



City of Mesquite, Texas

Minutes - Final City Council

Monday, April 7, 2025

5:15 PM

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

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

Absent: Councilmember B.W. Smith.

PRE-MEETING - TRAINING ROOMS A&B - 5:15 P.M.

AGENDA REVIEW

STAFF PRESENTATIONS

- 1 Receive briefing regarding the North Gus Thomasson Road Corridor Study.
- 2 Receive financial statements for period covering October 1, 2024, through December 31, 2024.
- 3 Receive Economic Development Department quarterly update.

EXECUTIVE SESSION - COUNCIL CONFERENCE ROOM - 6:47 P.M.

Mayor Alemán announced that the City Council would meet in Executive Session pursuant to Section 551.071 of the Texas Government Code to conduct a private consultation with its attorney related to pending or contemplated litigation; a settlement offer; and issues in which there exists a duty of the City Attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas (Legal advice regarding Petitions by Landowners or Residents for Release of Area from Extraterritorial Jurisdiction); whereupon, the City Council proceeded to meet in the Council Conference Room. After the closed meeting ended at 6:55 p.m., the City Council reconvened in Open Session.

No executive action was necessary.

EXECUTIVE SESSION - COUNCIL CONFERENCE ROOM - 6:55 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. 20 – Discuss an economic development project in Trinity Pointe, Mesquite, near IH-20 and FM 2932); whereupon, the City Council proceeded to meet in Council Conference Room. After the closed meeting ended at 7:02 p.m., the City Council reconvened in Open Session.

No executive action was necessary.

REGULAR CITY COUNCIL MEETING - CITY COUNCIL CHAMBER - 7:05 P.M.

INVOCATION

Sam Pendyala, Pastor, Inspiration Church, Mesquite, Texas.

PLEDGE OF ALLEGIANCE

City Staff.

SPECIAL ANNOUNCEMENTS

1. Mr. Casper stated that Historic Mesquite, Inc., will be hosting Doggie Derby Day on Saturday, April 19, 2025, at the Opal Lawrence Historical Park, 711 East Kearney Street, from 10:00 a.m. to 1:00 p.m. Festivities include a doggie hat-decorating station and a best doggy hat contest. Others can enjoy mocktail mint juleps, strolling the grounds and taking photos in the bluebonnets or in front of the big red barn. Visit www.HistoricMesquite.org for more information.
2. Mr. Green encouraged citizens to mark their calendar for the world premiere of "The Fortune Cookie" presented by the Mesquite Arts Theatre. The comedy centers on what happens after a cameraman is slightly injured and his slimy lawyer brother-in-law convinces him to play it up for the insurance money. The show was originally a 1966 movie starring Walter Matthau and Jack Lemmon. Matthau won an Academy Award for Best Supporting Actor for his role. Come witness history as "The Fortune Cookie" is presented for the first time as a play... on stage from Friday, April 11, 2025, to Sunday, April 27, 2025.
3. Ms. Rodriguez-Ross encouraged citizens to participate in Trash Bash, hosted by Keep Mesquite Beautiful, Inc., on Saturday, April 26, 2025, from 8:00 a.m. to Noon. This community cleanup event is a great opportunity for all of us to come together and make a real difference in keeping our City clean. Participants will meet under the marquee at Town East Mall on Saturday, April 26, 2025, to get supplies before heading to their assigned locations. To help organizers coordinate supplies and cleanup locations, please pre-register by visiting www.cityofmesquite.com/TrashBash. Your participation matters – let's work together to keep Mesquite looking its best.
4. Ms. Rodriguez-Ross announced that it's time to sign up for Addressing Mesquite Day (AMD). This year, AMD will be held on Saturday, October 4, 2025. For 21 years, this annual day of service has changed the lives of thousands of Mesquite homeowners and their families. If you know someone who needs assistance with exterior house or yard projects, encourage them to complete an AMD request form. Projects could include painting, landscaping, building a ramp or tearing down an old shed. The last day for homeowners to submit applications for assistance is Friday, June 13, 2025. Find out more at www.cityofmesquite.com/AMD.
5. Mr. Boroughs thanked everyone who have already contributed to the Mesquite Fire Department's Fill-the-Boot Campaign. Since 1954, firefighters across the nation have been collecting funds for the Fill-the-Boot program that benefits the Muscular Dystrophy Association. The dollars raised go toward research, care, community support, and advocacy for people living with neuromuscular diseases. Keep an eye out for Mesquite Firefighters during two more collection opportunities on Thursday, April 10, 2025, and Friday, April 11, 2025, and again on Thursday, April 24, 2025, and Friday, April 25, 2025.

6. Mr. Murden encouraged citizens to participate in the Parks and Recreation Department's Bunny EGGstravaganza on Saturday, April 12, 2025. This free event will be held at Evans Recreation Center, 1116 Hillcrest Street, from 9:00 a.m. to 1:00 p.m. Families can celebrate the arrival of Spring with egg hunts for the kids, photos with the Easter Bunny, face painting, crafts and more. Additional attractions include the Choo Choo Express Train, bounce houses, Skee-Ball and outdoor games for the whole family. Whataburger of Mesquite will provide free breakfast taquitos and Starbucks will offer complimentary hot coffee while supplies last.

7. Mr. Murden expressed appreciation for everyone's support as he was awarded the 2024 Texas Municipal League (TML) Institute Certified Municipal Official designation.

8. Mayor Alemán stated that on behalf of the entire City Council, he congratulated Virginia Mundt, Director of Library Services, and the entire Library staff for achieving the 2024 Achievement of Library Excellence Award from the Texas Municipal Library Directors Association. This is the ninth consecutive year that Mesquite has received this award. Only 102 out of 545 public library systems earned this prestigious honor for 2024.

9. Mayor Alemán stated that on Saturday, May 17, 2025, the City is hosting a Citywide Council District Picnic. Residents from all districts in the City are invited to the gathering. Family-friendly activities and food will be offered, as well as the opportunity to meet Councilmembers, City staff and your neighbors. The picnic will be held on the north lawn of the Mesquite Arts Center, 1527 North Galloway Avenue, from 11:00 a.m. to 12:30 p.m., and encouraged citizens to attend.

CITIZENS FORUM

1. Eric Vasquez, 924 Windbell Circle, expressed support for breaking parity between the Mesquite Police Department and Mesquite Fire Department.

2. Vivian Johnson, 4538 Live Oak Drive, expressed opposition for breaking parity between the Mesquite Police Department and Mesquite Fire Department.

3. Tammy Jo Strong, 1713 Cool Springs Drive, stated that Zipline delivery service will host a community event at the Mesquite Walmart Supercenter, 200 US Highway 80, on Saturday, April 12, 2025, from Noon to 3:00 p.m.

APPOINTMENTS FOR PERSONAL APPEARANCE

- 4 Receive presentation regarding the Fiscal Year 2023-2024 Annual Report from the Mesquite Quality of Life Corporation Board of Directors.

Gilberto Prado, Treasurer of the Mesquite Quality of Life Corporation Board of Directors, introduced the following Board members in attendance at tonight's meeting: (1) Ron Ward, President; (2) Nadine Ward, former President; (3) Debbie Anderson; and (4) Lisa Theriot.

Mr. Prado stated that the Mesquite Quality of Life Corporation was created by the Mesquite City Council following an election on August 14, 1999, which authorized a 1/2 cent sales tax rate. All revenues received are used for projects within the areas of Transportation, Public Safety and Parks and Recreation. The FY 2023-2024 projects include the completion of Westlake Skate Park, renovation of City Lake Aquatic Center, improvements to the golf course and upgrades to the Westlake Archery Range. The Mesquite Quality of Life Corporation received approximately \$15 million in revenue this year.

CONSENT AGENDA**Approval of the Consent Agenda**

Mr. Green moved to approve the items on the Consent Agenda as follows. Motion was seconded by Mr. Murden and approved unanimously.

- 5** Minutes of the regular City Council meeting held March 17, 2025.
- Approved on the Consent Agenda.**
- 6** Bid No. 2025-117 - Purchase of a 12-Yard Dump Truck for Streets Division.
(Staff recommends award to Rush Truck Center, LP, a Texas Limited Partnership, through BuyBoard Contract No. 723-23, in the amount not to exceed \$168,665.52.)
- Approved on the Consent Agenda.**
- 7** Bid No. 2025-122 - Purchase of 25 40-Cubic-Yard Roll-Off Open Top Containers.
(Staff recommends award to Roll-Offs of America, Inc., a Foreign For-Profit Corporation in Oklahoma, through BuyBoard Contract No. 686-22, in the amount of \$145,475.00)
- Approved on the Consent Agenda.**
- 8** Bid No. 2025-128 - Next Generation 9-1-1 ESInet Project Equipment and Maintenance.
(Authorize the City Manager to finalize and execute a contract with AT&T Corp., through the State of Texas DIR Contract No. DIR-TELE-CTSA-002, in an amount not to exceed \$1,500,000.00.)
- Approved on the Consent Agenda.**
- 9** Authorize the City Manager to finalize and execute a Professional Engineering Services Contract with Freeman-Millican, Inc., a Texas Corporation, for the design of the Southeast Pump Station Improvements, in the amount of \$956,000.00.
- Approved on the Consent Agenda.**
- 10** Authorize the City Manager to finalize and execute a Professional Engineering Services Contract with Binkley & Barfield, Inc., a Texas Corporation, for the design of the Rollingwood Hills Scyene Road Waterline Project, in the amount of \$273,850.00.
- Approved on the Consent Agenda.**
- 11** Authorize the City Manager to finalize and execute Amendment No. 1 to the Professional Engineering Services Contract for the IH-30 Utility Relocations Project (IH-635 to City Limits), with Grantham & Associates, Inc., a Texas Corporation, for additional design and preparation of construction documents, in an amount not to exceed \$85,000.00.

Approved on the Consent Agenda.

- 12 Authorize the Police Chief to execute a Local Administrative Agreement with the Texas Anti-Gang (TAG) Center through North Richland Hills for the purpose of purchasing products, equipment or property.

Approved on the Consent Agenda.**END OF CONSENT AGENDA****APPOINTMENTS TO BOARDS, COMMISSIONS AND COMMITTEES**

- 13 Consider appointment of Nicole Walters Budworth, Senox Corporation, as a member (Position No. 7) to the Town East/Skyline Tax Increment Finance Reinvestment Zone (TIRZ) No. Nine Board of Directors for a term to expire December 31, 2025.

Mr. Casper moved to appoint Nicole Walters Budworth, Senox Corporation, as a member (Position No. 7) to the Town East/Skyline Tax Increment Finance Reinvestment Zone (TIRZ) No. Nine Board of Directors for a term to expire December 31, 2025. Motion was seconded by Ms. Rodriguez-Ross and approved unanimously.

- 14 Consider appointment of one Regular Member (Position No. 3) to the Board of Adjustment/Airport Board of Adjustment for a term to expire December 31, 2025.

Mr. Boroughs moved to appoint Andrew Williams as Regular Member (Position No. 3) to the Board of Adjustment/Airport Board of Adjustment for a term to expire December 31, 2025. Motion was seconded by Mr. Casper and approved unanimously.

PUBLIC HEARING AND CONSIDERATION OF RESOLUTIONS

- 15 Conduct a public hearing and consider a resolution providing no objection for Torrington Briarwood, LP's application (through developer JPI Affordable Development, LLC) to the Texas Department of Housing and Community Affairs (TDHCA) for Non-Competitive 4% Housing Tax Credits for the construction of an approximately 313-unit affordable multi-family rental housing development to be located at or about 23701 Lyndon B. Johnson Freeway, in accordance with Chapter 2306 of the Texas Government Code, and authorizing the City Secretary to certify the resolution to the TDHCA.

A public hearing was held regarding a resolution of no objection for Torrington Briarwood, LP's application to the Texas Department of Housing and Community Affairs at 23701 Lyndon B. Johnson Freeway.

Ted Chinn, Director of Finance, stated that before the Texas Department of Housing and Community Affairs (TDHCA) may approve an application for housing tax credits for developments financed with private activity bonds, the governing body of a municipality in which the proposed development is located must conduct a public hearing and obtain a resolution of no objection.

Mr. Chinn stated that on September 16, 2024, JPI Affordable Development, LLC made a presentation to the Mesquite Housing Finance Corporation (HFC) seeking participation and financing for a proposed 313-unit affordable multi-family rental housing development to be located at 23701 LBJ Freeway in Mesquite. On October 7, 2024, the HFC Board unanimously passed a bond inducement resolution authorizing JPI to file an application for up to \$50 million in private activity bonds with the Texas Bond Review Board (TBRB). On January 14, 2025, the TBRB issued a Certificate of Reservation accepting Torrington Briarwood's bond application filing and reserving \$50 million in private activity bond allocation to the HFC for financing the proposed development.

Mr. Chinn stated that this public hearing is an opportunity for the City Council to receive information on the development and seek input from the public prior to the HFC issuing bonds on June 2, 2025. The City Council may still object to the approval of the HFC bond sale, but if City Council is not in favor of this development proceeding, then City staff would prefer that such action be taken at this meeting rather than at the June 2 meeting after the negotiated pricing of the bonds. If the City Council does not pass this Resolution of No Objection, then Council will also need to deny the resolution approving the issuance of tax-exempt obligations by the HFC, which is the next item on tonight's Council agenda.

Applicant Karsten Lowe, Affordable Housing Development Manager with JPI Affordable Development, LLC, presented an overview of the proposed development. Torrington Briarwood is a proposed 313-unit affordable housing development which will include four residential buildings with a unit mix of 47 one-bedroom units, 148 two-bedroom units, 106 three-bedroom units and 12 four-bedroom units. Amenities include a walking trail with outdoor sitting area, pocket parks throughout, a dog park with waste stations, resort-style pools, outdoor grilling areas and a 24-hour fitness center with key-fob access. The entire community will be gated and there will be security cameras throughout the property. The developer has recently completed two similar developments in the Balch Springs area and both of the properties leased up in under a year.

1. Ron Ward, 430 Running Brook Lane, expressed support for the resolution.

2. Vivian Johnson, 4530 Live Oak Drive, expressed concerns regarding privacy of residents nearby due to building height.

No others appeared regarding the proposed resolution.

Mayor Alemán read a statement from Councilmember B.W. Smith in support of denying the resolution.

Mr. Boroughs moved to approve Resolution No. 11-2025, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, PROVIDING NO OBJECTION FOR TORRINGTON BRIARWOOD, LP'S APPLICATION TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (THE "TDHCA") FOR NON-COMPETITIVE 4% HOUSING TAX CREDITS FOR THE CONSTRUCTION OF AN APPROXIMATELY 313-UNIT AFFORDABLE MULTI-FAMILY RENTAL HOUSING DEVELOPMENT TO BE LOCATED AT OR ABOUT 23701 LYNDON B. JOHNSON FREEWAY, IN ACCORDANCE WITH CHAPTER 2306 OF THE TEXAS GOVERNMENT CODE; AND AUTHORIZING THE CITY SECRETARY TO CERTIFY THE RESOLUTION TO THE TDHCA. Motion was seconded by Mr. Casper and approved unanimously. (Resolution No. 11-2025 recorded in Resolution Book No. 70.)

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Consider a resolution approving the issuance of tax-exempt obligations by The Mesquite Housing Finance Corporation to finance the acquisition and construction of Torrington Briarwood by Torrington Briarwood, LP.

Ted Chinn, Director of Finance, stated that under the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), an issuer of private activity bonds must hold a public hearing, following publication of a TEFRA notice, to give the public an opportunity to comment on a proposed private activity bond issue. This hearing was held by the Mesquite Housing Finance Corporation (HFC) on April 7, 2025, following the March 27, 2025, publication of the TEFRA notice.

Mr. Chinn stated that Section 147(f) of the Internal Revenue Code requires approval of the bond issue by the City Council following the public hearing, and passage of this proposed resolution will provide Council approval of the bonds in an amount not to exceed \$50 million. He stated that the private activity bonds issued by the HFC will never constitute an indebtedness or general obligation of the City but are "conduit" obligations of the City payable solely from the revenues generated by the development, and no City funds will be used.

Mr. Boroughs moved to approve Resolution No. 12-2025, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, APPROVING THE ISSUANCE OF TAX-EXEMPT OBLIGATIONS BY THE MESQUITE HOUSING FINANCE CORPORATION TO FINANCE THE ACQUISITION AND CONSTRUCTION OF TORRINGTON BRIARWOOD BY TORRINGTON BRIARWOOD, LP. Motion was seconded by Mr. Casper and approved unanimously. (Resolution No. 12-2025 recorded in Resolution Book No. 70.)

PUBLIC HEARINGS

17

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 located at 2795 Clay Mathis Road.

(One response in favor and five 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. This item was postponed at the October 21, 2024, City Council meeting.)

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 a four-acre property for an age-restricted townhome community. Each townhome will be situated 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 adjacent units. The original proposal included an assisted living facility with up to 48 beds; however, this component has been removed.

Mr. Langford stated that at the October 21, 2024, meeting, City Council postponed the request without a date certain to allow the applicant an opportunity to revise the proposal. The applicant has since submitted a revised concept plan with the following changes:

- Removed the assisted living facility
- Increased the number of dwelling units from 34 to 35
- Added a dog park, open space, and pickleball court
- Included an access connection through the adjacent church property
- Added 19 guest parking spaces
- Added an 8-foot precast wall along the western property line

Mr. Langford stated that 25 percent of the notification area opposes the application. Therefore, a 3/4 vote of all members of the City Council is required for approval of the application. Since one Councilmember is absent tonight, it will require a unanimous vote of six to approve.

Karen Dyer, 2450 Edwards Church Road, expressed opposition to the application.

No others appeared regarding the proposed application.

Mr. Murden moved to keep the public hearing open and postpone consideration of Zoning Application No. Z1123-0338 to the May 5, 2025, City Council meeting. Motion was seconded by Mr. Casper and approved unanimously.

18

Conduct a public hearing and consider an ordinance for Zoning Application No. Z0125-0381, submitted by Connor Osburn of Trinsic Residential Group, on behalf of Mesquite Community Development LLC, for a change of zoning from Planned Development - Multifamily and Light Commercial (Ordinance No. 5094) to Planned Development - Multifamily on Tract 1 and Planned Development - Light Commercial on Tract 2, and a Comprehensive Plan Amendment to adjust the boundaries of the High Density Residential and Office Future Land Use designations between Tracts 1 and 2 and repealing Ordinance No. 5094, to allow a 300-unit multifamily development on Tract 1 with modified development standards and light commercial uses on Tract 2, located at 5201 Northwest Drive.

(One response in favor and none 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. Z0125-0381.

Adam Bailey, Director of Planning and Development Services, stated that Trinsic Residential Group is requesting a rezoning to allow a 300-unit multi-family development on the northern portion of 5201 Northwest Dr, adjacent to the age-restricted apartments known as Evergreen at Mesquite. The subject property was rezoned in February 2024 (Planned Development (PD)-Multifamily and Light Commercial, Ordinance No. 5094) to allow three Multi-family buildings with 264 units and nine townhome-style buildings with 36 units on approximately 17 acres, with the remaining 5 acres designated for Light Commercial uses.

Mr. Bailey stated that the applicant is now proposing a new PD that will reduce

the Multi-family-zoned portion from 17.86 to 12.528 acres while increasing the Light Commercial portion from 5 to 10.346 acres. The new concept plan shifts the 300-unit Multi-family development to the 12.528 acres west of the drainage channel to better accommodate the site's natural topographical challenges, including substantial grade changes and drainage. The development will include nine Multi-family buildings, a clubhouse, and 507 parking spaces. The proposed Multi-family development will follow all requirements in Section 2-501, except for requested modifications related to open space, indoor amenities, covered parking, unit size, and unit type ratios. The PD does not include a concept plan for the 10.346 acres east of the channel. The PD will allow uses permitted in the Light Commercial Zoning District.

Applicant Connor Osburn, representing Trinsic Residential Group, presented an overview of the proposed development. The unit-mix will include one-bedroom, two-bedroom and three-bedroom units. The community will be gated and the entrance will be near the leasing office. Amenities include a clubhouse with a pool, outdoor social gathering areas, EV charging stations, work space within the clubhouse and a dog park.

No one appeared regarding the proposed application.

Mr. Casper moved to approve Zoning Application No. Z0125-0381, as recommended by the Planning and Zoning Commission with certain stipulations, and to approve Ordinance No. 5159, AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, AMENDING THE MESQUITE COMPREHENSIVE PLAN BY ADJUSTING THE BOUNDARIES OF THE HIGH DENSITY RESIDENTIAL AND OFFICE FUTURE LAND USE DESIGNATIONS BETWEEN TRACTS 1 AND 2 ON PROPERTY LOCATED AT 5201 NORTHWEST DRIVE; REPEALING ORDINANCE NO. 5094 IN ITS ENTIRETY; AND AMENDING THE MESQUITE ZONING ORDINANCE BY CHANGING THE ZONING FROM PLANNED DEVELOPMENT – MULTIFAMILY (PD-MF) AND LIGHT COMMERCIAL (ORDINANCE NO. 5094) TO PLANNED DEVELOPMENT – MULTIFAMILY (PD-MF) ON TRACT 1 AND PLANNED DEVELOPMENT – LIGHT COMMERCIAL (PD-LC) ON TRACT 2 TO ALLOW A 300-UNIT MULTIFAMILY DEVELOPMENT ON TRACT 1 AND LIGHT COMMERCIAL USES ON TRACT 2, BOTH WITH MODIFIED DEVELOPMENT STANDARDS; 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 PUBLICATION OF THE CAPTION HEREOF; AND PROVIDING AN EFFECTIVE DATE. Motion was seconded by Mr. Green. On call for a vote on the motion, the following votes were cast:

Ayes: Casper, Green, Alemán, Boroughs, Murden

Nayes: Rodriguez-Ross

Absent: Smith

Motion Carried. (Ordinance No. 5159 recorded in Ordinance Book No. 134.)

19

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, affirming termination of a prior Economic Development Program Agreement (Chapter 380 Agreement) with LF Gateway LP ("Company") for development of the property located at 3201 East Cartwright Road in the City of Mesquite, Texas ("Property") and waiving a \$100,000.00 payment owed to the City by the Company, authorizing the City

Manager to finalize and execute a new Economic Development Program Agreement (Chapter 380 Agreement) with the Company, regarding development of the Property, and authorizing the City Manager to finalize, execute and administer the new Chapter 380 Agreement 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 and LF Gateway LP, and waiving a \$100,000.00 payment owed to the City by the Company, and authorizing the City Manager to finalize and execute a new Economic Development Program Chapter 380 Agreement regarding development of the property located at 3201 East Cartwright Road.

Kim Buttram, Director of Economic Development, stated that in 2017, noting a market need in the area for new commercial development and in anticipation of future residential development in Southeast Mesquite, LF Gateway LP purchased a 6.787-acre tract at 3201 East Cartwright Road. The site is located at the southeastern corner of the intersection of Cartwright Road and Faithon P. Lucas, Sr., Boulevard, adjacent to John D. Horn High School. The development includes approximately five freestanding retail buildings to be leased and/or sold to medical office, local retail and restaurant concepts. Exceptional costs of developing the site to improve ingress and egress include modifications to East Cartwright Road and the entrance to John D. Horn High School from Faithon P. Lucas, Sr., Boulevard.

Ms. Buttram stated that a Chapter 380 Agreement, executed on July 14, 2021, provided an incentive package consisting of Grants based upon Real and Business Personal Property Tax paid to the City as a result of the development over ten years, as well as Water, Sewer and Roadway Impact Fees paid to the City during the development process. Roadway Impact Fees would be granted back to the developer 100 percent during the first five years of the project and 50 percent years six through ten. All other tax and fee-based Grants would have a performance-based cap of \$500,000.00 or \$600,000.00 (a \$100,000.00 increase if a Fast Casual or Table Service Restaurant is constructed within the first five years). Additional terms:

- Minimum combined square footage of buildings: 42,500
- One building to be completed prior December 31, 2023
- Subsequent improvements (remaining buildings) to be completed prior to July 13, 2031

Ms. Buttram stated that due to market conditions and infrastructure projects, construction of the project was delayed. A First Amendment to the Chapter 380 Agreement, approved by the City Council on December 18, 2023, provided the following updated terms:

- Minimum combined square footage of buildings: 32,500
- One building to be completed prior to June 31, 2024
- Subsequent improvements (remaining buildings) to be completed prior to December 31, 2031
- Deadline to earn 50 percent reimbursement of Roadway Impact Fees extended from July 31, 2031, to December 31, 2031

Ms. Buttram stated that due to a delay in construction of the first building, the amended Chapter 380 Agreement was terminated, and a new Chapter 380 Agreement is proposed. The proposed new agreement applies to the original 6.787-acre tract at 3201 East Cartwright Road. The estimated capital investment remains \$16 million. With offsite infrastructure improvements complete and

accepted and the first building constructed and operational, the new performance measures include a minimum of Building One or Building Three receiving a building permit by July 31, 2025, with subsequent improvements causing a total square footage on the property of 32,500 by December 31, 2031. The agreement term would allow grants to the developer equal to ad valorem taxes collected by the City as a result of the development from 2022 through 2031, as well as 100 percent of water and wastewater fees between 2023 and 2031, 100 percent of roadway impact fees between 2023 through 2028, and 50 percent of roadway impact fees between 2029 through 2031. A bonus of \$100,000.00 would be paid to the developer for obtaining a fast casual or table service restaurant opening by December 31, 2026.

Ms. Buttram stated that the incentive components of the new agreement, like the original agreement, have a not-to-exceed of \$500,000.00 plus the potential bonus of \$100,000.00. The primary difference is the qualification trigger for incentives being the construction of Building One or Building Three. The completion of the square footage of the entire tract by year-end 2031 mirrors the original agreement. The new agreement also affirms the City's waiver of a \$100,000.00 payment by the developer which would have been owed to the City due to the termination of the first agreement.

Developer Seth Grubstein stated that development of the McDonalds has been completed and it is now open and operating. The two buildings that will be developed next will be Building One facing Faithon P. Lucas, Sr., Boulevard, and Building Three facing Cartwright Road.

No one appeared regarding the proposed resolution.

Mr. Murden moved to approve Resolution No. 13-2025, 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; AFFIRMING TERMINATION OF A PRIOR ECONOMIC DEVELOPMENT PROGRAM AGREEMENT (CHAPTER 380 AGREEMENT) WITH LF GATEWAY LP ("COMPANY") FOR DEVELOPMENT OF THE PROPERTY LOCATED AT 3201 EAST CARTWRIGHT ROAD IN THE CITY OF MESQUITE, TEXAS ("PROPERTY") AND WAIVING A \$100,000 PAYMENT OWED TO THE CITY BY THE COMPANY; AUTHORIZING THE CITY MANAGER TO FINALIZE AND EXECUTE A NEW ECONOMIC DEVELOPMENT PROGRAM AGREEMENT (CHAPTER 380 AGREEMENT) WITH THE COMPANY, REGARDING DEVELOPMENT OF THE PROPERTY; AND AUTHORIZING THE CITY MANAGER TO FINALIZE, EXECUTE, AND ADMINISTER THE NEW CHAPTER 380 AGREEMENT ON BEHALF OF THE CITY. Motion was seconded by Mr. Green and approved unanimously. (Resolution No. 13-2025 recorded in Resolution Book No. 70.)

ADJOURNMENT

Mr. Casper moved to adjourn the meeting. Motion was seconded by Mr. Green and approved unanimously. The meeting adjourned at 8:41 p.m.

Attest:

Approved:

Sonja Land, City Secretary

Daniel Alemán, Jr., Mayor