

Work Session Room at City Hall
Monday, March 17, 2025
6 p.m.



William E. Dollar Municipal Building
200 N. Fifth St.
Garland, Texas

GARLAND

CITY OF GARLAND WORK SESSION OF THE CITY COUNCIL

The Garland City Council extends to all visitors a sincere welcome. We value your interest in our community and your participation in the meetings of this governing body. Visit GarlandTX.gov/Council for a full list of meeting dates.

The Council Chambers at Garland City Hall is wheelchair accessible, and ADA parking is available on State Street as well as in the public parking garage behind City Hall. Persons who may need assistive listening devices or interpretation/translation services are asked to contact the City Secretary's Office at 972-205-2404 as soon as possible prior to the meeting so that we may do all we can to provide appropriate arrangements.

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NOTICE: Pursuant to Section 551.127 of the Texas Government Code, one or more members of the City Council may attend this meeting by internet/video remote means. A quorum of the City Council, as well as the presiding officer, will be physically present at the above identified location. Members of the public that desire to make a public comment must attend the meeting in person.

PUBLIC COMMENTS ON WORK SESSION ITEMS

Members of the audience may address the City Council on any Work Session item at the beginning of the meeting. Speakers are allowed three minutes each, grouped by agenda item and called in the order of the agenda. Anyone wishing to speak must fill out a speaker card (located at the entrance to the Council Chambers and on the visitor's side of the Work Session Room) and give it to the City Secretary before the Mayor calls the meeting to order. Speakers are limited to addressing items on the Work Session agenda only. Items on a Regular Meeting agenda should be addressed at the respective Regular Meeting. Items not currently on an agenda may be addressed during the citizen comments portion of any Regular Meeting.

CONSIDER THE CONSENT AGENDA

Council may ask for discussion or further information on any item posted in the consent agenda of the next Regular Meeting. Council may also ask that an item on the consent agenda be pulled and considered for a vote separate from the consent agenda at the next Regular Meeting. All discussions or deliberations are limited to posted agenda items and may not include new or unposted subject matter.

WRITTEN BRIEFINGS

Council may ask for discussion, further information, or give direction to staff on an item posted as a written briefing.

1. FY 2024-25 Annual Operating Budget Amendment No. 1

Council is requested to consider approving changes to the FY 2024-25 Annual Operating Budget to appropriate available funds for: projects approved in last year's budget but not yet completed, the rollover of open purchase orders from the 2023-24 fiscal year, and expenditures not anticipated in the 2024-25 Adopted Operating Budget. Unless otherwise directed by Council, this item will be scheduled for formal consideration at the April 1, 2025 Regular Meeting.

2. Grant Disbursement Agreement - Garland Housing Finance Corporation

Council is requested to consider accepting a \$540,000 grant from the Garland Housing Finance Corporation (GHFC) to continue the Garland Partnership Program with the City of Garland. Unless otherwise directed by Council, this item will be scheduled for formal consideration at the April 1, 2025 Regular Meeting.

3. GPS: Garland's Pathway to Success

Council is requested to consider approval of GPS: Garland's Pathway to Success, the City Manager's work plan for aligning City Council direction with the work of Team Garland. Council was briefed on this item at the November 18, 2024 Work Session. Unless otherwise directed by Council, this item will be scheduled for formal consideration at the March 18, 2025 Regular Meeting.

VERBAL BRIEFINGS

Council may ask for discussion, further information, or give direction to staff on an item posted as a verbal briefing.

4. Introduction of a New Director

Council will be introduced to Joe Ellis, the new Director of Emergency Management, by Mistie Gardner, Managing Director.

5. Dallas Area Rapid Transit (DART) Update

Council will be updated on DART's services, activities, programs and projects within Garland.

6. 519 State Street: Further Consideration of the Sales Agreement and Development Agreement, to Discuss Possible Amendments

This item was requested by Councilmember Beard and seconded by Councilmember Ott.

7. Annual Review of Homestead and Senior Tax Exemptions

Deputy Mayor Pro Tem Margaret Lucht, Chair of the Administrative Services Committee, along with staff, will present options recommended at the February 27, 2025 Administrative Services Committee Meeting.

8. Legislative & Public Affairs Committee Report

Councilmember B.J. Williams, Chair of the Legislative & Public Affairs Committee, and staff will provide a committee report. Ariel Traub, Managing Director of Legislative & Public Affairs, will discuss the 89th legislative session thus far.

ANNOUNCE FUTURE AGENDA ITEMS

A Councilmember, with a second by another member or the Mayor alone, may ask that an item be placed on a future agenda of the City Council or of a committee of the City Council. No substantive discussion of that item will take place at this time.

EXECUTIVE SESSION

9. Deliberate or discuss:

The City Council will adjourn into executive session pursuant to sections 551.071, 551.072, and 551.087 of the Texas Government Code to deliberate and discuss the following:

1. Certain commercial or financial information that the City has received from a business prospect that the City seeks to have locate, stay, or expand in the downtown district of the City and with which the City is conducting economic development negotiations (551.087), including the possibility of the conveyance of real property (551.072), and attorney/client discussions related to the same (551.071).
2. A potential offer by the City of financial and other incentives to a business prospect and the receipt of commercial or financial information that the City has received from that same business prospect, which the City seeks to have locate within the City in the area of I-H 635 and Shiloh Road, and in the area of President George Bush Turnpike and Holford Road, and with which the City is conducting economic development negotiations (551.087); and attorney/client communications related to the same (551.071).

ADJOURN

All Work Sessions of the Garland City Council are broadcast live on CGTV, Time Warner Cable Channel 16 and Frontier FIOS TV 44. Meetings are rebroadcast at 9 a.m. and 7 p.m. Tuesdays - Sundays. Live streaming and on-demand videos of the meetings are also available online at GarlandTX.tv. Copies of the meetings can be purchased through the City Secretary's Office (audio CDs are \$1 each and DVDs are \$3 each).

NOTICE: *The City Council may recess from the open session and convene in a closed executive session if the discussion of any of the listed agenda items concerns one or more of the following matters:*

1. *Pending/contemplated litigation, settlement offer(s), and matters concerning privileged and unprivileged client information deemed confidential by Rule 1.05 of the Texas Disciplinary Rules of Professional Conduct. Sec. 551.071, Tex. Gov't Code.*
2. *The purchase, exchange, lease or value of real property, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Sec. 551.072, Tex. Gov't Code.*
3. *A contract for a prospective gift or donation to the City, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Sec. 551.073, Tex. Gov't Code.*
4. *Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Sec. 551.074, Tex. Gov't Code.*
5. *The deployment, or specific occasions for implementation of security personnel or devices. Sec. 551.076, Tex. Gov't Code.*
6. *Discussions or deliberations regarding commercial or financial information that the City has received from a business prospect that the City seeks to have to locate, stay, or expand in or near the territory of the City and with which the City is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect of the sort described in this provision. Sec. 551.087, Tex. Gov't Code.*
7. *Discussions, deliberations, votes, or other final action on matters related to the City's competitive activity, including information that would, if disclosed, give advantage to competitors or prospective competitors and is reasonably related to one or more of the following categories of information:*
 - *generation unit specific and portfolio fixed and variable costs, including forecasts of those costs, capital improvement plans for generation units, and generation unit operating characteristics and outage scheduling;*
 - *bidding and pricing information for purchased power, generation, and fuel, and Electric Reliability Council of Texas bids, prices, offers, and related services and strategies;*
 - *effective fuel and purchased power agreements and fuel transportation arrangements and contracts;*
 - *risk management information, contracts, and strategies, including fuel hedging and storage;*
 - *plans, studies, proposals, and analyses for system improvements, additions, or sales, other than transmission and distribution system improvements inside the service area for which the public power utility is the sole certificated retail provider; and*
 - *customer billing, contract, and usage information, electric power pricing information, system load*

characteristics, and electric power marketing analyses and strategies. Sec. 551.086; Tex. Gov't Code; Sec. 552.133, Tex. Gov't Code]



Each year, the City Council reviews and updates its goals for the Garland community and City operations. City management uses these goals to guide operational priorities, decision-making and resource allocation.



GARLAND
CITY COUNCIL STAFF REPORT

City Council Work Session

1.

Meeting Date: 03/17/2025
Title: FY 2024-25 Annual Operating Budget Amendment No. 1
Submitted By: Allyson Bell Steadman, Budget Director
Strategic Focus Area: Sound Governance and Finances

Issue/Summary

Amend the 2024-25 Annual Operating Budget to appropriate available funds for the following purposes:

1. Projects approved in last year's budget but not yet completed,
2. The rollover of open Purchase Orders from the 2023-24 Fiscal Year,
3. Expenditures not anticipated in the 2024-25 Adopted Operating Budget.

Background

I. Carryover of 2023-24 Incomplete Projects

(a) Rolled-Forward Funds in the TIF #1 Fund for the Downtown TIF Project and Financing Plan

The FY 2023-24 Revised Budget for the TIF #1 Fund included \$580,890 in funding for the Downtown Development Office that was not spent or committed prior to the end of FY 2023-24. Budget Amendment No. 1 proposes to increase the TIF #1 Fund's FY 2024-25 operating appropriation by \$580,890 to continue implementing the Downtown TIF Project and Financing Plan.

A Budget Amendment is required due to the timing of the expenditures only. There is no additional financial impact.

(b) Rolled-Forward Funds in the IT Replacement Fund for IT, Police, Library, and Electric Equipment Replacement

The FY 2023-24 Revised Budget for the IT Replacement Fund included \$392,350 in funding for equipment replacements for the IT, Police, Library, and Electric Departments that was not spent or committed prior to the end of FY 2023-24. Budget Amendment No. 1 proposes to increase the IT Replacement Fund's FY 2024-25 operating appropriation by \$392,350 to complete the equipment purchases.

A Budget Amendment is required due to the timing of the expenditures only. There is no additional financial impact.

(c) Rolled-Forward Funds in the IT Project Fund for Prior Year Projects

The FY 2023-24 Revised Budget for the IT Project Fund included \$10,080,004 in funding for various projects that was not spent or committed prior to the end of FY 2023-24. Budget Amendment No. 1 proposes to increase the IT Project Fund's FY 2024-25 operating appropriation by \$10,080,004 to complete outstanding projects.

A Budget Amendment is required due to the timing of the expenditures only. There is no additional financial impact.

(d) Rolled-Forward Funds in the General Fund for the Home Improvement Incentive Program

The FY 2023-24 Revised Budget for the General Fund included \$64,115 in funding for the Home Improvement Incentive Program that was not spent or committed prior to the end of FY 2023-24. Budget Amendment No. 1 proposes to increase the General Fund's FY 2024-25 operating appropriation by \$64,115 to continue implementing the Home Improvement Incentive Program.

A Budget Amendment is required due to the timing of the expenditures only. There is no additional financial impact.

(e) Rolled-Forward Funds in the Infrastructure Repair & Replacement Fund for Alley Improvements and Railroad Crossing Maintenance

The FY 2023-24 Revised Budget for the Infrastructure Repair & Replacement Fund included \$3,000,000 in funding for an alley improvement package and railroad crossing maintenance that was not spent or committed prior to the end of FY 2023-24. Budget Amendment No. 1 proposes to increase the Infrastructure Repair & Replacement Fund's FY 2024-25 operating appropriation by \$3,000,000 to complete these infrastructure improvement projects.

A Budget Amendment is required due to the timing of the expenditures only. There is no additional financial impact.

(f) Rolled-Forward Funds in the Stormwater Management Fund for Stormwater Equipment

The FY 2023-24 Revised Budget for the Stormwater Management Fund includes \$243,650 in funding for two emergency response trailers, a channelizer trailer, a heavy-duty flatbed trailer, a heavy-duty dump trailer, and a work tool attachment power grapppler, that were not spent or committed prior to the end of FY 2023-24. Budget Amendment No. 1 proposes to increase the Stormwater Management Fund's FY 2024-25 operating appropriation by \$243,650 to complete these equipment purchases.

A Budget Amendment is required due to the timing of the expenditures only. There is no additional financial impact.

(g) Rolled-Forward Funds in the Economic Development Fund for the "Make Your Mark" Campaign

The FY 2024-25 Revised Budget for the Economic Development Fund included \$335,726 in funding for the "Make Your Mark" campaign that was not spent or committed prior to the end of FY 2023-24. Budget Amendment No. 1 proposes to increase the Economic Development Fund's FY 2024-25 operating appropriation by \$335,726 to continue the "Make Your Mark" campaign.

A Budget Amendment is required due to the timing of the expenditures only. There is no additional financial impact.

(h) Rolled-Forward Funds in the Equipment Replacement Fund for One (1) Police Unit and Two (2) GP&L Units

The FY 2023-24 Revised Budget for the Equipment Replacement Fund included \$118,000 in funding to replace one (1) Police passenger van, one (1) GP&L sedan, and one (1) GP&L cargo van that was not spent or committed prior to the end of FY 2023-24. Budget Amendment No. 1 proposes to increase the Equipment Replacement Fund's FY 2024-25 operating appropriation by \$118,000 to order the three (3) replacement units.

A Budget Amendment is required due to the timing of the expenditures only. There is no additional financial impact.

(i) Rolled-Forward Funds in the Water Utility Fund for One (1) Additional 1-Ton Truck

The FY 2023-24 Revised Budget for the Water Utility Fund included \$117,950 in funding to purchase an additional 1-ton service truck that was not spent or committed prior to the end of FY 2023-24. Budget Amendment No. 1 proposes to increase the Water Utility's FY 2024-25 operating appropriation by \$117,950 to order the additional unit.

A Budget Amendment is required due to the timing of the expenditures only. There is no additional financial impact.

(j) Rolled-Forward Funds in the Water Utility Fund for a Risk and Resilience Assessment

The FY 2023-24 Revised Budget for the Water Utility Fund included \$40,000 in funding to complete a Risk and Resilience Assessment that was not spent or committed prior to the end of FY 2023-24. Budget Amendment No. 1 proposes to increase the Water Utility's FY 2024-25 operating appropriation by \$40,000 to complete the assessment.

A Budget Amendment is required due to the timing of the expenditures only. There is no additional financial impact.

II. Rolled-Forward Encumbrances from Fiscal Year 2023-24

When an order is placed for goods or services, a Purchase Order is issued that encumbers the budgeted funds. This has the effect of reserving the funds for future payment of the items covered in the Purchase Order. Every year on September 30, when the fiscal year ends, there are open Purchase Orders related to goods or services that have been ordered but not yet received. Accordingly, the funds reserved for these open Purchase Orders are still in the year-end fund balances since the transactions are not yet completed.

Because the purchase of these open items was authorized by Council in the previous fiscal year (2023-24), the City's practice has been to roll these encumbrances forward into the current fiscal year (2024-25). This has the effect of increasing the current year's appropriation by the amount of the open Purchase Orders or encumbrances. The funding to cover the expenditures is available in the fund balance since payment was not made before the close of the fiscal year.

The projected fund balance for the current fiscal year is unaffected by the "roll forward" because it was assumed in the 2024-25 Adopted Budget that the expenditures would be completed in the prior year. The presence of the funds in the fund balance is above and beyond what the Budget assumes for the 2024-25 year-end balance.

Budget Amendment No. 1 proposes that encumbrances totaling \$13,332,300 to be rolled forward to 2024-25. Of the total rollover amount, \$1,990,951 is related to the General Fund. Attachment A provides a detailed listing by fund of individual outstanding encumbrances over \$25,000.

A Budget Amendment is required due to the timing of the expenditures only. There is no additional financial impact.

III. Expenditures Not Anticipated in the 2024-25 Adopted Operating Budget

(1) All Funds

(a) Cost of Living Adjustment (COLA) Increase to Texas Municipal Retirement System (TMRS) Contributions

At the October 8, 2024, Regular Session, Council approved Ordinance 7559 adopting a 50% non-retroactive repeating COLA for City Retirees under the TMRS pension plan. The COLA increased the City's 2025 contribution to TMRS from 11.20% of eligible wages, as appropriated in the 2024-25 Adopted Budget, to 17.92%. A Pension Bond issuance will be considered in June which will lower the TMRS contribution rate if approved. The FY 2024-25 Adopted Budget included available reserves to fund the COLA and this Budget Amendment seeks to appropriate funding for each respective fund.

Budget Amendment No. 1 proposes to increase each Fund's FY 2024-25 operating appropriation per the below, totaling \$7,809,214 Citywide, for the COLA adoption. Funding for this request will come from excess, one-time balance reserves in the respective funds and changes to support service allocations as a part of the FY 2024-25 Revised Budget.

| Fund | Appropriation Increase |
|--|-------------------------------|
| General Fund | \$4,800,503 |
| Economic Development Fund | 28,522 |
| Electric Utility Fund | 1,107,220 |
| Water Utility Fund | 189,393 |
| Wastewater Utility Fund | 280,775 |
| Sanitation Fund | 241,671 |
| Firewheel Fund | 61,767 |
| Stormwater Management Fund | 56,473 |
| Group Health Insurance Fund | 46,219 |
| Self-Insurance Fund | 17,100 |
| Information Technology Fund | 284,601 |
| Facilities Management Fund | 78,861 |
| Fleet Services Fund | 84,092 |
| Customer Service Fund | 198,051 |
| Hotel/Motel Tax Fund | 20,160 |
| Housing Assistance Fund | 36,540 |
| HOME Fund | 1,781 |
| Community Development Block Grant Fund | 11,184 |
| CASA Fund | 1,660 |
| Fair Housing Fund | 2,541 |
| Infrastructure Repair & Replacement Fund | 240,813 |
| Culture & Recreation Grant | 2,655 |
| Public Safety Grant Fund | 3,025 |
| Community Development Rehab Fund | 8,020 |
| Downtown TIF Fund | 5,587 |
| Total | \$7,809,214 |

(2) General Fund

(a) Library - Walmart Grant

The Library has received a \$5,000 grant from Walmart for the purchase of makerspace equipment at the West Branch Library.

Budget Amendment No. 1 proposes to increase the General Fund's FY 2024-25 operating appropriation by \$5,000 for the makerspace equipment. Funding for this request will come from grant funds, recognized as a \$5,000 increase in revenue in the General Fund.

(b) Environmental Compliance - Disposal of Hazardous Materials

Environmental Compliance requests \$6,600 to dispose of hazardous materials stored at the Warehouse. The materials are from various City departments and are not able to be disposed of at the Landfill.

Budget Amendment No. 1 proposes to increase the General Fund's FY 2024-25 operating appropriation by \$6,600 for the disposal of hazardous materials. Funding for this request will come from excess, one-time fund balance reserves in the General Fund.

(c) Environmental Compliance - Encampment Clean-up and PPE Supplies

Environmental Compliance requests \$34,715 for PPE materials, cleaning supplies, and contracted labor for the clean-up of encampments.

Budget Amendment No. 1 proposes to increase the General Fund's FY 2024-25 operating appropriation by \$34,715 for encampment clean-up. Funding for this request will come from excess, one-time fund balance reserves in the

General Fund.

(d) Special Events - Cinco de Mayo

Special Events requests \$15,000 in additional funding to produce the Cinco de Mayo event. The funding will provide additional elements to the celebration.

Budget Amendment No. 1 proposes to increase the General Fund's FY 2024-25 operating appropriation by \$15,000 for the event. Funding for this request will come from excess, one-time fund balance reserves in the General Fund.

(e) Special Events - Hand Dolly

Special Events requests \$5,900 in additional funding to purchase a hand dolly for use in the event materials storage areas in the Armory building. The dolly will allow for the safe and efficient access to materials stored on high shelves in the facility.

Budget Amendment No. 1 proposes to increase the Recreation Performance Fund's FY 2024-25 operating appropriation by \$5,900 for the purchase of a hand dolly. Funding for this request will come from excess, one-time fund balance reserves in the Recreation Performance Fund.

(f) Parks - Mowing Contracts

Parks requests \$65,100 in additional funding to meet the increase in the costs of mowing contracts. In 2024, Parks and Recreation identified 100% of the project cost. However, the contract renewal from the vendor requested a 3% to 5% increase due to inflationary pressures.

Budget Amendment No. 1 proposes to increase the General Fund's FY 2024-25 operating appropriation by \$65,100 for the increase in cost. Funding for this request will come from excess, one-time fund balance reserves in the General Fund.

(g) Animal Services - Two (2) Temporary Veterinary Technician Positions

Animal Services requests \$48,858 for the addition of one (1) full-time Veterinary Technician position. The new Technician is required to handle increased surgeries and other medical services as the number of intakes and surrenders to the Shelter continues to grow.

Budget Amendment No. 1 proposes to increase the General Fund's FY 2024-25 operating appropriation by \$48,858 for the new full-time Veterinary Technician. Funding for this request will come from ongoing revenue sources in the General Fund.

(3) Other Funds

(a) Hotel/Motel Tax Fund - Hotel Feasibility Study

Visit Garland requests \$50,000 for a hotel feasibility study to assess the viability of a proposed hotel project by evaluating market demand, financial projections, competitive landscape, potential risks, and return on investment (ROI). The study will help minimize financial risks, optimize resource allocation, and provide key insights for stakeholders, ensuring the project aligns with market needs and trends.

Budget Amendment No. 1 proposes to increase the Hotel/Motel Tax Fund's FY 2024-25 operating appropriation by \$50,000 to assess the feasibility of a proposed hotel project. Funding for this request will come from excess, one-time fund balance reserves in the Hotel/Motel Tax Fund.

(b) TIF #1 Fund - Downtown Development Office Redevelopment Plan

The Downtown Development Office requests \$250,000 to complete a redevelopment implementation plan. The plan will work in tandem with a previously approved infrastructure study to streamline Downtown Garland's vision, provide urban design standards, direct development in the District, and protect the Historic District designation.

Budget Amendment No. 1 proposes to increase the TIF #1 Fund's FY 2024-25 operating appropriation by \$250,000 for the completion of a redevelopment implementation plan. Funding for this request will come from excess, one-time fund balance reserves in the TIF #1 Fund.

(c) Narcotic Seizure Fund - SWAT Rifles and Explosive Ordinance Disposal (EOD) Technician Bomb Suit

Police requests \$50,000 to purchase replacement SWAT rifles and an Explosive Ordinance Disposal Technician Bomb Suit in the Narcotic Seizure Fund. The purchase of SWAT rifles will replace aging rifles used by the SWAT Precision Marksmen. The Explosive Ordinance Disposal Technician Bomb Suit will be worn by a certified EOD Technician during training and callouts and will safeguard against the effects of explosions, such as pressure waves and fragmentation.

Budget Amendment No. 1 proposes to increase the Narcotic Seizure Fund's FY 2024-25 operating appropriation by \$50,000 for the purchase of the SWAT rifles and bomb suit. Funding for this request will come from excess, one-time fund balance reserves in the Narcotic Seizure Fund.

(d) Sanitation Fund - Commercial Compactor

Sanitation requests \$30,053 for the purchase of a commercial compactor to be rented and utilized by commercial customers.

Budget Amendment No. 1 proposes to increase the Sanitation Fund's FY 2024-25 operating appropriation by \$30,053 to perform the purchase of a commercial compactor. Funding for this request will come from revenue generated through commercial customer contracts in the Sanitation Fund.

(e) Stormwater Management Fund - Transfer to Flood Detection Devices and Automated Gates Stormwater Capital Project

At the February 3, 2025, Regular Session, Council approved the 2025 CIP which included a transfer from the Stormwater Management Fund of \$400,000 to the Flood Detection Devices and Automated Gates CIP project.

Budget Amendment No. 1 proposes to increase the Stormwater Management Fund's FY 2024-25 operating appropriation by \$400,000 to complete the Flood Detection Devices and Automated Gates project. Funding for this request will come from excess, one-time fund balance reserves in the Stormwater Management Fund.

(f) Information Technology Fund - Dillon Morgan Consulting for Process Improvements

At the December 10, 2024, Regular Session, Council approved a \$1.2 million contract to continue work with the Dillon Morgan Consulting (DMC) firm on process improvements throughout the City.

Budget Amendment No. 1 proposes to increase the Information Technology Fund's FY 2024-25 operating appropriation by \$1.2 million to complete the process improvements. Funding for this request will come from one-time transfers from the General Fund, Electric Utility Fund, Water Utility Fund, Wastewater Utility Fund, Sanitation Fund, Stormwater Management Fund, Group Health Insurance Fund, Self Insurance Fund, Information Technology Fund, Facilities Management Fund, Fleet Services Fund, and Customer Service Fund in the FY 2024-25 Revised Budget.

(g) Information Technology Fund - Service Contract Costs for Council Automation, Envisio, and Salesforce Customer Service Portal

Information Technology requests \$82,333 for service contract expenses associated with Council meeting technology improvements, the implementation of Envisio as a strategic planning software, and the creation of a Customer Service portal within Salesforce to allow access to departmental data.

Budget Amendment No. 1 proposes to increase the Information Technology Fund's FY 2024-25 operating appropriation by \$82,333 for these software licenses. Funding for this request will come from increased ongoing transfers from various funds in the Information Technology Fund.

(h) Information Technology Project Fund - Project Costs for Bar Coding Software for Cityworks, Envisio, and Workday Extend

The Information Technology Project Fund requests \$296,344 for the implementation of three new projects: Bar Coding Software for Cityworks to support the Garland Water Utilities warehouse; Envisio for strategic planning; and Workday Extend for enhanced business process functionality in the Workday Finance system.

Budget Amendment No. 1 proposes to increase the Information Technology Project Fund's FY 2024-25 operating

appropriation by \$296,344 for the implementation of these software. Funding for this request will come from a combination of interest earnings and excess, one-time fund balance reserves generated through project savings in the FY 2024-25 Revised Budget.

(i) Water Utility Fund - Message Board Replacement

Water requests \$20,000 for the replacement of a message board that was hit by a third-party driver and damaged beyond repair. \$13,650 in recoveries were received from the third-party driver.

Budget Amendment No. 1 proposes to increase the Water Utility Fund's FY 2024-25 operating appropriation by \$20,000 for the replacement message board. Funding for this request will come from excess, one-time fund balance reserves as well as recoveries from the third-party driver.

(j) Fleet Services Fund - Additional Samsara GPS & Camera Units

Fleet Services requests \$21,000 to purchase additional GPS and dual-facing camera units for the remaining Sanitation collection vehicles and future reserve units. The integration of dual-facing cameras and GPS technology into collection vehicles has proven instrumental in enhancing efficiency and accountability in field operations. These tools enable the management team to review area maps daily, ensuring complete coverage of all streets within assigned collection areas. The cameras also document missed set-outs by employees and late set-outs by customers, providing valuable data for performance monitoring and service improvements. Since the initial implementation of this technology, reported missed collections have decreased by nearly 90%, demonstrating its significant impact on operational effectiveness.

Budget Amendment No. 1 proposes to increase the Fleet Services Fund's FY 2024-25 operating appropriation by \$21,000 for the additional GPS and camera units. Funding for this request will come from changes to the Fleet Service support allocations as a part of the FY 2024-25 Revised Budget.

(k) Recreation Performance Fund - Improvements for Recreation Centers

Recreation Performance requests \$37,000 for interior improvements for the Hollabaugh and Bradfield Recreation Centers. Hollabaugh Center is in need of \$22,000 for manual shades in the new multi-purpose room to minimize glare and heat from the sun. Additionally, the Bradfield Recreation Center is in need of \$15,000 for chair replacement that is used for programs, camps, and reservations.

Budget Amendment No. 1 proposes to increase the Recreation Performance Fund's FY 2024-25 operating appropriation by \$37,000 for the shade installation and chair replacement. Funding for this request will come from excess, one-time fund balance reserves.

(l) Electric Utility Fund - Production Operations

Electric requests \$940,000 to support unexpected maintenance activities and additional support services for GP&L Production Operations.

Budget Amendment No. 1 proposes to increase the Electric Utility Fund's FY 2024-25 operating appropriation by \$940,000 for the maintenance activities and support services. Funding for this request will come from excess, one-time fund balance reserves.

(m) Infrastructure Repair & Replacement Fund - Pleasant Valley Road Improvements

Streets requests \$1.5 million for improvements on Pleasant Valley Road and Elm Grove Road.

Budget Amendment No. 1 proposes to increase the Infrastructure Repair & Replacement Fund FY 2024-25 operating appropriation by \$1.5 million for improvements on Pleasant Valley Road and Elm Grove Road. Funding for this request will come from short-term tax note proceeds.

Financial Considerations

Projects continued and outstanding Purchase Orders carried forward were fully funded in the FY 2023-24 Budget, and the funds required to cover these expenditures remain within each fund's respective fund balance. As a result, there is no financial impact from approval of these items. The additional expenses will be funded out of excess fund balance reserves in each respective fund as well as additional revenue.

Attachment A outlines all Open Encumbrances by Fund being rolled forward greater than \$25,000.

Attachment B outlines the Proposed Amendment by Fund, showing the combined impact of the amendment and encumbrance roll forward as proposed.

Consideration / Recommendation

Consideration:

1. Approve FY 2024-25 Annual Operating Budget Amendment No. 1 as proposed.
2. Approve portions of FY 2024-25 Annual Operating Budget Amendment No. 1.
3. Do not approve FY 2024-25 Annual Operating Budget Amendment No. 1.

Recommendation:

Option (1) - Approve FY 2024-25 Annual Operating Budget Amendment No. 1 as proposed. Unless otherwise directed by City Council, this item will be scheduled for formal consideration at the April 1, 2025, Regular Meeting.

Attachments

Attachment A - Schedule of Open Encumbrances being Rolled Forward

Attachment B - Schedule of Proposed Amendments by Fund

ATTACHMENT A
2023-24 Rollover
(With Detail of PO's Over \$25,000)

*Amount
Outstanding
9/30/2024*

| <i>Fund/Department</i> | <i>PO Description</i> | |
|--|---|--------------------|
| <u>General Fund</u> | | |
| City Secretary | Digitization of City Records project | \$191,284 |
| Animal Services | Procurement of three Animal Services Officers Vehicles | \$135,102 |
| Library | Library's Stay Curious Campaign | \$243,675 |
| Office of Neighborhood Vitality | Professional Design Services for Corridors and Gateways | \$213,133 |
| Parks, Recreation & Cultural Arts | Professional Services for James Park Improvements | \$163,400 |
| | Hollabaugh Recreation Center Patio Fence | 58,000 |
| | Swimming Pool Chemicals | 35,850 |
| | Various Hardware Devices for Parks | 68,971 |
| | Winter Soccer Bleachers | 47,432 |
| Planning & Development | Halff Associates Third Party Plan Review | \$21,098 |
| PMR | Strategic Communications Plan | \$164,253 |
| Transportation | Replacement Bucket Truck | \$188,088 |
| Non-Department | Indirect Cost Study for Cost Allocation Plans | \$51,000 |
| | Emergency Generator Docking Stations | 33,082 |
| | Recruiting Services for Various General Fund Positions | 38,000 |
| Various | PO's Under \$25,000 | \$338,584 |
| Sub-Total General Fund | | <u>\$1,990,951</u> |
| <u>Economic Development Fund</u> | | |
| Various | Verdunity Comprehensive Plane Update | \$526,651 |
| | PO's Under \$25,000 | \$91,845 |
| Sub-Total Economic Development Fund | | <u>\$618,496</u> |
| <u>Electric Utility Fund</u> | | |
| | R22400v Bus Repair | \$215,564 |
| | Aerial Truck Repair | 51,296 |
| | Motor Field Service Support for R3 Outage | 35,000 |
| | 2024 TMPA Maintenance Fee | 50,319 |
| | GIS ESRI Next Generation Management Strategy | 92,223 |
| | 2024 TPL Assessment | 187,878 |
| | Inverters - TMPA | 30,247 |
| | Routine Vulnerability Assessment & Monitoring Software | 40,863 |
| | Transmission Line Engineering Services | 238,000 |
| | Olinger Plant Boiler Chemical Cleaning | 546,008 |
| | PO's Under \$25,000 | 310,272 |
| Sub-Total Electric Utility Fund | | <u>\$1,797,670</u> |

ATTACHMENT A
2023-24 Rollover
(With Detail of PO's Over \$25,000)

*Amount
Outstanding
9/30/2024*

Fund/Department

PO Description

Equipment Replacement Fund

| | | |
|----------------|---|----------|
| City Marshal | 2023 Ford Transit T-350 Van | \$72,123 |
| Police | Police Vehicle Upfitting and Equipment for 10 Tahoe SUVs | 167,012 |
| Police | 6 2023 Tahoes SUVs | 227,106 |
| Police | 2024 BMW R1250 RT-P Motorcycle | 31,549 |
| Police | 4 2024 Toyota Camry Sedans | 138,625 |
| Transportation | 2022 Ford F-250 Regular Cab/Long Bed Truck | 44,763 |
| Transportation | 2027 Dodge 5500 4X2 Diesel Regular Cab Truck | 276,781 |
| Transportation | 2028 Dodge 5500 4X4 Diesel Regular Cab Truck | 264,610 |
| GP&L | Altec Aerial AT37G-AWD Truck, 2026 Ford F-550 Chassis | 236,820 |
| GP&L | Altec Aerial AT41M-Truck, 2026 Chevrolet 6500 Chassis | 270,160 |
| GP&L | Freightliner 114SD Digger Truck Plus Conventional Chassis | 715,206 |
| Water | 2 2024 Freightliner M2-106 Chassis Dump Trucks | 281,386 |
| Water | 2024 Ford F-250 Super Cab Truck | 74,109 |
| Water | 2024 Ford F-450 Super Cab Truck | 118,720 |
| Wastewater | 2024 Ford F-450 Super Cab Truck | 97,889 |
| Wastewater | 2022 Ford F-350 Extended Cab Truck | 68,859 |
| Street | 2 2023 Ford F-350 Crew Cab Trucks | 154,550 |
| Street | 2 2024 Ford F-350 Crew Cab Trucks | 162,458 |
| Fleet | 2022 Ford F-350 Regular Cab Truck | 76,907 |
| Fleet | 2022 Ford F-450 Regular Cab Truck | 100,492 |

Equipment Replacement Fund (Continued)

| | |
|---------------------|---------|
| PO's Under \$25,000 | \$9,284 |
|---------------------|---------|

Sub-Total Equipment Replacement Fund

\$3,589,409

Facilities Management Fund

| | |
|---|----------|
| New Scissor Lift | \$52,582 |
| Standard Specifications Manual Development | 112,890 |
| Gail Fields Recreation Center Exterior Painting | 49,190 |
| Austin State Room Furniture | 47,393 |
| PO's Under \$25,000 | 105,338 |

Sub-Total Facilities Management Fund

\$320,000

Hotel/Motel Tax Fund

| | |
|-------------------------|----------|
| Marketing & Advertising | \$42,551 |
| PO's Under \$25,000 | 33,515 |

Sub-Total Hotel/Motel Tax Fund

\$76,066

ATTACHMENT A
2023-24 Rollover
(With Detail of PO's Over \$25,000)

*Amount
Outstanding
9/30/2024*

Fund/Department

PO Description

Information Technology Fund

| | |
|---|-----------|
| Dillon Morgan Consulting | \$388,875 |
| Workday HCM Support | 45,654 |
| Municipal Court Incode Case Management System | 189,054 |
| 911 Telephone System Support | 96,666 |
| PC and Laptop Refresh | 45,840 |
| City Initiatives | 105,880 |
| Document Migration | 33,211 |
| EVault Upgrade and Support | 30,480 |
| Workday Training Credits | 39,600 |
| Teams Room Hardware | 25,402 |
| Microwave Links | 77,529 |
| Radio Shop Installation Services | 48,672 |
| Vehicle Installation Services | 27,400 |
| PO's Under \$25,000 | 183,642 |

Sub-Total Information Technology Fund

\$1,337,905

Information Technology Replacement Fund

| | |
|---|-----------|
| Computer Replacements | \$236,139 |
| Networking Equipment Replacements and Backups | 49,300 |
| Data Center Services for Data Migration | 40,000 |

Sub-Total Information Technology Replacement Fund

\$325,439

Infrastructure Repair & Replacement Fund

| | |
|--|----------|
| Pavement Condition Index Survey | \$46,604 |
| Micro-Surfacing Program | 213,720 |
| Paving, Water, and Wastewater Improvements | 251,175 |
| Concrete Repair | 25,346 |
| Alley Improvements | 492,109 |
| PO's Under \$25,000 | 112,458 |

Sub-Total Infrastructure Repair & Replacement Fund

\$1,141,412

Narcotic Seizure Fund

| | |
|--------------------------|----------|
| Patrol Ballistic Shields | \$65,000 |
| Swat Rifles | 39,556 |

Sub-Total Narcotic Seizure Fund

\$104,556

Recreation Performance Fund

| | |
|---------------------|--------|
| PO's Under \$25,000 | 46,049 |
|---------------------|--------|

Sub-Total Recreation Performance Fund

\$46,049

Sanitation Fund

| | |
|---------------------|----------|
| Consulting Services | \$87,900 |
| PO's Under \$25,000 | 39,333 |

Sub-Total Sanitation Fund

\$127,233

Self Insurance Fund

| | |
|---------------------|--------|
| PO's Under \$25,000 | 14,463 |
|---------------------|--------|

Sub-Total Self Insurance Fund

\$14,463

ATTACHMENT A
2023-24 Rollover
(With Detail of PO's Over \$25,000)

*Amount
Outstanding
9/30/2024*

Fund/Department

PO Description

Stormwater Management Fund

| | |
|-------------------------------|----------|
| Procurement of two Excavators | \$96,350 |
| Streambank Erosion Inventory | 89,041 |
| Local Flooding Improvements | 90,000 |
| PO's Under \$25,000 | 72,929 |

Sub-Total Stormwater Management Fund

\$348,320

Wastewater Utility Fund

| | |
|---|-----------|
| New Sewer Jet Truck | \$202,914 |
| Permit Renewal for Treatment Plants | 68,478 |
| Rowlett Creek Effluent Pump Repair | 59,664 |
| De-Watering and Sludgeholding Tank Roof Repairs | 28,030 |
| PO's Under \$25,000 | 49,151 |

Sub-Total Wastewater Utility Fund

\$408,237

Water Utility Fund

| | |
|--|-----------|
| SCADA Masterplan Services | \$138,561 |
| Lead and Copper Compliance Services | 224,051 |
| GP&L Centerville Site Development Engineering Services | 44,000 |
| Garland Water Utilities Warehouse Office | 37,175 |
| Water Loss Control Technical Assistance Services | 136,520 |
| Warehouse Inventory Moving Services | 55,896 |
| Satellite Imagery Analysis for Underground Water Leaks | 127,500 |
| Exterior Cameras for Water Building | 43,252 |
| Water Security Assessment | 40,000 |
| PO's Under \$25,000 | 133,061 |

Sub-Total Water Utility Fund

\$980,016

All Other Funds

PO's Under \$25,000

\$106,078

TOTAL OUTSTANDING PO's

\$13,332,300

ATTACHMENT B

Proposed Amendment by Fund

**Proposed Budget Amendment No. 1
FY 2024-25 Operating Budget**

| | Carryover of FY 23-24 Projects | Open PO Rollover | Expenditures Not Anticipated in FY 24-25 | Total Budget Amendments |
|--|--------------------------------------|------------------------|--|----------------------------|
| REVENUES AND EXPENDITURES | | | | |
| Sources of Funds: | | | | |
| General Fund - Revenue | \$0 | \$0 | \$5,000 | \$5,000 |
| Sanitation Fund - Revenue | 0 | 0 | 30,053 | 30,053 |
| Recovery of Expenditure | 0 | 0 | 13,650 | 13,650 |
| Transfer to Fleet Services Fund from Sanitation | 0 | 0 | 21,000 | 21,000 |
| Transfer of Tax Notes to the Infrastructure Repair & Rep | 0 | 0 | 1,500,000 | 1,500,000 |
| Transfer to Information Technology Fund from Various | 0 | 0 | 1,158,231 | 1,158,231 |
| Fund Balance - Prior Year | 14,972,685 | 13,332,300 | 10,139,183 | 38,444,168 |
| Total Funds Provided | <u>\$14,972,685</u> | <u>\$13,332,300</u> | <u>\$12,867,117</u> | <u>\$41,172,102</u> |
| Use of Funds - Expenditures: | | | | |
| General Fund (See Detail in Notes) | \$64,115 | \$1,990,951 | \$4,975,776 * | \$7,030,842 |
| Electric Utility Fund | 0 | 1,797,670 | 2,047,220 | 3,844,890 |
| Water Utility Fund | 157,950 | 980,016 | 209,393 * | 1,347,359 |
| Wastewater Utility Fund | 0 | 408,237 | 280,775 | 689,012 |
| Infrastructure Repair & Replacement Fund | 3,000,000 | 1,141,412 | 1,740,813 * | 5,882,225 |
| Sanitation Fund | 0 | 127,233 | 271,724 | 398,957 |
| Stormwater Management Fund | 243,650 | 348,320 | 456,473 | 1,048,443 |
| Firewheel Fund | 0 | 4,500 | 61,767 | 66,267 |
| Recreation Performance Fund | 0 | 46,049 | 42,900 | 88,949 |
| Hotel/Motel Tax Fund | 0 | 76,066 | 70,160 | 146,226 |
| Economic Development Fund | 335,726 | 618,496 | 28,522 | 982,744 |
| TIF #1 Fund | 580,890 | 1,775 | 255,587 | 838,252 |
| Group Health Insurance Fund | 0 | 0 | 46,219 | 46,219 |
| Narcotic Seizure Fund | 0 | 104,556 | 50,000 | 154,556 |
| Public Safety Grant Fund | 0 | 0 | 3,025 | 3,025 |
| Parks Grant Fund | 0 | 0 | 2,655 | 2,655 |
| Self Insurance Fund | 0 | 14,463 | 17,100 | 31,563 |
| Equipment Replacement Fund | 118,000 | 3,589,409 | 0 | 3,707,409 |
| Fair Housing Fund | 0 | 0 | 2,541 | 2,541 |
| CASA Fund | 0 | 65,049 | 1,660 | 66,709 |
| Housing Assistance Fund | 0 | 0 | 36,540 | 36,540 |
| HOME Fund | 0 | 0 | 1,781 | 1,781 |
| Community Development Block Grant Fund | 0 | 0 | 11,184 | 11,184 |
| Customer Service Fund | 0 | 26,754 | 198,051 | 224,805 |
| Community Development Rehab Fund | 0 | 0 | 8,020 | 8,020 |
| Facilities Management Fund | 0 | 320,000 | 78,861 | 398,861 |
| Fleet Services Fund | 0 | 0 | 105,092 * | 105,092 |
| Information Technology Fund | 0 | 1,337,905 | 1,566,934 | 2,904,839 |
| IT Project Fund | 10,080,004 | 0 | 296,344 | 10,376,348 |
| IT Replacement Fund | 392,350 | 325,439 | 0 | 717,789 |
| Communications Fund | 0 | 8,000 | 0 | 8,000 |
| Total Expenditures | <u>\$14,972,685</u> | <u>\$13,332,300</u> | <u>\$12,867,117</u> | <u>\$41,172,102</u> |

* Requests that are Ongoing will be funded with excess, one-time fund balance reserves in FY 2024-25. This is a total of \$169,841 and will require the appropriation of Ongoing Funding in FY 2025-26.

ATTACHMENT B

Proposed Amendment by Fund

**Proposed Budget Amendment No. 1
FY 2024-25 Operating Budget**

| | <u>Carryover of FY 23-24 Projects</u> | <u>Open PO Rollover</u> | <u>Expenditures Not Anticipated in FY 24-25</u> | <u>Total Budget Amendments</u> |
|----------------------------------|---|---------------------------------|---|------------------------------------|
| REVENUES AND EXPENDITURES | | | | |
| <u>Notes:</u> | | | | |
| General Fund - | | | | |
| Animal Services | \$0 | \$135,102 | \$111,724 * | \$246,826 |
| Budget & Research | 0 | 0 | 19,552 | 19,552 |
| Building Inspection | 0 | 0 | 45,581 | 45,581 |
| City Administration | 0 | 0 | 61,577 | 61,577 |
| City Attorney | 0 | 635 | 91,486 | 92,121 |
| City Secretary | 0 | 191,284 | 10,446 | 201,730 |
| Code Compliance | 0 | 0 | 84,047 | 84,047 |
| Cultural Arts | 0 | 0 | 29,811 | 29,811 |
| Emergency Management | 0 | 0 | 18,237 | 18,237 |
| Engineering | 0 | 11,921 | 89,698 | 101,619 |
| Environmental Compliance | 0 | 0 | 47,251 | 47,251 |
| Finance | 0 | 0 | 43,410 | 43,410 |
| Fire | 0 | 6,285 | 1,234,018 | 1,240,303 |
| Health | 0 | 0 | 25,045 | 25,045 |
| Human Resources | 0 | 0 | 59,754 | 59,754 |
| Internal Audit | 0 | 0 | 19,968 | 19,968 |
| Landfill | 0 | 10,539 | 101,860 | 112,399 |
| Legislative & Public Affairs | 0 | 0 | 12,299 | 12,299 |
| Library | 0 | 261,727 | 123,095 | 384,822 |
| Municipal Court | 0 | 0 | 66,180 | 66,180 |
| Neighborhood Vitality | 64,115 | 228,703 | 19,002 | 311,820 |
| Parks and Recreation | 0 | 470,316 | 277,837 | 748,153 |
| Planning & Development | 0 | 49,685 | 29,808 | 79,493 |
| Project Management Office | 0 | 2,760 | 18,457 | 21,217 |
| Police | 0 | 85,446 | 2,026,452 | 2,111,898 |
| Public & Media Relations | 0 | 164,253 | 30,180 | 194,433 |
| Procurement | 0 | 1,889 | 33,211 | 35,100 |
| Special Events | 0 | 20,703 | 27,807 | 48,510 |
| Tax Collection | 0 | 12,290 | 9,847 | 22,137 |
| Transportation | 0 | 215,331 | 55,762 | 271,093 |
| Non-Departmental | 0 | 122,082 | 152,374 | 274,456 |
| Sub-Total General Fund | <u>\$64,115</u> | <u>\$1,990,951</u> | <u>\$4,975,776</u> | <u>\$7,030,842</u> |

* General Fund requests that are Ongoing will be funded with excess, one-time fund balance reserves in FY 2024-25. This is a total of \$48,558 and will require the appropriation of Ongoing Funding in FY 2025-26.



GARLAND
CITY COUNCIL STAFF REPORT

City Council Work Session

2.

Meeting Date: 03/17/2025
Title: Grant Disbursement Agreement - Garland Housing Finance Corporation
Submitted By: Mona Woodard, Neighborhood Services Administrator
Strategic Focus Area: Vibrant Neighborhoods and
Commercial Centers

Issue/Summary

Council is requested to consider accepting a \$540,000 grant from the Garland Housing Finance Corporation (GHFC) to continue the Garland Partnership Program with the City of Garland and authorize the City Manager to sign and execute a disbursement agreement for deployment of these funds.

Background

The City of Garland has partnered with Garland Housing Finance Corporation for the previous 4 years to offer homeowner assistance to low-income Garland residents. The purpose of the 2025 grant is to provide funding and support for emergency home repairs, substantial home repairs and qualified exterior repairs. Fifteen percent of the total grant is allocated to cover salary and administrative expenses. The GHFC Garland Partnership Program augments the City of Garland's existing Home Repair Program, which is funded annually by HUD for home repairs. The GHFC grant programs are administered by the Community Development Department, with support from the Office of Neighborhood Vitality and Code Compliance departments. In 2024, the GHFC offered \$540,000 through a Garland Partnership Program grant to the City of Garland. To date, 100% of these funds have been spent or committed to projects.

Consideration / Recommendation

Unless otherwise directed by the Council, this item will be scheduled for formal consideration at the April 1, 2025, Regular Meeting. Staff recommends acceptance of the 2025 Garland Partnership grant funds to enable the continuation of the Program.

Attachments

GHFC 2025 Grant Agreement

**GARLAND HOUSING FINANCE CORPORATION
ADDRESSING GARLAND PARTNERSHIP PROGRAM
DISBURSEMENT AGREEMENT**

THIS AGREEMENT is made and entered into on this the ____ day of _____, 2025, by and between the Garland Housing Finance Corporation (the "GHFC"), a Texas public instrumentality and nonprofit corporation, and the City of Garland, Texas ("City"), a Texas home-rule municipality (collectively, the "Parties").

WITNESSETH:

WHEREAS, the Garland Housing Finance Corporation is a Texas public instrumentality and nonprofit corporation organized and operating pursuant to the Texas Housing Finance Corporations Act, Tex., Loc. Gov't Code §§ 394.001 et seq.; and

WHEREAS, the GHFC was created to provide quality affordable housing for the residents of Garland, Texas; and

WHEREAS, the GHFC's mission is to provide affordable housing in Garland through down payment and closing cost assistance, neighborhood awards, affordable senior & multifamily housing, issuance of bonds, and direct ownership opportunities; and

WHEREAS, the GHFC also administers grant programs designed to enhance the quality of life for residents of Garland; and

WHEREAS, the GHFC desires to partner with the City to fund the GHFC Addressing Garland Partnership Program ("Program"); and

WHEREAS, the Program will help eligible low-income persons, elderly, veteran, or disabled homeowners in Garland or to homeowners residing in a low-income area by providing funds for emergency and other repairs to homes; and

WHEREAS, the GHFC agrees to periodically fund the Program and monitor its application in Garland; and

WHEREAS, the City agrees to administer the Program and perform certain activities in connection with the Program.

NOW THEREFORE, in consideration of the premises and of the mutual covenants and agreements of the Parties hereto, to be by them kept and performed as hereafter set forth, the Parties do agree as follows:

AGREEMENT

Article I. Definitions

Unless context clearly suggests a different meaning, the words and phrases set forth in this Article I shall have the following meanings:

1.01 Business Day. Any day other than a Saturday, Sunday, or official City holiday in which Garland's City Hall offices are closed for business.

1.02 Disabled Homeowner. For the purposes of this Agreement, a homeowner who receives monthly disability insurance payments from the United States Social Security Administration and who owns their primary residence.

1.03 Elderly Homeowner. For the purpose of this Agreement, a homeowner who is at or above the age of 62 and owns their primary residence.

1.04 Family Income. The calculated income for a Participant's household as determined by 24 C.F.R. § 5.609.

1.05 Low Income Homeowner. A homeowner whose calculated monthly income meets the definition of low income as specified by then current United States Department of Housing & Urban Development regulations. This definition is subject to change.

1.06 Participant. An eligible homeowner receiving funds administered by this Agreement for making repairs to the homeowner's primary residence.

1.07 Participant Data. Documents and data reflecting a Participant's eligibility for services funded by a Partnership Program, including, but not limited to, the participant's name, address, age, sex, ethnic background, size of household, income level or other basis for determining eligibility, and description of the services funded by a Partnership Program.

1.08 Partnership Program. One of the two Partnership Programs funded by the GHFC and administered by the City pursuant to this Agreement.

1.09 Veteran Homeowner. A homeowner who has served in and was honorably discharged by any branch of the United States military.

Article II. Partnership Programs

2.01 The two categories of Partnership Programs governed by this Agreement are:

(a) The GHFC Repair Partnership Program. This Partnership Program shall provide the Program money to help Participants with home repairs. Repairs shall be classified as

either Minor Repairs or Substantial Repairs.

1. Minor Repairs: The Partnership Program may provide Participants repair services of up to \$10,000 per property.

2. Substantial Repairs: The Partnership Program may provide Participants funding of up to \$35,000.00 per property. If a repair requires more than \$35,000.00, the City must obtain the GHFC's approval.

2.02 Funding under any of the Partnership Programs may be combined federal grant funding accessible to the City, if eligible. In cases of combined funding sources for a single property, the City shall maintain separate contracts and invoices and files to prevent commingling of funds.

2.03 Partnership Program funds are to be used primarily to help low to moderate income homeowners within the city limits of Garland, Texas. The City shall give preference to applicants who are low income; the City shall give additional preference to low-income Disabled Homeowners, Elderly Homeowners, and Veteran Homeowners. The City shall have the discretion to allow applicants who are not Participants in the Partnership Program(s).

Article III. City's Duties

3.01 The City shall administer each Partnership Program. The City's duties shall include:

- (a) Client application intake and processing;
- (b) Project management of all construction activities;
- (c) Approval and payment of invoices for approved projects;
- (d) Case file management; and
- (e) Quarterly reporting the grant status to the GHFC.

3.02 The City shall maintain all records required by the GHFC that are pertinent to the projects to be funded under this Agreement. City shall establish, maintain, and submit to the GHFC records acceptable to the GHFC showing the use of Partnership Program expenditures to benefit Participants. These records shall include, but are not limited to

- (a) Documents providing a full description of each project funded;
- (b) Documents necessary to determine a project's eligibility for Partnership Program funds;

- (c) Documents necessary to establish a Participant's eligibility for Partnership Program funds (applicants shall calculate income and certify that information on the application is true and correct);
- (d) Documents necessary to reflect any improvement to real property funded by Partnership Program funds;
- (e) Participant Data; and
- (f) All other documents necessary to reflect compliance with the Partnership Program.

3.03 The City shall retain all records pertinent to expenditures incurred pursuant to this Agreement for five (5) years after the termination of all activities funded under this Agreement, or after the resolution of all audit findings, whichever is later. Records relating to any Participant must be kept for five (5) years after he or she has received final payment. Notwithstanding the above, if there is litigation, claims, audits, negotiations, or other actions that involve any of the records, the City must retain the records until all issues and actions are resolved, or the expiration of the five-year period, whichever occurs later.

3.04 The City shall make Participant Data available to the GHFC or its designee upon written request.

3.05 Audit.

(a) All City records with respect to any matters covered by this agreement shall, upon reasonable written notice to the City, be made available to the GHFC, the grantor agency, their designees or the United States government, at any time during normal business hours, as often as the GHFC deems necessary, to audit, examine and make excerpts or transcripts of all relevant data. Any deficiencies noted in the audit reports must be fully cleared by the City within 30 days after receipt by the City. Failure to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments or termination.

(b) The agency or entity requesting the audit shall bear the costs of any audit activities.

3.06 Confidentiality of Participant Data. City acknowledges that Participant information collected pursuant to this contract is private and the use or disclosure of such information, when not directly connected with the administration of the City's responsibilities with respect to services provided under this contract, is prohibited unless the City obtains written consent from the Participant or the Participant's parent/guardian if the Participant is unable to consent.

3.07 Progress Reports. The City shall submit written quarterly progress reports to the GHFC in the form and content required by the GHFC. The report shall consist of the following information:

- (a) A spreadsheet identifying the homeowners assisted in the preceding quarter that includes name, address, household income level, family size, whether the homeowner is a veteran, elderly or disabled, and the amount of Program funds awarded; and
- (b) A spreadsheet identifying all administrative expenses.

The GHFC may require additional relevant information, which the City shall also provide.

3.08 Equal Opportunity and Affirmative Action. City agrees that in performing under this Agreement, it shall not discriminate against any worker, employee or applicant for employment, on the basis of race, color, creed, religion, age, sex, national origin, disability status nor otherwise commit an unfair employment practice.

3.09 Nondiscrimination Clause. The City shall administer the Partnership Programs without regard to an applicant's race, color, creed, religion, age, sex, national origin or disability status.

3.10 The City may use fifteen percent (15%) of the funds expended for administrative purposes related to program operations. The City may earmark fifteen percent of the GHFC funds for administrative purposes; however, at the end of the Term, the Parties shall reconcile the amount of earmarked funds against fifteen percent of sum of GHFC money actually expended plus any monies necessary to fund any Project approved but not yet funded. Any positive difference shall be refunded to the GHFC in accordance with Section 5.05 of this Agreement.

Article IV The GHFC's Duties

4.01 In consideration for the City's duties, the GHFC agrees to disburse up to \$540,000.00 during the Term of this Agreement for the Partnership Programs.

4.02 The GHFC shall disburse funds for the Partnership Programs as follows:

- a. The GHFC shall disburse \$180,000.00 to the City within ten (10) days of final execution of this Agreement.
- b. The GHFC shall distribute the remaining \$360,000.00 in two additional installments of \$180,000.00, payable on June 1, 2025, and September 1, 2025. These disbursements shall take place regardless of whether the Partnership Program projects have exhausted funds for any or all of the Partnership Programs.

4.03 The GHFC shall cooperate with the City in providing any information the City requires to obtain additional funding from any other source to help Partnership Program Participants.

Article V Partnership Program budgets

5.01 Each Partnership Program's initial annual budget is as follows:

- a. the GHFC Repair Partnership Program\$540,000.00

5.02 The GHFC reserves the right to adjust budget categories as necessary. Any such adjustment must be presented as an Addendum to this Agreement and must be both in writing and executed by both Parties. The Parties may not reduce Partnership Program's budget below the amount of funds already disbursed or earmarked for existing projects at the time of the adjustment.

5.03 The City may use funds allocated to the GHFC Repair Partnership Program for either Minor Repairs or Substantial Repairs at the City's discretion, within the limits set forth herein above.

5.04 Any Partnership Program funds allocated by the GHFC pursuant to this Agreement which the City has not awarded by the end of the Term shall revert back to the GHFC.

5.05 Upon the termination or expiration of this Agreement, City shall transfer to the GHFC any GHFC Program funds then on hand, less any monies necessary to fund any Project approved but not yet funded, and any accounts receivable attributable to the use of the GHFC Program funds. In addition, the City shall refund to the GHFC any administrative funds due and owing after the reconciliation process set forth in Section 3.10 of this Agreement.

5.06 The sole source of funds for this Agreement is the GHFC Addressing Garland Partnership Program. This Agreement shall not obligate or encumber any other funds of the GHFC.

5.07 Any Partnership Program funds the City has not awarded by the end of a given quarter shall be carried over to the next quarter.

Article VI Term; Quarter

6.01 The Term of Agreement shall begin upon execution by both parties and shall run until the 31st day of December, 2025.

6.02 A Quarter begins on the first day of January, April, July, and October.

Article VII Nonperformance, Suspension, and Termination

7.01 Termination for nonperformance. This Agreement may be terminated by either party if it determines the other party has not met the obligations imposed by this Agreement. The party seeking termination must provide written notice of termination stating what obligations have not been met. The nonperforming party shall have thirty (30) days to perform the duties described in the notice. If it fails to do so, this Agreement is terminated.

7.02 Termination for convenience. Either party may terminate this contract at any time by giving written notice to the other party of such termination and specifying the effective date thereof at least 30 days before the effective date of such termination. In the event of any termination for convenience, all finished or unfinished documents, data, reports or other material prepared by the City under this agreement shall, at the option of the GHFC, become the property of the GHFC, and the City shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents or materials prior to the termination.

Article VIII Miscellaneous Provisions

8.01 No Assignment. Neither party shall have the right to assign that party's interest in this Agreement without the prior written consent of the other party.

8.02 Severability. If any term or provision of this Agreement is held to be illegal, invalid or unenforceable, the legality, validity or enforceability of the remaining terms or provisions of this Agreement shall not be affected thereby, and in lieu of each such illegal, invalid or unenforceable term or provision, there shall be added automatically to this Agreement a legal, valid or enforceable term or provision as similar as possible to the term or provision declared illegal, invalid or unenforceable.

8.03 Waiver. Either the GHFC or City shall have the right to waive any requirement contained in this Agreement, which is intended for the waiving party's benefit, but, except as otherwise provided herein, such waiver shall be effective only if in writing executed by the party for whose benefit such requirement is intended.

8.04 Governing Law. This Agreement and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas. Exclusive venue for any action arising out of this Agreement shall be in Dallas County, Texas.

8.05 Paragraph Headings. The paragraph headings contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several paragraphs hereof.

8.06 Binding Effect. Except as limited herein, the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, devisees, personal and legal representatives, successors and assigns.

8.07 Interpretation of terms. Within this Agreement, words of any gender shall be held and construed to include any other gender, and words in the singular number shall be held and construed to include the plural, unless the context otherwise requires.

8.08 Counterparts. This Agreement has been executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

8.09 Exhibits. All exhibits and amendments to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

8.10 Entire Agreement. It is understood and agreed that this Agreement contains the entire agreement between the parties and supersedes any and all prior agreements, arrangements or understandings between the parties relating to the subject matter. No oral understandings, statements, promises or inducements contrary to the terms of this Agreement exist. This Agreement cannot be changed or terminated orally.

8.11 Amendments. The Parties may amend this Agreement at any time provided the amendment is made in writing and signed by both Parties.

8.12 Relationship of Parties. Nothing contained in this Contract shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between the parties, it being expressly understood and agreed that no provision contained in this Contract nor any act or acts of the parties hereto shall be deemed to create any relationship between the parties other than the relationship of independent parties contracting with each other solely for the purpose of effecting the provisions of this Contract.

8.13 Notices. Communications and details concerning this contract shall be directed to the following contact representatives:

City of Garland:

Ms. Mona Woodard
City of Garland
Department of Housing and Community Services
800 Main Street
Garland, TX 75040

Garland Housing Finance Corporation:

Mr. David W. Gibbons
Garland Housing Finance Corporation
1675 West Campbell Rd.
Garland, TX 75044

EXECUTED this ____ day of _____, 2025.

CITY OF GARLAND, TEXAS

By:

Judson Rex
City Manager

Approved as to form:

Trey Lansford
Deputy City Attorney

EXECUTED this ____ day of _____, 2025.

**GARLAND HOUSING
FINANCE CORPORATION**

By:



David W. Gibbons
Executive Director



GARLAND
CITY COUNCIL STAFF REPORT

City Council Work Session

3.

Meeting Date: 03/17/2025
Title: GPS Staff Report: Garland's Pathway to Success
Submitted By: Letecia McNatt, Assistant to the City Manager
Strategic Focus Area: Growing Economic Base
Commercially Thriving Downtown
Well-Maintained City Infrastructure
Arts, and Events
Safe Community
Vibrant Neighborhoods and
Commercial Centers
Reliable, Cost Efficient Utility
Services
Customer-Focused City Services
Sound Governance and Finances
Future-Focused City Organization

Issue/Summary

The City Council will receive a presentation on GPS: Garland's Pathway to Success during the March 17 Work Session, followed by a request for formal adoption on the March 18 consent agenda. The GPS serves as a strategic framework aligning City operations with Council priorities, ensuring a clear, actionable roadmap for policy implementation, resource allocation, and performance accountability. Developed through collaboration with City leadership and Team Garland, the GPS defines ten strategic focus areas, each supported by specific destinations and actions that guide citywide initiatives. This framework is designed to be a dynamic, evolving document that integrates governance, infrastructure, economic development, public safety, and quality-of-life enhancements into a cohesive strategy. Departmental work plans and the FY2026 budget will be structured around the GPS to maintain alignment between strategic objectives and operational execution.

Background

To ensure effective governance and accountability, a structured implementation framework is being developed to clarify roles and responsibilities at all levels of the organization. The City Council provides strategic oversight, while the City Manager and leadership team drive execution through departmental initiatives, data-driven performance tracking, and continuous improvement efforts. Additional initiatives in the works will help leverage automation, analytics, and process enhancements to support GPS objectives. Regular reporting to the Council, including semi-annual updates, will ensure transparency and adaptability to evolving priorities. Council's formal adoption of the GPS will solidify its role as a guiding document for decision-making, operational planning, and long-term community development.

Consideration / Recommendation

Discuss the strategic framework of the GPS as presented by staff and consider for formal adoption on the consent agenda of the March 18, 2025, Regular Meeting.

Attachments

GPS: Garland's Pathway to Success 2025



GARLAND'S **P**ATHWAY TO **S**UCCESS

Strategic Focus Area: Safe Community

Enhance quality of life and reduce community risk through initiatives that strengthen public safety adaptability, build resilience, and foster community engagement.

Destinations & Actions:

1. Enhance proactive initiatives for risk mitigation and prevention.
 - A. Strengthen public safety programs by fostering collaboration across the organization, and by focusing on proactive efforts to recognize and respond to emergent and evolving threats.
 - B. Provide community stakeholders with insights into potential environmental risks, promoting a coordinated response and proactive strategies to reduce vulnerabilities to natural and human-made hazards.
 - C. Enhance outreach, collaboration, and education initiatives with the public and stakeholders to build stronger partnerships, increase transparency, and promote community safety and awareness.
2. Strengthen response and recovery actions.
 - A. Optimize emergency response times across all service areas to ensure swift, effective assistance whenever needed.
 - B. Provide emergency responders and recovery teams with the latest technology and resources to enhance readiness and efficiency in response and recovery efforts.
 - C. Modernize emergency response and management processes to align with industry best practices, ensuring agile and adaptable operations across all hazard types and incident scenarios.
3. Enhance preparedness through strategic and proactive measures.
 - A. Enhance emergency management planning, training, and processes to foster seamless interdepartmental collaboration and preparedness.
 - B. Strengthen support systems for emergency responders to ensure mental readiness and resilience thereby enhancing overall effectiveness.

Strategic Focus Area: Well-Maintained City Infrastructure

Ensure a well-managed network of infrastructure that supports efficient operations, cost, and energy efficiency, and enhances residents' quality of life.

Destinations & Actions:

1. Strengthen interdepartmental alignment in Capital Project delivery.
 - A. Align and standardize ordinances and policies across departments.
 - B. Establish guidelines for effective interdepartmental communication during project delivery.
 - C. Identify opportunities to enhance efficiency in the project delivery process.
2. Embrace technological advancement and innovation.
 - A. Identify technological opportunities to improve operational efficiencies and effectiveness.
 - B. Develop a framework for creating an accurate inventory of City infrastructure.
 - C. Determine opportunities for operational automation to minimize point system failures and enhance reliability.

Strategic Focus Area: Reliable, Cost-Efficient Utility Services

Offer efficient and effective utility-infrastructure services while maintaining competitive rates.

Destinations & Actions:

1. Promote safe, cost-effective asset and resource management.
 - A. Create an overall plan for managing assets throughout their life cycle.
 - B. Develop educational programs for the community and schools to promote utility efficiency and sustainability.
 - C. Enhance safety protocols to ensure quality work environments and service delivery.
2. Strengthen utility system resilience and capabilities.
 - A. Develop a plan to ensure that utility systems can meet both current and future service needs.
 - B. Develop a strategy to mitigate utility system vulnerability.
 - C. Develop a plan for implementation of system redundancies.
3. Expand industry and legislative partnerships and presence.
 - A. Identify opportunities to leverage partnerships through active participation in industry trade associations.
 - B. Actively monitor and participate in the regulatory policy and rulemaking process.
 - C. Develop a strategy to monitor, influence, and comment on proposed legislation that aligns with Garland's goals.

Strategic Focus Area: Sound Governance and Finances

Build and maintain strong governance structures and financial resilience through long-term planning and investment in opportunities that grow available resources.

Destinations & Actions:

1. Optimize financial stewardship.
 - A. Leverage technology to automate routine financial tasks and streamline reporting.
 - B. Expand financial transparency by developing real-time dashboards for Management, Council, and Citizens.
 - C. Connect the Strategic Plan and other departmental objectives with the financial plan by incorporating program utilization data into budget allocations.
2. Foster accountability, continuous improvement, and risk mitigation.
 - A. Enhance risk management initiatives.
 - B. Expand audit follow-up through prioritized implementation.
3. Develop and implement long-term growth strategies.
 - A. Implement a Tax Optimization Strategy to balance revenue generation with community impact.
 - B. Conduct a comprehensive review of current processes and budgets, including revenue enhancements and cost reductions without compromising service quality.
 - C. Enhance the long-term financial planning models to connect to the Strategic Plan and Operational Plans to allow for plans to be benchmarked and changed based on market/circumstances.
 - D. Continue pursuing innovative measures that reduce long-term expenses and liabilities.
 - E. Enhance legislative and public affairs initiatives.

Strategic Focus Area: Vibrant Neighborhoods and Commercial Centers

Drive the revitalization of neighborhoods and commercial centers through programs that both enhance physical appearance and grow prosperity.

Destinations & Actions:

1. Revitalize neighborhoods and commercial centers.
 - A. Develop targeted strategies to attract new residents.
 - B. Expand and diversify quality housing options to meet community needs.
 - C. Improve walkability and connectivity between residential and commercial areas.
 - D. Foster vibrant neighborhoods through investment in placemaking.
2. Enhance the physical appearance of Garland's built environment.
 - A. Implement industrial district improvements that enhance long-term economic viability.
 - B. Enhance Garland's regional image through branding and beautification efforts.
 - C. Revitalize key corridors and gateways to create a welcoming and visually appealing environment.
3. Foster the creation of the Garland Vibe.
 - A. Incorporate placemaking principles into city development policies, projects, and processes.
 - B. Support the creation of unique and engaging public spaces.
 - C. Cultivate an environment that attracts and sustains a creative culture.

Strategic Focus Area: Customer-Focused City Services

Ensure community satisfaction by delivering exceptional services through collaboration.

Destinations & Actions:

1. Simplify and streamline the process of working with the City.
 - A. Provide multiple channels for service access and interactions.
 - B. Review and streamline processes to reduce hurdles when accessing city services.
 - C. Prioritize awareness of various communication styles and languages to ensure exceptional customer service.
 - D. Develop clear guides to help citizens navigate city processes easily, reducing confusion.
2. Maintain high standards for service quality and consistency.
 - A. Define key performance indicators (KPIs) specific to each service area (e.g., response times, completion rates, citizen satisfaction) to measure and track service quality consistently.
 - B. Implement citywide customer service best practices.
3. Implement community feedback mechanisms to continuously improve service delivery.
 - A. Provide easy-to-use, accessible feedback opportunities allowing stakeholders to share their experiences.
 - B. Use feedback to identify patterns and trends in service delivery and incorporate this data into regular service improvement strategies.

Strategic Focus Area: Growing Garland's Economic Base

Grow Garland's economy by increasing the commercial tax base, enhancing sales tax capture, improving access to employment opportunities, and creating local and regional experience destinations.

Destinations & Actions:

1. Become regionally competitive in attracting quality residential and commercial development.
 - A. Identify and recruit key businesses that align with Garland's economic vision.
 - B. Develop incentive programs to attract high-wage and high-quality employers.
 - C. Develop and enhance business retention and expansion programs.
2. Create local and regional visitor destinations.
 - A. Expand lodging options to accommodate visitors and support tourism growth.
 - B. Implement targeted recruitment efforts for retail and hospitality businesses.
 - C. Leverage Garland's natural assets to create distinctive recreational and entertainment experiences.
 - D. Develop a diverse inventory of experience destinations.
3. Maximize return on public and private investments.
 - A. Strengthen development and redevelopment efforts to boost revenue sources.
 - B. Align economic incentives with the needs of key districts and industry sectors.
4. Improve access to quality employment opportunities.
 - A. Expand workforce upskilling and education programs to support economic mobility.
 - B. Implement best practices in site selection to attract and retain skilled talent.

Strategic Focus Area: Future-Focused City Organization

Anticipate the needs of the community and be adaptable to change.

Destinations & Actions:

1. Utilize technologies and processes to enhance service delivery and internal operations.
 - A. Deploy analytics tools to track performance metrics in real-time.
 - B. Review current technology used by departments to ensure it meets department and customer needs.
 - C. Automate department functions with tools such as AI where applicable.
2. Pursue quality public and private development to enhance the community.
 - A. Identify and promote areas within Master Plans where both public and private investment can spur economic growth and revitalization.
 - B. Collaborate with regional partners and developers on mixed-use projects that integrate diverse housing options, commercial/retail spaces, and public services.
 - C. Implement more efficient review and approval processes for developers to encourage investment and reduce delays.
3. Implement strategic initiatives that further enhance service delivery.
 - A. Define expectation for meeting on-going service standards.
 - B. Create initiatives that encourage cooperation between departments for comprehensive solutions.
 - C. Use process improvement methodologies to reduce inefficiencies in service delivery.
4. Establish the City as an employer of choice, focused on sustaining a skilled and agile workforce, equipped to meet the ever-evolving needs of the Garland community.
 - A. Design and maintain fiscally sustainable pay and benefit strategies, in support of the needs of the current and future workforce.
 - B. Develop and implement strategic initiatives and benchmarks that support a workforce that is responsive to and reflective of Garland's customers and community.
 - C. Align workforce-focused processes and guidelines with governing regulations, operations, and industry best practices.
 - D. Build a high-performing workforce through deliberate efforts in support of skills, career, and leadership development.

Strategic Focus Area: Enhanced Quality of Life through Amenities, Arts and Events

Propel residents' experiences in their community with cultural events, concerts, and other programming that highlights the City's amenities and facilities.

Destinations & Actions:

1. Provide places, spaces, and facilities that foster a strong sense of community while enriching the lives of residents and visitors.
 - A. Invest in renewing and modernizing amenities.
 - B. Maintain amenities to ensure they are safe, welcoming, and accessible to all.
 - C. Engage the community to increase participation.
2. Create dynamic experiences for all ages through diverse programming, events, and services.
 - A. Support and expand the opportunities for health and wellness, learning, creativity, arts, culture, heritage, and fun.
 - B. Increase awareness and participation through innovative and consistent marketing and communications.
 - C. Foster collaborative partnerships to amplify impact.
3. Maintain a standard of excellence through continuous improvement and community engagement.
 - A. Pursue certifications, accreditations, awards, and recognitions.
 - B. Evaluate practices regularly, providing opportunities for internal and external feedback.
 - C. Invest in innovation and staff development to protect and promote stewardship of resources.

Strategic Focus Area: Commercially Thriving Downtown

Cultivate and promote Downtown Garland as a thriving historic and commercial destination for residents and visitors alike.

Destinations & Actions:

1. Drive economic growth through recruitment of new businesses while facilitating a network of resources to help existing entrepreneurs thrive.
 - A. Increase awareness of current and future opportunities.
 - B. Invest in revitalization efforts.
 - C. Establish networks and partnerships that attract and retain developers, business owners, and more.
2. Create pedestrian friendly destinations that attract visitors and inspire residents to shop, dine, and play.
 - A. Continue to develop places, spaces and facilities that encourage walkability.
 - B. Maintain infrastructure and aesthetics, promoting a safe, welcoming, and accessible environment.
 - C. Promote Downtown Garland as a recognized entertainment district.



GARLAND
CITY COUNCIL STAFF REPORT

City Council Work Session

4.

Meeting Date: 03/17/2025

Title: Introduction of a New Director

Submitted By: Mistie Gardner, Managing Director of Strategic Initiatives

Strategic Focus Area: Safe Community

Issue/Summary

Mistie Gardner will introduce the new Director of Emergency Management to Council.

Background

Joseph Ellis will join the City of Garland as Emergency Management Director on February 24, 2025.

Joseph brings over 15 years of broad experience in Emergency Management and Business Continuity across both public and private sectors. Before entering the field, he served as a public safety dispatcher and later as a police officer. His emergency management career began as the first full-time Emergency Manager for the City of Carrollton, followed by positions with the Rockwall County Office of Emergency Management and the City of Dallas Office of Emergency Management.

Transitioning to the private sector, Joseph worked as a Risk Manager at Tokyo Electron U.S. Holdings, the U.S. subsidiary of a Tokyo-based semiconductor company, where he managed business continuity, corporate insurance, and physical security for its U.S. operations. He later joined the Texas Department of Transportation as the Business Continuity Manager, overseeing business continuity efforts across the statewide agency. Joseph holds a Master of Public Administration from Arkansas State University and a Bachelor of Science in Emergency Management with a minor in Homeland Security from Jacksonville State University. He is a Certified Emergency Manager (CEM) and a Certified Business Continuity Practitioner (CBCP).

Consideration / Recommendation

Council will be introduced to the new Director of Emergency Management, Joe Ellis.



GARLAND
CITY COUNCIL ITEM SUMMARY SHEET

City Council Work Session

5.

Meeting Date: 03/17/2025

Item Title: DART Update

Summary of Request/Problem

City Council will be updated on DART's services, activities, programs and projects within Garland.

Recommendation/Action Requested and Justification

Council discussion.



GARLAND
CITY COUNCIL STAFF REPORT

City Council Work Session

6.

Meeting Date: 03/17/2025

Title: 519 State Street: Further Consideration of the Sales Agreement and Development Agreement, to Discuss Possible Amendments.

Strategic Focus Area: Growing Economic Base
Commercially Thriving Downtown
Arts, and Events
Vibrant Neighborhoods and
Commercial Centers

Issue/Summary

The City Council is requested to consider a Development Agreement for 519 State Street, which proposes the redevelopment of the historic property into The Owl Icehouse. The project aims to revitalize a long-standing, vacant site in Downtown Garland while maintaining its historical character. The proposed development includes a significant private investment, is expected to create new jobs, and generate additional sales revenue, contributing to Garland's economic growth.

Background

- 519 State Street has been vacant for several decades and presents an opportunity for redevelopment.
- The Owl Icehouse is envisioned as a modern gathering space, honoring historical character while introducing new dining and entertainment options.
- The project is led by The Owl Icehouse Garland LLC, with Don Day as the Managing Partner. This team has exemplary experience in historic preservation and community-oriented development, including successful projects in Downtown McKinney.

Consideration / Recommendation

Further discussion of the proposed terms in the Development Agreement and Real Contract of Sale as presented.

Attachments

519 State St. Development Agreement
519 State St. Contract of Sale

ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT

This Economic Development Incentive Agreement (“Agreement”) is made by and between the **City of Garland, a Texas home-rule municipality** (“City”), and **The Owl Icehouse, LLC, a Texas limited liability company**, its successors and assigns, (“Developer”) acting by and through their respective authorized officers. The City and Developer are referred to individually in this Agreement as a “Party” and together they are referred to as the “Parties.”

ARTICLE I

RECITALS

The City and Developer each acknowledge and agree that the following recitals are true and correct and that the same are incorporated herein and are a material part of this Agreement:

WHEREAS, the City desires to further the public interest and welfare and to induce the investment of private resources in productive business enterprises located in catalyst areas of the City in order to increase tax revenue for real property and business personal property within the City, and promote or develop new business enterprises; and

WHEREAS, Developer intends to repair, renovate and improve commercial space at 519 State Street to create a restaurant/entertainment space for the operation of a restaurant business, on a certain tract of land within the City of Garland, Dallas County, Texas (“Property”), being further described in Exhibit A, which is attached hereto and incorporated herein by reference for all purposes; and

WHEREAS, Developer intends to invest approximately **\$2,500,000.00** in new real property improvements and **\$600,000.00** in furniture, fixtures, and equipment at the Property (“Project”); and

WHEREAS, the Project will result in new economic development in the City, including serving as a catalyst for further, perhaps related development in the area; will increase tax revenues because of investments in real property, business personal property, and taxable sales within the City; and increases in the number of new jobs; and

WHEREAS, the Project will have a direct and positive economic benefit to the City; and

WHEREAS, the Developer has advised the City that a contributing factor of inducing the Developer to develop the Property is an agreement by the City to provide an economic development incentive to the Developer as set forth herein; and

WHEREAS, City wishes to provide incentives to Developer to assist in the economic development of the City; and

WHEREAS, the City has determined, based on information presented to it by the Developer, that making an economic development incentive grant to the Developer in accordance with this Agreement furthers the City's economic development goals and will: (i) promote the economic development objectives of the City; (ii) benefit the City and the City's inhabitants; and (iii) advance local economic development and stimulate business and commercial activity in the City; and

WHEREAS, City hereby finds that this Agreement embodies an eligible Program (defined below) and clearly promotes economic development in the City and, as such, meets the requisites under Chapter 380 of the Texas Local Government Code and further, is in the best interests of the City;

NOW, THEREFORE, the Developer and the City make and enter into this Agreement in consideration of the mutual covenants and agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by both the Developer and the City, and agree as follows:

ARTICLE II

DEFINITIONS

Section 2.01. "Economic Development Incentive Payment Request" has the meaning set forth in Section 4.02.

Section 2.02. "Performance Rebate Period" means the period of time, as more fully described in below Article III, during which Developer is eligible for Performance Rebate Payments.

Section 2.03. "Performance Rebate Payments" means the City's payments to Developer in the form of rebate payments for Qualified Hard Costs (as defined below) expended by Developer and for which a Performance Rebate Payment is requested by Developer in accordance with Article IV.

Section 2.04. "Program" means the economic development program for the Project established by the City pursuant to Texas Local Government Code Chapter 380 to promote economic development and stimulate business and commercial activity within the City as represented by the terms of this Agreement.

Section 2.05. "Project" has the meaning described in the Recitals to this Agreement.

Section 2.06. "Property" has the meaning described in the Recitals to this Agreement.

Section 2.07. "Qualified Hard Costs" means expenditures actually paid by Developer during the Performance Period for the improvement made to the Property.

ARTICLE III

COMMENCEMENT, COMPLETION AND OPERATION OF THE PROJECT

Section 3.01. Commencement of the Project. Developer shall develop and construct an approximate 13,000 square foot restaurant on the Property with a minimum investment of **\$2,500,000.00** for real property improvements and approximately **\$600,00.00** in furniture, fixtures, and equipment.

Section 3.02. Concept of the Project. The Parties agree that the project shall be a family-oriented restaurant, with appeal to young families, and features affordable food with burgers, and Texas County cooking all made onsite. A more detailed concept of the Project is attached hereto as Exhibit B and incorporated herein by reference.

Section 3.03. Commencement of Operation. Developer shall substantially complete the demolition and build out of the Property on or before **June 1, 2026**, and Developer shall have obtained all necessary building permits and Certificates of Occupancy (or applicable equivalent) for the Property and commenced operation of a restaurant on the Property on or before said date.

Section 3.04. Compliance with Prior Development Agreement. The City has given Developer notice of that certain Disposition and Development Agreement of October 28, 2023 (“DDA”), entered into between the City and the prior owner of the Property. Developer acknowledges the DDA and agrees to comply with the terms therein related to the Project, including but not limited to the following:

- a. Developer’s architect shall meet with the Jones’ family architect, Ron Hobbs Architecture & Interior Design, to review design and construction plans.
- b. The City shall have the opportunity to establish a design team to work with Developer’s architect and make recommendations related to the concept and design of the Project.
- c. One representative of the Jones’ family shall be given the opportunity to serve as a member of the City’s design team to make recommendations consistent in keeping with the overall concept of the design to the extent that the City’s design team determines that the Jones’ family recommendation will enhance the appearance, appeal, or usability of the Facility or favorably impact construction costs, operating revenues and expenditures and overall maintenance costs.
- d. Once construction commences, the representative of the Jones’ family shall receive timely notice of, and be entitled to participate in regularly scheduled owner, architect, contractor (OAC) construction meetings between the City and Developer. However, although the Jones’ family representative may attend ad hoc meetings between the City and Developer, the City is not obligated to provide Seller notice of such meetings.

e. The development plans shall include a private dining room, or a small office space, in the building and Developer shall make this room available to Chad Jones twice per calendar month, during regular business hours, subject to availability, and in coordination with Developer.

f. The Jones' family shall be entitled to any materials from the building that are removed as part of construction. This would include the face brick from the front of the building and select wood from the interior demolition. To accommodate this provision and not interfere with demolition or construction activities on the Property, the Jones' family shall schedule and meet with a representative of the City Manager's Office and the Developer, to conduct a walk-through of the Property and identify any materials the Jones' family desires to retain during demolition of the Property prior to April 1, 2025. The City shall set aside the identified materials and deliver them to a location determined by the Seller within the City of Garland.

Section 3.05. Dedication Plaque. Developer agrees to placing an approximate 16" by 16" bronze plaque on the front of the building on one of the large endcap columns that details the history of the building as well as the Jones' family's association with the building.

Section 3.06. Performance Period. The Performance Rebate Period during which Developer is eligible to receive Performance Rebate Payments shall extend from the Effective Date of this Agreement through the date when the Project becomes operational, however under no circumstances shall the Performance Rebate Period extend past **December 31, 2026**.

Section 3.07. Continued Operation of Business. After Project becomes operational as a restaurant, Developer shall continuously lease, operate, maintain, and manage Project or make diligent commercial efforts to lease, operate, maintain and manage Project on the Property for use as one or more restaurants until at least **May 31, 2031**.

ARTICLE IV

OBLIGATIONS OF THE CITY

Section 4.01. Conveyance of Real Property.

- a. City agrees to convey the Property to Developer pursuant to the terms and conditions of that certain Contract of Sale between the Parties executed contemporaneously with this Agreement.
- b. In the event operations are not commenced (as described in above Section 3.03) by May 31, 2027, Developer agrees to convey the Property back to the City on or before June 30, 2027. Once conveyed, Developer, or its successor or assigns, shall have the right to remain on the Property for a term not to exceed 24-months, pursuant to a triple-net, fair market value lease.

Section 4.02. Performance Rebate Payments. Subject to the requirements and limitations of this Article, the other terms and conditions of this Agreement, and Developer's compliance with its obligations under this Agreement, the City shall make Performance Rebate Payments to Developer in accordance with this Article during the Performance Rebate Period:

- a. The City shall make rebate payments to Developer in an amount not to exceed **\$740,000.00** in total to reimburse Developer for a portion of the Qualified Hard Costs actually paid by Developer, which were expended for physical improvements which were actually made to the Property during the Performance Rebate Period. The first \$370,000.00 of Performance Rebate Payments may be drawn by Developer on a monthly basis for completed work associated with hard costs. Notwithstanding any other provision in this Agreement, under no circumstance shall the City's total obligation to Developer or any other entity as a result of this Agreement exceed **\$740,000.00**.
- b. The City shall hold, and not be obligated to make, the final Performance Rebate Payment of **\$370,000.00** to Developer until the Commencement of Operation (as described in above Section 3.03) and 30 consecutive business days of operating the Project as described herein.

Section 4.03. Process for Payment. Upon Commencement of Operations (as described in above Section 3.03), Developer may request a Performance Rebate Payment for an applicable Qualified Hard Cost by written application submitted to the City. The City shall not be required to make a Performance Rebate Payment for any applicable Qualified Hard Cost until:

- a. the Developer submits to the City a payment request (the "Economic Development Incentive Payment Request") together with all information required to verify Developer's material compliance with its obligations under this Agreement for City's rebate of the Qualifying Hard Cost; and
- b. funds are appropriated by the Garland City Council for the specific purpose of making a Performance Rebate Payment under this Agreement as part of the City's ordinary budget and appropriations approval process or through any subsequent appropriation.

Provided that the foregoing conditions have been satisfied and Developer is otherwise in compliance with this Agreement, the City shall pay Developer any Performance Rebate Payments due within thirty (30) days after the last to occur of the events in above subsections a. and b. of this Section 4.03.

ARTICLE V **TERMINATION AND DEFAULT**

Section 5.01. Events of Termination. This Agreement terminates upon any one or more of the following:

a. by expiration of the Term; or

b. if a party materially defaults or breaches any of the terms or conditions of this Agreement and such default or breach is not cured within sixty (60) days after written notice thereof by the non-defaulting party unless a longer period is provided. Any default under this provision and right to recover any claims, refunds, rebates, damages and/or expenses shall survive the termination of the Agreement.

Section 5.02. Effect of Termination/ Survival of Obligations. The rights, responsibilities and liabilities of the parties under this Agreement shall be extinguished upon the applicable effective date of termination of this Agreement, except for any obligations or defaults(s) that existed prior to such termination or as otherwise provided herein and those liabilities and obligations shall survive the termination of this Agreement, including the refund provision, maintenance of records, and access thereto.

ARTICLE VI

ADDITIONAL AGREEMENTS AND OBLIGATIONS

Section 6.01. Indemnification. TO THE FULLEST EXTENT ALLOWED BY TEXAS LAW, DEVELOPER AGREES TO INDEMNIFY AND HOLD HARMLESS THE CITY OF GARLAND, TEXAS AND ALL OF ITS PRESENT, FUTURE AND FORMER AGENTS, EMPLOYEES, OFFICIALS AND REPRESENTATIVES IN THEIR OFFICIAL, INDIVIDUAL AND REPRESENTATIVE CAPACITIES FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION, JUDGMENTS, LIENS AND EXPENSES (INCLUDING ATTORNEY'S FEES, WHETHER CONTRACTUAL OR STATUTORY), COSTS AND DAMAGES OF ANY CONCEIVABLE CHARACTER, DUE TO OR ARISING FROM DEVELOPER'S CONTRACTUAL OBLIGATIONS TO THIRD PARTIES, INJURIES TO PERSONS (INCLUDING DEATH), OR INJURIES TO PROPERTY (BOTH REAL AND PERSONAL) RESULTING FROM DEVELOPER'S PERFORMANCE OF THIS AGREEMENT.

ARTICLE VII

PERSONAL LIABILITY OF PUBLIC OFFICIALS AND LIMITATIONS ON CITY OBLIGATIONS

Section 7.01. Personal Liability of Public Officials. No employee or elected official of the City shall be personally responsible for any liability arising under this Agreement.

Section 7.02. Limitations on City Obligations. The Performance Rebate Payments made and any other financial obligation of the City hereunder shall be paid solely from lawfully available funds that have been budgeted and appropriated each year during the Term by the City as provided

in this Agreement. Under no circumstance shall the City's obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. Consequently, notwithstanding any other provision of this Agreement, the City shall have no obligation or liability to pay any Performance Rebate Payments unless the City budgets and appropriates funds to make such payments during the City's fiscal year in which such payments are due. If the City fails to appropriate funds to make any Performance Rebate Payment(s), it shall immediately notify Developer of such non-appropriation and Developer may, at its sole option, terminate this Agreement, effective upon written notice to the City.

Section 7.03. No Recourse. Except for the right to terminate as provided in above Section 6.02, Developer shall have no recourse against the City for the City's failure to budget and appropriate funds during any fiscal year to meet the purposes and satisfy its obligations under this Agreement.

Section 7.04. Source of Funds. Performance Rebate Payments shall be made from annual appropriations only from such funds of the City as may be legally appropriated for the implementation of Article III, Section 52-a of the Texas Constitution, Chapter 380 of the Texas Local Government Code or any other economic development or financing programs authorized by Texas law or the home-rule powers of the City. Any Performance Rebate Payment to be made by the City to the Developer shall be limited as described in this Section and shall in no event exceed the amounts actually paid by Developer or Tenant for Qualified Hard Costs on the Project.

ARTICLE VIII

INFORMATION REGARDING PERFORMANCE

Section 8.01. Information. Subject to this Article VIII, Developer shall, at such times and in such form as the City may reasonably request from Developer, provide information concerning the performance of Developer's obligations under this Agreement.

Section 8.02. Review of Developer's Records. To the extent that the City has questions about the information supplied by Developer in any report, application, filing, or other document provided under this Agreement, the Parties will engage in good faith efforts to resolve such questions and, upon the City's reasonable request, Developer will furnish or make available for inspection documentation reasonably sufficient to verify the accuracy and completeness of the report, application, filing, certification or other information, and to demonstrate the manner in which such items or their contents were calculated or prepared. If, notwithstanding the good faith efforts of the Parties to resolve any questions concerning such items, the Parties are unable to resolve such issues, during the Term and for six (6) months thereafter, the City may examine and audit such books and records of Developer as are reasonably sufficient to verify the accuracy of such items. In the event the City's examination reveals a payment deficiency or discrepancy, the Parties will cooperate in good faith to address and resolve such deficiency or discrepancy. Information, documents, and materials provided by Developer shall be treated as described in below Section 8.04 of this Agreement. Notwithstanding the foregoing or any other provision of this Agreement, Developer shall not be required to disclose, permit the inspection of or

examination of, or discuss, any document, information or other matter that is not necessary to verify Developer's compliance with this Agreement and that (x) constitutes trade secrets or proprietary information, (y) in respect of which disclosure is prohibited by law or any binding agreement or (z) is subject to attorney-client, attorney work product or other privilege recognized under Texas law. Notwithstanding anything to the contrary herein, the City will not have the right to review, inspect or audit any of Developer's records for periods that are more than four years from the date of the review, inspection or audit.

Section 8.03. Public Records; Confidentiality. Developer acknowledges and agrees that this Agreement, Developer's Compliance Certificates, and certain other documents and filing related to this Agreement are or will be public records subject to disclosure (after redaction of information exempt from disclosure as described below) under the Texas Public Information Act. The Parties acknowledge and agree that the Public Information Act exempts from disclosure certain types of records, materials and information, including without limitation: records confidential by law, either constitutional, statutory or by judicial decision (Section 552.101 of the Texas Government Code); social security numbers (Section 552.117(a)(2) of the Texas Government Code); trade secrets and economic development project information (Sections 552.110 and 552.131 of the Texas Government Code); and proprietary commercial information (Section 552.110 of the Texas Government Code). The City will endeavor to use adequate safeguards, no less than those safeguards observed by the City for its own confidential information, to maintain the security and confidentiality of all materials, communications, data and information related to this Agreement or supplied by Developer in connection with this Agreement that may be subject to such exemptions from disclosure. Developer acknowledges that this Agreement constitutes public information and the materials, communications, data and information related to this Agreement may also constitute public information subject to disclosure under the Public Information Act and agrees that the City may disclose this Agreement, the Compliance Certificates and the portions of materials, communications, data and information related to this Agreement as required by law. The City will make reasonable efforts to (a) give Developer prior written notice of a request for public information (other than a request for copies of this Agreement or Compliance Certificates, which Developer agrees may be released without notice to Developer) in a reasonably practicable time period to allow Developer to seek a protective order or other appropriate remedy, (b) disclose only such information as is required under the applicable law, (c) cooperate with Developer in responding to any such records request (but there shall be no obligation for the City to independently request or join in any request for a ruling from the Attorney General, to engage or participate in litigation or to otherwise pursue any remedies sought by Developer with regard to asserted proprietary commercial or financial information or trade secrets). The City, without waiving its right to appeal an opinion or ruling under applicable procedures, will or may comply with any opinion or ruling of the Texas Attorney General or court order recommending or requiring redaction or withholding of information in response to a request for public information without further protest or appeal.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Rules of Construction. The capitalized terms listed in this Agreement shall have the meanings set forth herein whenever the terms appear in this Agreement, whether in the singular or the plural or in the present or past tense. Other terms used in this Agreement shall have meanings as commonly used in the English language. Words not otherwise defined herein that have well known and generally accepted technical or trade meanings are used herein in accordance with such recognized meanings. In addition, the following rules of interpretation shall apply:

- a. The masculine shall include the feminine and neuter.
- b. References to “Articles,” “Sections,” or “Exhibits” shall be to articles, sections, or exhibits of this Agreement.
- c. The Exhibits attached hereto are incorporated in and are intended to be part of this Agreement; provided that in the event of a conflict between the terms of any Exhibit and the terms of this Agreement, the terms of this Agreement shall take precedence.
- d. This Agreement was negotiated and prepared by both Parties with the advice and participation of counsel. The Parties have agreed to the wording of this Agreement and none of the provisions hereof shall be construed against one Party on the ground that such Party is the author of this Agreement or any part hereof.
- e. Unless expressly provided otherwise in this Agreement, (i) where the Agreement requires the consent, approval, or similar action by a Party, such consent or approval shall not be unreasonably withheld, conditioned or delayed, and (ii) wherever the Agreement gives a Party a right to determine, require, specify or take similar action with respect to a matter, such determination, requirement, specification or similar action shall be reasonable.
- f. Use of the words “include” or “including” or similar words shall be interpreted as “including but not limited to” or “including, without limitation.”
- g. The recitals to this Agreement are incorporated herein.

Section 9.02. Force Majeure. Unless otherwise provided, all obligations of Developer and City shall be subject to events of “force majeure” which shall mean any contingency or cause beyond the reasonable control of a party, as applicable, including, without limitations, acts of God or the public enemy, war, riot, civil commotion, insurrection, adverse weather, government or de facto governmental action or inaction (unless caused by negligence or omissions of such party), fires, explosions, floods, strikes, slowdowns or work stoppages, shortage of materials and labor. Notwithstanding any other provision to the contrary, calculations for Performance Rebate Payments

owed by the City are not subject to, and expressly excluded from, events of “force majeure.” Performance Rebate Payment amounts owed by the City shall be strictly calculated in accordance with the terms and conditions of Article IV, without regard to any event, contingency, or cause beyond the reasonable control of either Party.

Section 9.03. Dispute Resolution and Step Negotiations. (a) The Parties shall attempt in good faith to resolve all disputes arising out of or relating to this Agreement or any of the transactions contemplated hereby promptly by negotiation, as follows. Either Party may give the other Party written notice of any such dispute not resolved in the normal course of business. Executives of both Parties at levels one level above the Project personnel who have previously been involved in the dispute shall meet at a mutually acceptable time and place within ten days after delivery of such notice, and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within thirty days from the referral of the dispute to such executives, or if no meeting of such executives has taken place within fifteen days after such referral, either Party may initiate mediation as provided hereinafter. If a Party intends to be accompanied at a meeting by an attorney, the other Party shall be given at least three business days’ notice of such intention and may also be accompanied by an attorney. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of the federal and state rules of evidence. Each Party will bear its own costs for this dispute resolution phase.

(b) In the event that any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby is not resolved in accordance with the procedures set forth in this Section 8.03, such dispute shall be submitted to non-binding mediation to a person mutually agreed by the Parties. The mediation may take place at a mutually agreed upon location. If the mediation process has not resolved the dispute within thirty days of the submission of the matter to mediation or within such longer period as the Parties may agree to, either Party may exercise all remedies available at law or in equity under this Agreement, including the initiation of court proceedings. Each Party will bear its own costs, and share equally in the costs of mediators, for this dispute resolution phase. If the mediation process has not resolved the dispute within thirty (30) days of the submission of the matter to mediation or within such longer period as the Parties may agree to, either Party may exercise all remedies available at law or in equity under this Agreement, including the initiation of Court Proceedings, subject to the limitations of this Agreement.

(c) Nothing in this Section shall preclude, or be construed to preclude, the resort by either Party to a court of competent jurisdiction solely for the purposes of securing a temporary or preliminary injunction or other relief to preserve the status quo or avoid irreparable harm. The Parties shall continue to perform each of their respective obligations under this Agreement during the pendency of any dispute; provided that this obligation shall not apply after the termination of this Agreement (except with respect to payments of amounts due and owing under this Agreement).

Section 9.04. No Joint Venture. It is acknowledged and agreed by the parties that the terms of this Agreement are not intended to and shall not be deemed to create a partnership or joint

venture among the parties. Neither party shall have any authority to act on behalf of the other party under any circumstances by virtue of this Agreement. Developer, in performing its obligations thereunder, is acting independently, and the City assumes no responsibilities or liabilities in connection therewith to third parties including Tennant, and Developer agrees to indemnify and hold City harmless therefrom. City, in performing its obligations hereunder, is acting independently, and the City assumes no responsibilities in connection therewith to third parties, specifically including any obligations to Tennant.

Section 9.05. Jurisdiction and Venue. City and Developer, to the fullest extent permitted by applicable law, irrevocably (i) submit to the exclusive jurisdiction of the district courts located in Dallas County, Texas and any appellate court thereof; (ii) waive any objection which either may have to the laying of venue of any proceedings brought in any such court and (iii) waive any claim that such proceedings have been brought in an inconvenient forum. Nothing in this provision shall prohibit a party from bringing an action to enforce a money judgment in any other jurisdiction where the courts of such jurisdiction have jurisdiction over the other party.

Section 9.06. Accommodation of Financing Parties. To facilitate Developer's obtaining of financing to construct and operate the Project, City shall make reasonable efforts to provide such consents to assignments, certifications, representations, information or other documents as may be reasonably requested by Developer or the Developer's financing parties in connection with the financing of the Project; provided that in responding to any such request, the City shall have no obligation to provide any consent, certification, representation, information or other document, or enter into any agreement, that materially adversely affects or unduly burdens the City. Developer shall reimburse, or shall cause the financing parties to reimburse, the City for the incremental, direct, and documented third party expenses (including, without limitation, the reasonable fees and expenses of outside counsel) incurred by the City in the preparation, negotiation, execution or delivery of any documents requested by Developer or the financing parties, and provided by the City.

Section 9.07. Entire Agreement. This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Section 9.08. Binding Effect; Successors and Assigns. The terms and conditions of this Agreement are binding upon the successors and assigns of the parties hereto. This Agreement, or the right to receive grant payments, pursuant to this Agreement, may not be assigned, in whole or in part, without the express written consent of the City; not to be unreasonably withheld, conditioned or delayed; provided that Developer may, without the City's consent, assign this Agreement to a wholly-owned subsidiary or affiliate of Developer. However, without the City's consent, Developer may enter into a collateral assignment of this Agreement in connection with any financing of the Project. For purposes of this Agreement, performance by a successor or an affiliate of Developer, or performance by a party with whom Developer or its affiliates contract

shall be deemed to be performance by Developer.

Section 9.09. Amendments. No modifications or amendments to this Agreement shall be valid unless in writing and signed by a duly authorized signatory.

Section 9.10. Severability. In the event any provision of this Agreement shall be determined by any court of competent jurisdiction to be invalid or unenforceable, the Agreement shall, to the extent reasonably possible, remain in force as to the balance of its provisions as if such invalid provision were not a part hereof.

Section 9.11. Notices. All notices required to be given under this Agreement shall be in writing and shall be given by either party or its counsel in person, via an express mail service or via courier or via receipted facsimile transmission (but only if duplicate notice is also given via express mail service or via courier or via certified mail) or certified mail, return receipt requested, to the respective parties at the below addresses (or at such other address as a party may hereafter designate for itself by notice to the other party as required hereby). All notices given pursuant to this paragraph shall be deemed effective, as applicable, on the date such notice may be given in person, next business day following the date on which such communication is transferred via facsimile transmission, or as applicable, deposited with the express mail service, courier, or in the United States mails. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address.

If to City:

City of Garland
Mr. Judson Rex
City Manager
Post Office Box 469002
Garland, Texas 75046
Phone: (972) 205-3800
Fax: (972) 205-2474
jrex@garlandtx.gov

With a required copy to:
Mr. Brian England
City Attorney
200 North Fifth Street
Fourth Floor
Garland, Texas 75046
Phone: (972) 205-2380
Fax: (972) 205-2389
bengland@garlandtx.gov

If to Developer:

With a required copy to:

Section 9.12. Employment of Undocumented Workers. During the term of this Agreement the Developer agrees not to knowingly employ any undocumented workers and if convicted of a violation under 8 U.S.C. Section 1324a (f), the Developer shall repay the amount of the Performance Rebate Payments and any other funds received by the Developer from the City as of the date of such violation within 120 business days after the date the Developer is notified by the City of such violation, plus interest at the rate of six percent compounded annually from the date of violation until paid.

Section 9.13. Non-Collusion. Developer represents and warrants that neither Developer nor anyone on Developer's behalf has given, made, promised or paid, nor offered to give, make, promise or pay any gift, bonus, commission, money or other consideration to any employee, agent, representative or official of the City as an inducement to or in order to obtain the benefits to be provided by the City under this Agreement.

Section 9.14. Time of the Essence. Time is of the essence in the performance of this Agreement. If any deadline contained herein ends on a Saturday, Sunday or a legal holiday recognized by the Texas Supreme Court, such deadline shall automatically be extended to the next day that is not a Saturday, Sunday or legal holiday.

Section 9.15. Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall have the force and effect of any original, as of the Effective Date.

Section 9.16. Default and Claw-Back. (a) The City shall notify the Developer, in writing, of a default by the Developer in complying with the terms and provisions of this Agreement. In the event that the Developer has failed to cure the default(s) within thirty (30) days of receipt of the notice of default (or has failed to commence and diligently pursue such cure within such thirty (30) day period if cure cannot be completed within such thirty (30) day period), the Developer shall promptly reimburse the City for any Performance Rebate Payment received by Developer under this Agreement. Failure on the part of the City to exercise any right contained in this Agreement shall not constitute waiver of any right in the event of any subsequent default, and no waiver shall be effective unless in writing, executed by both the City and the Developer.

(b) In the event the Project does not remain operational through December 31, 2031, Developer shall promptly reimburse the City for any Performance Rebate Payment received by Developer under this Agreement.

Section 9.17. Term. The Term of this Agreement commences on the Effective Date and continues until December 31, 2031, unless sooner terminated by either Party in accordance with the terms of this Agreement, provided that any obligation of Developer to reimburse or repay the City for any obligation to the City otherwise arising under this Agreement shall survive the termination of this Agreement.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

Executed and effective as of the ____ day of _____, 2025.

DEVELOPER

The Owl Icehouse, LLC, a Texas limited liability company

By: _____

Name: _____

Title: _____

CITY

**City of Garland, Texas
a home-rule municipality**

By: _____

Jusdon Rex,
City Manager

Exhibit A
Property Legal Description

Being Lot 1, Block 1, of Jones Downtown Addition, an Addition to the City of Garland, Texas, according to the plat thereof recorded in County Clerk Instrument No. 201300301208, of the Official Public Records of Dallas County, Texas ("Property").

Exhibit B
Concept Plan

- The Owl Icehouse shall be developed within the city owned building located at 519 W. State Street.
- The current glass storefront of the building shall be removed and a new storefront shall be constructed at the first column line within the building to create an open patio adjacent to the existing City sidewalk. The open patio will be approximately 18 feet deep and will encompass approximately 1,600 square feet and will seat approximately 100 customers.
- Behind the open patio shall be the enclosed dining room, bar, a private dining area, an arcade area and a full-service kitchen that, combined, will encompass approximately 6,300 square feet and seat approximately 200 customers.
- The first floor shall include two staircases to the roof of the restaurant where, across the front of the building shall be located an approximate 3,000 square foot rooftop patio, to provide a clear line of sight for parents with children who may be playing on the playgrounds across the street.

CONTRACT OF SALE – REAL PROPERTY

THIS CONTRACT OF SALE (“Contract”) is made and entered into as of the “Effective Date” (as hereinafter defined) by and between **CITY OF GARLAND, TEXAS**, a Texas home-rule municipality (“Seller”) and **The Owl Icehouse LLC**, a Texas limited liability company (“Buyer”).

For and in consideration of the mutual covenants and agreements contained in this Contract and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller agree as follows:

1. **PURCHASE AND SALE**: Seller agrees to sell and convey to Buyer, and Buyer agrees to buy from Seller, the Property (hereinafter defined) for the consideration and upon and subject to the terms, provisions and conditions hereinafter set forth. The “Property” shall mean real property commonly known as **519 State Street, Garland, Dallas County, Texas, and more particularly described as**

Being Lot 1, Block 1, of Jones Downtown Addition, an Addition to the City of Garland, Texas, according to the plat thereof recorded in County Clerk Instrument No. 201300301208, of the Official Public Records of Dallas County, Texas ("Property"),

together with all right, title and interest of Seller, if any, in and to (i) any and all improvements and buildings owned by Seller located on such Property (if any), (ii) any and all singular rights, benefits, privileges, easements, tenements, and appurtenances thereon and pertaining to the Property, including, without limitation, any right, title and interest of Seller in and to adjacent public roadways or public alleys, rights of ingress and egress and any reversionary interests thereto, and (iii) strips and gores between the Property and abutting properties.

2. **CONTRACT SALES PRICE**: The purchase price for the Property shall be **Seven hundred forty thousand and no/100 dollars (\$740,000.00)** (“Sales Price”), payable by Buyer in cash at Closing. “Payable in cash” shall mean by cashier’s check or certified check drawn on a national banking association acceptable to Seller, or by wire transfer of immediately available federal funds (“Immediately Available Funds”). Concurrently, with the execution of this Contract, and as additional consideration for this Contract, Seller and Buyer will execute a Disposition and Development Agreement, attached hereto as Exhibit “A” and incorporated herein for all purposes.

3. **EARNEST MONEY**: Within five (5) business days of the Effective Date, Buyer shall deliver this fully executed Contract to **Teresa Myers, Mutual Title LLC, 2611 N. Belt Line Rd., Ste. 162, Sunnyvale TX 75182, (214) 712-8151** (“Title Company”), as escrow agent, along with an amount equal to **Ten Thousand and 00/100 Dollars (\$10,000.00)** (by Immediately Available Funds) as earnest money, which funds shall be deposited and held by the Title Company in an interest-bearing account, such sum and the interest accrued thereon being hereafter referred to as “Earnest Money”. In the event the transaction contemplated by this Contract is closed, the Earnest Money will be applied in payment of the Sales Price to be paid at Closing. In the event the transaction contemplated by this Contract is not closed, the Earnest Money shall be disbursed in accordance with the provisions of this Contract. If Buyer does not timely deliver the Earnest

Money, or if the Title Company is not immediately able to obtain good funds in respect of the Earnest Money, Seller may, at its option, terminate this Contract. Upon request from the Title Company, Seller and Buyer will enter into such escrow agreement as Escrow Agent may reasonably request and will jointly and severally hold the Title Company harmless with respect to the performance of its duties as escrow agent, except to the extent caused by the gross negligence or willful misconduct of the Title Company.

4. FEASIBILITY STUDY AND INSPECTION:

(a) Seller shall deliver to Buyer within thirty (30) days after the Effective Date any environmental reports pertaining to the Property currently in the possession of Seller ("Diligence Documents"), which Diligence Documents are provided for informational purposes only and shall not be relied upon by or certified to Buyer, and nothing in this Section shall constitute a representation or warranty as to the delivery, accuracy or completeness of any Diligence Documents described herein or otherwise in Seller's possession. Buyer, at its sole cost, liability, and expense, is granted the right to conduct engineering, market and economic feasibility studies of the Property, and/or a physical inspection of the Property, including studies or inspections to determine the existence of any environmental hazards or conditions (collectively, "Feasibility Study") during the period ("Feasibility Period") commencing on the Effective Date and ending at 5:00 p.m., Dallas, Texas time, on that date that is **Thirsty (30) days thereafter**. Parties may agree to extend the Feasibility Period in writing. Buyer or its designated agents may enter upon the Property for purposes of analysis or other tests and inspections which may be deemed necessary by Buyer for the Feasibility Study; provided however,

(b) If Buyer's inspections, investigations, studies or tests disclose the existence of any Hazardous Materials in, on or under the Land, then Buyer may either:

1. Terminate this Contract) by written notice to Seller prior to the expiration of the Feasibility Period, in which event the Earnest Money together with any accrued interest shall be paid or returned Buyer and thereafter this Contract shall terminate and neither party shall have any further obligation or liability to the other under this Contract; or
2. Waive, in writing, its objections to the existence of Hazardous Materials and proceed to closing without adjustment of the Purchase Price.

(c) If this Contract is not terminated in the manner and within the time provided in this Section 4, the condition provided in this Section 4 and any and all objections with respect to the Feasibility Study shall be deemed to have been satisfied and/or waived by Buyer for all purposes, and it shall be conclusively presumed that Buyer (i) has approved the Diligence Documents, any surveys obtained, and the condition of title and condition of the Property, (ii) has acknowledged and agreed that Buyer has been given adequate access to inspect the Property, (iii) has acknowledged that it has the full and complete knowledge necessary to purchase the Property, or has chosen not to obtain the full and complete knowledge, although provided with the opportunity by Seller, and (iv) has conducted, or had the opportunity to conduct, sufficient examination of the building, building envelope, building systems, building grounds, building components and surrounding conditions including but not limited to soils and the environmental condition of the

Property.

(d) The Feasibility Study shall be at Buyer's sole cost and expense. Buyer shall promptly restore the Property, at its sole cost and expense, to its original condition if damaged or changed due to the tests and inspections performed by Buyer, free of any mechanic's or materialman's liens or other encumbrances arising out of any of the inspections or tests. In the event that Buyer terminates this Contract pursuant to this Section 4, or this Contract is terminated due to a default of Buyer, Buyer shall provide Seller, at no cost to Seller, with a copy of the results of any tests and inspections made by Buyer, excluding any market and economic feasibility studies. **BUYER HEREBY INDEMNIFIES, DEFENDS AND HOLDS SELLER HARMLESS FROM ALL CLAIMS, LIABILITIES, DAMAGES, LOSSES, COSTS, EXPENSES (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES), ACTIONS AND CAUSES OF ACTION ARISING OUT OF OR IN ANY WAY RELATING TO THE FEASIBILITY STUDY PERFORMED BY BUYER, ITS AGENTS, CONTRACTORS, SERVANTS AND/OR EMPLOYEES. BUYER FURTHER WAIVES AND RELEASES ANY CLAIMS, DEMANDS, DAMAGES, ACTIONS, CAUSES OF ACTION OR OTHER REMEDIES OF ANY KIND WHATSOEVER AGAINST SELLER FOR PROPERTY DAMAGES OR BODILY AND/OR PERSONAL INJURIES TO BUYER, ITS AGENTS, CONTRACTORS, SERVANTS AND/OR EMPLOYEES ARISING OUT OF THE FEASIBILITY STUDY OR USE IN ANY MANNER OF THE PROPERTY, UNLESS DUE TO THE GROSS NEGLIGENCE OR INTENTIONAL MISCONDUCT OF SELLER, ITS AGENTS, EMPLOYEES AND/OR CONTRACTORS. NOTWITHSTANDING ANYTHING IN THIS CONTRACT TO THE CONTRARY, THE PROVISIONS OF THIS SECTION 4 SHALL SURVIVE THE CLOSING OR ANY TERMINATION OF THIS CONTRACT.**

(e) Buyer shall have the right to extend the Feasibility Period for one (1) period of thirty (30) days ("Extension Period") upon written notice to Seller and deposit into escrow with the Title Company prior to expiration of the Feasibility Period, the sum of **Ten Thousand and 00/100 Dollars (\$10,000.00)** ("Extension Payment"). The Extension Payment shall be deposited with the Title Company and become part of the Earnest Money. The Extension Payment shall be applicable to the Sales Price at Closing.

3. CLOSING: The closing of the sale of the Property to Buyer and consummation of the transaction(s) contemplated by this Contract ("Closing") shall take place at the offices of the Title Company in Sunnyvale, Texas on the date ("Closing Date") no later than ten (10) days after the expiration of the Feasibility Period unless such date is changed in writing by Seller and Buyer. However, notwithstanding anything in this Contract to the contrary, the Closing will be on or before April 30, 2025, unless Seller and Buyer agree to extend the Closing in writing.

(a) At the Closing, Seller shall deliver to Buyer, at Buyer's sole cost and expense, the following:

(i) a duly executed and acknowledged Special Warranty Deed ("Deed") in substantially the same form as shown on Exhibit "A" attached hereto and made a part hereof, conveying good and indefeasible title in fee simple to the Property, free and clear of any and all liens, encumbrances, easements, and assessments, except for the Permitted Exceptions (hereinafter defined) and any others approved by Buyer in writing;

(ii) possession of the Property, upon funding, and subject to the Permitted Exceptions existing at Closing;

(iii) a non-foreign affidavit as permitted by Section 1445 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder;

(iv) evidence of Seller's capacity and authority for the closing of this transaction as may be reasonably required by the Title Company;

(v) such other documents as may be reasonably required to close this transaction, duly executed by Seller.

(b) At the Closing, Buyer shall perform and deliver to Seller, at Buyer's sole cost and expense, the following:

(i) the Sales Price in Immediately Available Funds;

(ii) evidence of Buyer's capacity and authority for the closing of the transaction contemplated herein; and

(iii) such other documents as may be reasonably required to close this transaction duly executed by Buyer.

(c) Seller shall pay all other closing costs, including without limitation, the cost of an owner policy of title insurance, any new or updated survey, recording fees, tax certificate fees, and all escrow fees and title charges.

(d) All ad valorem real estate taxes and assessments levied or assessed against the Property (including, without limitation, any rollback taxes) shall be prorated according to the calendar year as of the Closing Date, based on the most recent tax bill for the Property. Such prorations shall be adjusted after Closing, based upon the actual tax bill. This Section 5(e) shall survive Closing.

4. TITLE APPROVAL:

(a) Title Commitment. Seller shall obtain, at Seller's sole cost and expense, and deliver copies to Seller, a Commitment for Title Insurance ("Commitment"), and legible copies of instruments referenced in the Commitment, within thirty (30) days after the Effective Date.

(b) Survey. Within fifteen (15) days after the Effective Date, Seller will provide Buyer a copy of Seller's most recent survey of the Property. If Seller's existing survey is not satisfactory to Buyer or the Title Company, then Buyer will obtain, and deliver a copy to Seller, a new or updated survey ("Survey") at Buyer's sole cost and expense within thirty (30) days after the Effective Date.

(c) Buyer's Objections. If Buyer has an objection to items disclosed in the Commitment or Survey, Buyer shall have thirty (30) days after receipt of the last of the Commitment and Survey ("Title Objection Deadline"), to give Seller written notice of its objections ("Title Objections"). Buyer will be deemed to have approved all matters reflected by

the Commitment and Survey to which Buyer has made no Title Objection by the Title Objection Deadline, and any exception to the Commitment or Survey not timely objected to by Buyer shall become a Permitted Exception, as set forth below.

(d) Seller's Cure. If Buyer gives timely written notice of any Title Objections, Seller shall have the opportunity, but not an obligation, for thirty (30) days from the date of Seller's receipt of the Title Objections to cure same. If Seller elects to cure a Title Objection, Seller will utilize reasonable diligence to cure such Title Objections, provided however, Seller shall have no obligation to expend any money, to incur any contractual or other obligations, or to institute any litigation in pursuing such efforts. If any Title Objection is not cured within such time period, Buyer shall elect prior to the end of the Feasibility Period as its sole and exclusive remedy to either (a) terminate this Contract, in which case the Earnest Money shall be refunded to Buyer, and neither party shall have any further rights or obligations pursuant to this Contract, other than as set forth herein with respect to rights or obligations which survive termination, or (b) waive the unsatisfied objection (which shall thereupon become a Permitted Exception) and proceed to Closing without reduction of the Sales Price.

(e) Permitted Exceptions. The phrase "Permitted Exceptions" shall mean (i) standard printed exceptions contained in the promulgated form of title policies in Texas; (ii) real estate taxes and assessments not yet due and payable, (iii) documents or agreements contemplated by the terms of this Contract, (iv) matters arising from acts of or at the direction of Buyer, its consultants or any of their respective agents, representatives or employees, and (v) those exceptions to title set forth in the Commitment, Deed, or Survey and which have been accepted or deemed accepted by Buyer. The standard printed exception as to discrepancies, conflicts, or shortages in area and boundary lines, or any encroachments or protrusions, or any overlapping improvements will be amended to read "shortages in area" at the expense of Buyer.

(f) Mandatory Cure Items. Notwithstanding the foregoing and regardless of any applicable Title Objections, (i) Seller agrees to cure prior to or upon Closing any liens affecting the Property created by Seller, other than those created by or on behalf of Buyer, and (ii) voluntary conveyances of interests in the Property by Seller after the Effective Date ("Mandatory Cure Matters"). In no event shall the Mandatory Cure Matters be a Permitted Exception, and if Seller is unable to cure any Mandatory Cure Matters on or before the Closing, then Buyer shall be entitled, as Buyer's sole and exclusive remedy, to terminate this Contract upon written notice to Seller on or before the Closing Date, whereupon the Earnest Money and any and all Extension Payments (if applicable) shall be promptly delivered to Buyer, and all obligations and liabilities of the parties under this Contract shall be discharged and shall be null and void and of no further force or effect (except those that expressly survive the termination of this Contract).

5. BROKER'S FEE: Buyer and Seller represent and warrant to each other that no real estate commissions, finders' fees, or brokers' fees have been or will be incurred in connection with the sale of the Property by Seller to Buyer. Buyer and Seller shall indemnify, defend and hold each other harmless from any claim, liability, obligation, cost or expense (including reasonable attorneys' fees and expenses) for fees or commissions relating to Buyer's purchase of the Property asserted against either party by any broker or other person claiming by, through or under the indemnifying party or whose claim is based on the indemnifying party's acts. The provisions of this Section 5 shall survive the Closing or any termination of this Contract.

6. LIMITATION OF SELLER'S REPRESENTATIONS AND WARRANTIES: EXCEPT AS OTHERWISE SPECIFICALLY STATED IN SECTION 12 OF THIS CONTRACT, AND EXCEPT FOR ANY WARRANTIES CONTAINED IN THE DEED TO BE DELIVERED BY SELLER AT THE CLOSING, SELLER HEREBY SPECIFICALLY DISCLAIMS ANY WARRANTY, GUARANTY OR REPRESENTATION, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, OR CONCERNING (i) THE NATURE AND CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY, AND THE SUITABILITY THEREOF AND OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH BUYER MAY ELECT TO CONDUCT THEREON, AND THE EXISTENCE OF ANY ENVIRONMENTAL HAZARDS OR CONDITIONS THEREON (INCLUDING THE PRESENCE OF ASBESTOS) OR COMPLIANCE WITH ANY OR ALL APPLICABLE LAWS, RULES OR REGULATIONS; AND (ii) THE NATURE AND EXTENT OF ANY RIGHT-OF-WAY, LEASE, POSSESSION, LIEN, ENCUMBRANCE, LICENSE, RESERVATION, CONDITION OR OTHERWISE; AND (iii) THE COMPLIANCE OF THE PROPERTY OR ITS OPERATION IN COMPLIANCE WITH ANY LAWS, ORDINANCES, ORDERS, RULES OR REGULATIONS OF ANY GOVERNMENTAL OR QUASI-GOVERNMENTAL AUTHORITY HAVING JURISDICTION OVER THE PROPERTY OR ANY PORTION THEREOF. BUYER ACKNOWLEDGES THAT IT WILL INSPECT THE PROPERTY AND BUYER WILL RELY SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY SELLER. THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS," "WHERE IS" BASIS AND WITH ALL FAULTS, AND BUYER EXPRESSLY ACKNOWLEDGES THAT, IN CONSIDERATION OF THE AGREEMENTS OF SELLER HEREIN, EXCEPT AS OTHERWISE SPECIFIED IN SECTION 12 HEREIN, AND EXCEPT FOR ANY WARRANTIES CONTAINED IN THE DEED TO BE DELIVERED BY SELLER AT THE CLOSING, SELLER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OR STATUTORY, OR ARISING BY OPERATION OF LAW, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF CONDITION, HABITABILITY, MERCHANTABILITY, TENANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, IN RESPECT OF THE PROPERTY.

The provisions of this Section 6 shall survive the Closing.

7. DEFAULT:

(a) Unless otherwise provided for herein, if the transaction contemplated hereby is not consummated by reason of Buyer's breach or other failure to timely perform all obligations and conditions to be performed by Buyer, and such breach or other failure is not due to default, breach and/or failure by Seller hereunder, then Seller may, as Seller's sole and exclusive remedy, terminate this Contract and receive the Earnest Money as liquidated damages. Buyer and Seller hereby agree that actual damages would be difficult or impossible to ascertain and such amount is a reasonable estimate of the damages for such breach or failure.

(b) If the transaction contemplated hereby is not consummated by reason of Seller's breach or other failure to timely perform all obligations and conditions to be performed by Seller,

such breach or other failure is not cured within ten (10) days of Seller's receipt of written notice of such breach from Buyer, and such breach or other failure is not due to default, breach and/or failure by Buyer hereunder, then Buyer may, as its sole and exclusive remedy, either (i) enforce specific performance of Seller's obligations hereunder, provided that Buyer asserts such claim for specific performance within thirty (30) days from the scheduled Closing Date, or (ii) terminate this Contract and receive the Earnest Money; provided, however, notwithstanding anything to the contrary contained in this Contract, under no circumstances shall Buyer be permitted or entitled to file a claim of lis pendens against the Property. Buyer hereby waives and releases to the greatest extent allowed by law all other claims, causes of action or remedies against Seller arising under or in connection with this Contract, and Seller shall not be liable to Buyer for any type of incidental, punitive, special, exemplary, reliance, indirect or consequential damages, regardless of the foreseeability of such damages. No trustee, beneficiary, director, officer, shareholder, employee, advisor, agent, attorney, or manager in or of Seller (each, a "Seller Party") has any personal liability, directly or indirectly, under this Contract. Buyer and Buyer's successors and assigns and all other interested parties are entitled only to, and shall only look to, Seller's interest in the Property (and the proceeds thereof) for the payment of any claim or for any performance, and Buyer waives all other rights relating thereto. These limitations are in addition to, and not in limitation of, any other Seller limitation of liability.

(c) Except as otherwise expressly provided in this Contract, the rights and remedies set forth in this Section 7 shall be the sole and exclusive remedies available to Seller and Buyer in the event of a breach or default by the other party of this Contract.

8. REPRESENTATIONS AND WARRANTIES OF SELLER: Seller hereby represents to Buyer, that to Seller's current actual knowledge, no special investigation or inquiry having been made:

(a) That the persons executing this Contract on behalf of Seller have full power and authority to execute this Contract, and to bind Seller to the terms hereof;

(b) With the exception of Seller, there are no parties in possession of any portion of the Property;

(c) Seller has, or on or before the Closing Date will have, the corporate power and authority to sell and convey the Property as provided in this Contract and to carry out Seller's obligations hereunder, and that all requisite corporate action necessary to authorize Seller to enter into this Contract and to carry out Seller's obligations hereunder has been, or on or before the Closing Date will have been taken;

(d) Seller has not received written notice of (i) any pending or threatened litigation which would materially and adversely affect the Property, or (ii) governmental proceeding which would materially and adversely affect the Property; and

(e) Seller is not a foreign person, as that term is defined in Section 1445 and 7701 of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder.

(f) If any representation or warranty above is known by Buyer prior to Closing to be

untrue and is not remedied by Seller prior to Closing, Buyer may as Buyer's sole and exclusive remedy, either (i) terminate this Contract whereupon the Earnest Money shall be refunded to Buyer, and neither party shall have any further rights or obligations pursuant to this Contract, other than as set forth herein with respect to rights or obligations which survive termination, or (ii) waive its objections and close the transaction. The foregoing representations and warranties shall not survive the Closing.

9. **CONDEMNATION:** If, prior to the Closing Date, Seller receives written notice that condemnation proceedings are being commenced against any material portion of the Property, then Seller shall promptly notify Buyer of such condemnation, and Buyer shall thereafter have, as its sole and exclusive remedy: (a) the option to terminate this Contract within three (3) business days following receipt of said notice by Seller of such event, in which case the parties shall have no further rights or obligations hereunder except as expressly provided herein, and the Earnest Money shall be returned to Buyer, or (b) if Buyer does not elect to terminate this Contract, this Contract shall remain in full force and effect, and in such event Seller shall assign to Buyer any and all condemnation proceeds of such condemnation of the Property, and Buyer shall take title to the Property with the assignment of such proceeds and subject to such condemnation of the Property without reduction of the Sales Price. If Buyer does not elect to terminate within said three (3) business day period following such notice by Seller, Buyer shall be deemed to have waived all rights to terminate pursuant to this Section 9 and this Contract shall remain in full force and effect.

10. **REPRESENTATIONS AND WARRANTIES OF BUYER:** Buyer represents and warrants to Seller, which representations and warranties shall be deemed made by Buyer to Seller as of the Effective Date and also as of the Closing Date:

(a) Buyer has the full right, power, and authority to purchase the Property as provided in this Contract and to carry out Buyer's obligations hereunder, and that all requisite action necessary to authorize Buyer to enter into this Contract and to carry out Buyer's obligations hereunder has been, or on or before the Closing Date will have been, taken.

(b) There are no actions, suits, claims or other proceedings pending or, to the best of Buyer's knowledge, contemplated or threatened against Buyer that could affect Buyer's ability to perform its obligations when and as required under the terms of this Contract.

(c) Buyer is not, and will not become, a person or entity with whom United States persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control, Department of the Treasury of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons list), or under any statute, executive order (including the September 24, 2002, Executive Order blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit or Support Terrorism) or other governmental action and is not and will not engage in any dealing or transaction or be otherwise associated with such persons or entities.

(d) Notwithstanding anything herein to the contrary, any breach by Buyer of any of the foregoing representations or warranties shall constitute a default by Buyer hereunder, and Seller may thereupon, at its option, terminate this Contract by giving written notice thereof, in which event the Earnest Money shall be paid to Seller as liquidated damages, and neither Buyer nor Seller

shall have any further rights or liabilities hereunder, except as otherwise provided herein.

11. MISCELLANEOUS:

(a) Any notice required or permitted to be delivered hereunder shall be in writing and shall be deemed received (i) when personally delivered, (ii) five (5) days after deposit in the United States mail, postage prepaid, registered or certified mail, return receipt requested, and properly addressed, (iii) when deposited with a nationally recognized overnight courier service, charges prepaid, and properly addressed for delivery on the next business day, or (iv) upon sending the e-mail to the applicable party's designated e-mail address if sent before the close of business, or the next day if sent by e-mail after the close of business; provided, however, that if a notice is sent by e-mail, the party sending the notice also must send, on the date that the e-mail is sent, a confirmation copy of the notice by one of the other methods set forth in this Section 13(a) (or else such e-mail notice is void). For purposes of this subsection, the addresses of each party shall be that set forth below the signature of such party hereto with a copy to the other addressees set forth below the signature of such party. Either party may change its address for notice from time to time by delivery of at least ten (10) days prior written notice of such change to the other party hereto in the manner prescribed herein.

(b) This Contract shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Dallas County, Texas .

(c) This Contract shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, executors, administrators, legal representatives, successors, and permitted assigns.

(d) In case any one or more of the provisions contained in this Contract shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. Furthermore, in lieu of any such invalid, illegal or unenforceable provision there shall be automatically added to this Contract a provision as similar to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

(e) THIS CONTRACT CONSTITUTES THE FINAL AGREEMENT BETWEEN THE PARTIES. IT IS THE COMPLETE AND EXCLUSIVE EXPRESSION OF THE PARTIES' AGREEMENT ON THE MATTERS CONTAINED IN THIS CONTRACT. ALL PRIOR AND CONTEMPORANEOUS NEGOTIATIONS AND AGREEMENTS BETWEEN THE PARTIES ON THE MATTERS CONTAINED IN THIS CONTRACT ARE EXPRESSLY MERGED INTO AND SUPERSEDED BY THIS CONTRACT. THE PROVISIONS OF THIS CONTRACT MAY NOT BE EXPLAINED, SUPPLEMENTED, OR QUALIFIED THROUGH EVIDENCE OF TRADE USAGE OR A PRIOR COURSE OF DEALINGS. IN ENTERING INTO THIS CONTRACT, THE PARTIES HAVE NOT RELIED UPON ANY STATEMENT, REPRESENTATION, WARRANTY, OR AGREEMENT OF THE OTHER PARTY EXCEPT FOR THOSE EXPRESSLY CONTAINED IN THIS CONTRACT. THERE IS NO CONDITION PRECEDENT TO THE EFFECTIVENESS OF THIS CONTRACT OTHER THAN THOSE

EXPRESSLY STATED IN THIS CONTRACT.

(f) The parties may amend this Contract only by a written agreement of the parties that identifies itself as an amendment to this Contract.

(g) Time is of the essence with this Contract.

(h) Words of any gender used in this Contract shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

(i) The parties may execute this Contract in one or more identical counterparts, all of which when taken together will constitute one and the same instrument. The signatures of all of the parties need not appear on the same counterpart, and delivery of an executed counterpart signature page by e-mail is as effective as executing and delivering this Agreement in the presence of the other parties to this Agreement.

(j) Intentionally Deleted.

(k) The parties hereto acknowledge that the parties and their respective counsel have each reviewed and revised this Contract, and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Contract or any amendments or exhibits hereto.

(l) Whenever any determination is to be made or action to be taken on a date specified in this Contract, if such date shall fall upon a Saturday, Sunday or holiday observed by federal savings banks in the State of Texas, the date for such determination or action shall be extended to the first business day immediately thereafter.

(m) Except as to those obligations which specifically survive the Closing, all of Seller's other obligations hereunder shall merge with the Deed.

12. ASSIGNMENT: Buyer may not assign this Contract to any party or entity, without Seller's prior written consent, which consent may be withheld in Seller's sole and absolute discretion. Notwithstanding anything in this Section 12 to the contrary, Buyer may assign this Contract without Seller's consent to: (i) any entity controlling, controlled by or under common control with Buyer; and (ii) any successor or newly created entity in the event of a merger or consolidation involving Buyer; provided, however, that in the event of such an assignment, Buyer shall not be relieved of its obligations hereunder. Buyer shall notify Seller of any assignment no later than ten (10) business days prior to the Closing Date. Seller reserves the unilateral right, exercisable in Seller's sole discretion at any time prior to the Closing Date without the necessity of obtaining Buyer's consent, to convey the Property to an affiliate of Seller ("Permitted Assignee"). The Permitted Assignee shall expressly assume in writing all of Seller's duties and obligations under this Contract, and the original party designated as the Seller shall thereafter be released from all duties and obligations hereunder. Buyer agrees to close the transaction contemplated herein with the Permitted Assignee, subject to the terms and conditions of this Contract.

13. NONREFUNDABLE CONSIDERATION: Notwithstanding anything seemingly to the

contrary contained herein, if the Earnest Money is returned to Buyer for any reason other than due to Seller's default hereunder, the sum of \$100.00 shall be retained by Seller as independent consideration ("Independent Consideration") for Seller's agreement to sell the Property to Buyer in accordance with the terms and conditions provided herein. The Independent Consideration shall be applied against the Sales Price at Closing.

14. **WAIVER OF CONSUMER RIGHTS:** BUYER, AFTER CONSULTATION WITH AN ATTORNEY OF ITS OWN SELECTION (WHICH COUNSEL WAS NOT DIRECTLY OR INDIRECTLY IDENTIFIED, SUGGESTED OR SELECTED BY SELLER OR ANY AGENT OF SELLER) HEREBY VOLUNTARILY WAIVES ITS RIGHTS UNDER THE DECEPTIVE TRADE PRACTICES - CONSUMER PROTECTION ACT (SECTION 17.41, *ET SEQ.*, BUSINESS AND COMMERCE CODE), A LAW THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS. BUYER HEREBY ACKNOWLEDGES TO SELLER THAT BUYER AND SELLER ARE NOT IN A SIGNIFICANTLY DISPARATE BARGAINING POSITION.

15. **NOTICE REGARDING POSSIBLE LIABILITY FOR ADDITIONAL TAXES:** If for the current ad valorem tax year, the taxable value of the Property is determined by a special appraisal method that allows for appraisal of the Property at less than its market value, the person to whom the land is transferred may not be allowed to qualify the Property for that special appraisal in a subsequent year, and the Property may then be appraised at its full market value. In addition, the transfer of the Property or a subsequent change in the use of the Property may result in the imposition of an additional tax plus interest as a penalty for the transfer or the change in use of the Property. The taxable value of the Property and the applicable method of appraisal for the current tax year is public information and may be obtained from the tax appraisal district established for the county in which the Property is located.

16. **TENANTS:** Seller must relocate any tenants of the Property at its sole cost, expense, and liability prior to Closing.

17. **EFFECTIVE DATE:** The "Effective Date" of this Contract shall be the date an original of this Contract (or original counterparts of this Contract) are executed by both Seller and Buyer.

18. **WAIVER OF JURY TRIAL:** EACH PARTY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ITS RIGHT TO A TRIAL BY JURY TO THE EXTENT PERMITTED BY LAW IN ANY ACTION OR OTHER LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS CONTRACT AND THE TRANSACTIONS IT CONTEMPLATES. THIS WAIVER APPLIES TO ANY ACTION OR OTHER LEGAL PROCEEDING, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE. EACH PARTY ACKNOWLEDGES THAT IT HAS RECEIVED THE ADVICE OF COMPETENT COUNSEL.

[Signature page to follow]

IN WITNESS WHEREOF, the parties have executed this Contract to be effective as of the Effective Date.

BUYER:

THE OWL ICEHOUSE, LLC

By: _____

Name:

Title:

Email:

Date: _____, 2025

Address:

110 E. Louisiana Street
McKinney, TX 75069

SELLER:

CITY OF GARLAND, TEXAS

By: _____

Name: Judson Rex

Title: City Manager

Date: _____, 2025

Address:

PO Box 469002
Garland, Texas
Attention: Jud Rex
jrex@garlandtx.gov

TITLE COMPANY:

Receipt of \$10,000.00 Earnest Money is
acknowledged in the form of

MUTUAL TITLE COMPANY

By: _____

Name: _____

Title: _____

Date Signed: _____, 20__

EXHIBITS:

- Exhibit "A" - Disposition and Development Agreement
- Exhibit "B" - Special Warranty Deed

EXHIBIT “B”
(DEED)

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER’S LICENSE NUMBER.

SPECIAL WARRANTY DEED

That **CITY OF GARLAND, TEXAS**, a Texas home-rule municipality (“Grantor”), for and in consideration of the sum of Ten Dollars (\$10.00) and other valuable consideration paid to Grantor by THE OWL ICEHOUSE, LLC, a Texas limited liability company (“Grantee”), whose address is 110 E. Louisiana Street, McKinney, TX 75069, the receipt of which is hereby acknowledged, has GRANTED, SOLD AND CONVEYED, and by these presents does GRANT, SELL AND CONVEY unto Grantee, all of the real property in Dallas County, Texas, which is more particularly described on **Exhibit “A”** attached hereto and made a part hereof for all purposes, together with all right, title and interest of Seller, if any, in and to (i) any and all improvements and buildings owned by Seller located on such Property (if any), (ii) any and all singular rights, benefits, privileges, easements, tenements, and appurtenances thereon and pertaining to the Property, including, without limitation, any right, title and interest of Seller in and to adjacent public roadways or public alleys, rights of ingress and egress and any reversionary interests thereto, and (iii) strips and gores between the Property and abutting properties., (collectively, “Property”).

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereto in anywise belonging, unto Grantee, and Grantee’s successors and assigns forever; and Grantor does hereby bind itself, its successors and assigns to WARRANT AND FOREVER DEFEND, all and singular, the Property unto Grantee, and Grantee’s successors and assigns, against every person whomsoever lawfully claiming or to claim the Property or any part thereof, by, through or under Grantor, but not otherwise.

Effective as of the ____ day of _____, 2025.

GRANTOR:

CITY OF GARLAND, TEXAS

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT:

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, a Notary Public in and for the County and State aforesaid, on this day personally appeared **Scott LeMay**, known to me to be the person whose name is subscribed to the foregoing instrument for and as mayor of **CITY OF GARLAND, TEXAS**; and acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of said company, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this ____ day of _____, 2025.

Notary Public in and for Dallas County, Texas

EXHIBIT "A" TO DEED
(Legal Description)

Being Lot 1, Block 1, of Jones Downtown Addition, an Addition to the City of Garland, Texas, according to the plat thereof recorded in County Clerk Instrument No. 201300301208, of the Official Public Records of Dallas County, Texas.



GARLAND
CITY COUNCIL STAFF REPORT

City Council Work Session

7.

Meeting Date: 03/17/2025
Title: Administrative Services Committee Report
Submitted By: Phillip Urrutia, Assistant City Manager
Strategic Focus Area: Sound Governance and Finances

Issue/Summary

Annual Review of Homestead and Senior Tax Exemptions

Deputy Mayor Pro Tem Margaret Lucht, Chair of the Administrative Services Committee, along with staff, will present options recommended at the February 27, 2025 Administrative Services Committee Meeting.

Background

The briefing will provide City Council with updates concerning the Administrative Services Committee agenda item recently discussed.

Consideration / Recommendation

Unless otherwise directed by Council, this item will be marked as complete on the Administrative Services Committee Pending Items List.



GARLAND
CITY COUNCIL STAFF REPORT

City Council Work Session

8.

Meeting Date: 03/17/2025

Title: Legislative & Public Affairs Committee Report

Submitted By: Letecia McNatt, Assistant to the City Manager

Issue/Summary

Councilmember BJ Williams, Chair of the Legislative & Public Affairs Committee, and staff will provide a committee report. Ariel Traub, Managing Director of Legislative & Public Affairs, will discuss the 89th legislative session thus far, bills filed related to transportation that could have potential impacts on the City of Garland, and qualified hotel project and bill draft language.

Background

The briefing will provide City Council with updates concerning Legislative & Public Affairs Committee agenda items recently discussed.

Consideration / Recommendation

Unless otherwise directed by Council, these items will remain open on the pending items list as discussions continue during the 89th Legislative Session.
