.

Mr. Langford stated that as part of the Planned Development, the applicant is requesting several modifications to the design standards for townhomes including reducing the minimum building separation from 26 feet to 10 feet; reducing the open space area from 40 percent plus 10,000 square feet in common space to approximately six percent; and constructing a 6-foot masonry wall along Clay Mathis Road and a 6-foot wrought iron fence along rear lot lines of residential units and open space rather than constructing an 8-foot long-span precast decorative wall at the perimeter.

Mr. Langford stated that since opposition was received from property owners who represent more than 20 percent of the land included in the required notification area, a super-majority or three-fourths vote of all City Councilmembers is required. Six votes will be needed to pass the proposed application.

Applicant Jason Shaw with Serenity Senior Living II, LLC, presented an overview of the proposed development, Cornerstone Oaks, which will be an active 55+ adult community with privately-owned townhomes and an on-site assisted living facility with shared amenities. Cornerstone Church is located adjacent to proposed development and per a Memorandum of Understanding, the church will share open space with the proposed development which will include a serenity park, pickle ball courts and a small walking trail.

Mr. Shaw stated that a Homeowners Association (HOA) membership will be mandatory for both residential and no-residential units. Cornerstone Church will also be an active HOA member. The HOA will manage common areas and community shared space as well as the front exterior landscaping of both residential and non-residential properties. HOA covenants will detail and manage the age restriction requirement (55+) in accordance with State and Federal law through a Master Deed/Declaration. An annual audit is to be conducted by the HOA to ensure compliance with this requirement by each resident. Homeowners may lease their homes but must wait 12-months from the date of deed transfer and the lease must be with a resident age 55 or older.

(1) The following persons expressed support for the proposed application: (1) Dan Brower, 2829 Clay Mathis Road; (2) Larry Potts, 1006 Braewick Court; (3) Sonya Potts, 1006 Braewick Court; (4) Karen Longenecker, 217 Conger Drive; and (5) Denise Affholter, 2416 Liles Lane.

(2) Trice Battle, 3009 Sandhurst Drive, expressed concerns regarding the density of the development, lack of amenities and leasing of the homes.

(3) Karen Dyer, 2450 Edwards Church Road, expressed concerns regarding lack of amenities and the density of the development.

(4) Tammy Jo Strong, 1713 Cool Springs Drive, expressed concerns regarding

lack of amenities and the longevity of the church that is involved with this development.

No others appeared regarding the proposed application.

Mr. Murden moved to table consideration of Zoning Application No. Z1123-0338. Motion was seconded by Mr. Green. On call for a vote on the motion, the following votes were cast:

Ayes: Murden, Green, Alemán, Smith, Rodriguez-Ross

Nays: Casper, Boroughs

Motion carried.

17

Conduct a public hearing and consider a resolution approving the terms and conditions of a program to promote local economic development and stimulate business and commercial activity in the City, authorizing the City Manager to finalize and execute a First Amendment to TIRZ No. 14 Reimbursement Agreement and Economic Development Program Chapter 380 Agreement for such purposes with 42 Alcott, LP (the "Developer") and the Board of Directors of Reinvestment Zone No. 14, City of Mesquite, Texas ("Alcott Station"), regarding: (I) The Developer's construction of a Class A industrial building located at 3301 East Glen Boulevard and 3300 East Glen Boulevard, Mesquite, Texas (collectively the "Property"), (II) The acquisition from the City and by the Developer of approximately 1.72 acres of land currently dividing the Property and (III) The granting to Developer of certain TIRZ reimbursements and economic development incentives, and authorizing the City Manager to take such actions and execute such documents as are necessary or advisable to consummate the transactions contemplated by the First Amendment to the agreement and administer the First Amendment on behalf of the City.

A public hearing was held to consider a resolution approving the terms and conditions of a program to promote local economic development and stimulate business and commercial activity in the City, authorizing the City Manager to finalize and execute a First Amendment to TIRZ No. 14 Reimbursement Agreement and Economic Development Program Chapter 380 Agreement for such purposes with 42 Alcott, LP (the "Developer") and the Board of Directors of Reinvestment Zone No. 14 , City of Mesquite, Texas ("Alcott Station").

Kim Buttram, Director of Economic Development, stated that 42 Alcott, LP, an entity of 42 Real Estate and SLJ Company, entered into an agreement to construct a 350,000-square-foot building with a capital investment of \$20 million at the corner of East Scyene Road and Faithon P. Lucas, Sr., Boulevard within Alcott Logistics Station, TIRZ No. 14, Mesquite, Texas, on December 6, 2021. The developer approached the City prior to the first deadline in July 2024 with a request for a First Amendment involving the timing of the obligations outlined in the agreement.

Ms. Buttram stated that the developer is eligible through the terms of the agreement for a grant and TIRZ reimbursement to offset exceptional costs for infrastructure required to make the site viable for industrial development which includes removal and conveyance of a 1.76-acre tract of East Glen Boulevard, construction of common area drainage, public trails, and easement improvements and easement dedication.

Ms. Buttram stated that a grant based upon the actual cost of removal of pavement and utilities from East Glen Boulevard is included in the agreement to be offset by roadway impact fees paid by the developer. The grant is set up to be paid to the developer in two increments: fifty percent upon the commencement of building construction by July 31, 2024 (proposed change to July 31, 2027), compliance with Zone Plan, and dedication of easements, and fifty percent upon the evidence of \$20 million in capital expenditures by July 31, 2026 (proposed change to July 31, 2029). The First Amendment proposes to allow the developer more time to complete these obligations; the completion of construction is requested to move to July 31, 2030.

Ms. Buttram stated that expenditures for common area drainage, public trails, and easement improvements are eligible to be reimbursed by the TIRZ to the developer or to the City (should the City incur the cost) to allow flexibility in timing and cost-effectiveness of these improvements throughout Alcott Logistics Station.

No one appeared regarding the proposed resolution.

Mr. Green moved to approve Resolution No. 47-2024, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, APPROVING THE TERMS AND CONDITIONS OF A PROGRAM TO PROMOTE LOCAL ECONOMIC DEVELOPMENT AND STIMULATE BUSINESS AND COMMERCIAL ACTIVITY IN THE CITY; AUTHORIZING THE CITY MANAGER TO FINALIZE AND EXECUTE A FIRST AMENDMENT TO TIRZ NO. 14 REIMBURSEMENT AGREEMENT AND CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM AGREEMENT FOR SUCH PURPOSES WITH 42 ALCOTT, LP (THE "DEVELOPER"), AND THE BOARD OF DIRECTORS OF REINVESTMENT ZONE NO. 14, CITY OF MESQUITE, TEXAS ("ALCOTT STATION"), REGARDING: (I) THE DEVELOPER'S CONSTRUCTION OF A CLASS A INDUSTRIAL BUILDING LOCATED AT 3301 EAST GLEN BOULEVARD AND 3300 EAST GLEN BOULEVARD, MESQUITE, TEXAS, (COLLECTIVELY THE "PROPERTY"); (II) THE ACQUISITION FROM THE CITY AND BY THE DEVELOPER OF APPROXIMATELY 1.72 ACRES OF LAND CURRENTLY DIVIDING THE PROPERTY; AND (III) THE GRANTING TO DEVELOPER OF CERTAIN TIRZ REIMBURSEMENTS AND ECONOMIC DEVELOPMENT INCENTIVES; AND AUTHORIZING THE CITY MANAGER TO TAKE SUCH ACTIONS AND EXECUTE SUCH DOCUMENTS AS ARE NECESSARY OR ADVISABLE TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED BY THE FIRST AMENDMENT, AND ADMINISTER THE FIRST AMENDMENT ON BEHALF OF THE CITY. Motion was seconded by Mr. Smith and approved unanimously. (Resolution No. 47-2024 recorded in Resolution Book No. 69.)

18

Conduct a public hearing and consider a resolution approving the termination of an Economic Development Program Chapter 380 Agreement between the City, Elements Sleep, LLC, and Style-Line Furn., Inc., dated effective February 2, 2021, and approving the terms and conditions of a new Economic Development Program Chapter 380 Agreement between the City and Elements Sleep, LLC, to promote economic development and incentivize Elements Sleep, LLC, to continue manufacturing boxed mattresses at an industrial building located at 1475 Republic Parkway, in the City of Mesquite, and authorizing the City Manager to finalize and execute the agreement and administer it on behalf of the City.

A public hearing was held to consider a resolution approving the termination of

an Economic Development Program Chapter 380 Agreement between the City, Elements Sleep, LLC, and Style-Line Furn., Inc., dated effective February 2, 2021, and approving the terms and conditions of a new Economic Development Program Chapter 380 Agreement between the City and Elements Sleep, LLC.

Kim Buttram, Director of Economic Development, stated that Elements Sleep, LLC, notified the City that the parties to the Chapter 380 Agreement, approved by the City Council on February 1, 2021, Elements Sleep, LLC, and Style-Line Furn., Inc. were restructuring ownership in the company. Style-Line Furn., Inc. is no longer operating in the building. The entity Elements Sleep is meeting the obligations of the Chapter 380 Agreement and are assuming all obligations of the entity Style-Line Furn., Inc. Without any changes to the business terms and obligations, the proposed new agreement will be between the City of Mesquite and Elements Sleep, LLC.

No one appeared regarding the proposed resolution.

Mr. Boroughs moved to approve Resolution No. 48-2024, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, APPROVING THE TERMINATION OF AN ECONOMIC DEVELOPMENT PROGRAM CHAPTER 380 AGREEMENT BETWEEN THE CITY, ELEMENTS SLEEP, LLC, AND STYLE-LINE FURN., INC., DATED EFFECTIVE FEBRUARY 2, 2021, AND APPROVING THE TERMS AND CONDITIONS OF A NEW ECONOMIC DEVELOPMENT PROGRAM CHAPTER 380 AGREEMENT BETWEEN THE CITY AND ELEMENTS SLEEP, LLC, TO PROMOTE ECONOMIC DEVELOPMENT AND INCENTIVIZE ELEMENTS SLEEP, LLC, TO CONTINUE MANUFACTURING BOXED MATTRESSES AT AN INDUSTRIAL BUILDING LOCATED AT 1475 REPUBLIC PARKWAY, IN THE CITY OF MESQUITE, TEXAS, AND AUTHORIZING THE CITY MANAGER TO FINALIZE AND EXECUTE THE AGREEMENT AND ADMINISTER IT ON BEHALF OF THE CITY. Motion was seconded by Ms. Rodriguez-Ross and approved unanimously. (Resolution No. 48-2024 recorded in Resolution Book No. 69.)

EXECUTIVE SESSION - COUNCIL CONFERENCE ROOM - 9:57 P.M.

Mayor Alemán announced that the City Council would meet in Executive Session pursuant to Section 551.087 of the Texas Government Code to consider commercial or financial information regarding business prospects or projects (Item No. 19 – Discuss economic development incentives for a project on Military Parkway; and Item No. 20 - Discuss an economic development redevelopment project on Main Street near Broad Street); whereupon, the City Council proceeded to meet in Council Conference Room. After the closed meeting ended at 10:33 p.m., the City Council reconvened in Open Session.

No executive action was necessary.

ADJOURNMENT

Mr. Smith moved to adjourn the meeting. Motion was seconded by Mr. Murden and approved unanimously. The meeting adjourned at 10:33 p.m.

Attest:

Approved:

Sonja Land, City Secretary

Daniel Alemán, Jr., Mayor