

**NOTICE OF A SPECIAL CALLED MEETING/WORKSESSION
OF THE GOVERNING BODY
OF THE CITY OF MIDLOTHIAN, TEXAS
TUESDAY, JANUARY 5, 2021**

Pursuant to the provisions of Chapter 551 VTCA Government Code, notice is hereby given of a Special Called Meeting of the Midlothian City Council, to be held in the City Council Chambers at Midlothian City Hall, 104 W. Avenue E, Midlothian, Texas.

Although our City Council meetings are open to the public, space is limited and those attending in person are asked to social distance, to the best of their ability, from other members of the public, City Council and City staff. Wearing a face covering is highly recommended. Citizens not attending in person, but wishing to address the City Council, may submit comments on any topic or agenda item electronically by utilizing the Citizen Participation Form on our website at www.midlothian.tx.us/Participate. All forms must be received by 5:00 p.m. on the date of the meeting and will be provided for the record.

REGULAR AGENDA 6:00 p.m.

Call to Order, Invocation, Pledge of Allegiance

- 2021-001 Citizens to be heard - *The City Council invites citizens to address the Council on any topic not already scheduled for a Public Hearing. Citizens wishing to speak should complete a "Citizen Participation Form" and present it to the City Secretary prior to the meeting. Speakers are limited to 3 minutes. In accordance with the Texas Open Meetings Act, the City Council cannot take action on items not listed on the agenda. However, your concerns may be addressed by City Staff, placed on a future agenda, or responded to by some other course.*
- 2021-002 Consider and act upon the First Amendment to Chapter 380 Economic Development Performance Agreement between the City of Midlothian and Methodist Hospitals of Dallas d/b/a Methodist Health System.
- 2021-003 Consider and act upon a recommendation from Midlothian Economic Development and Midlothian Community Development Corporation granting the First Amendment to MED and MCDC Economic Development Incentive Agreement among Midlothian Economic Development, Midlothian Community Development Corporation, and Methodist Hospitals of Dallas d/b/a Methodist Health System.

WORKSHOP AGENDA

- 2021-004 Review and discuss the proposed bond propositions for the May 1, 2021 election and direct staff as necessary.
- 2021-005 Review and discuss the current solid waste and recycling collection service agreement and direct staff as necessary.
- 2021-006 Adjourn

I, Mary McDonald, Deputy City Secretary of the City of Midlothian, Texas, do hereby certify that this Notice of Meeting was posted on the front window of City Hall, 104 West Avenue E, Midlothian, Texas, at a place readily accessible to the general public at all times, no later than the 31st day of December, 2020 at or before 6:00pm.



Mary McDonald, Deputy City Secretary

**This facility is wheelchair accessible and accessible parking spaces are available.
Requests for reasonable accommodations must be made 48 hours prior to this meeting.
Please contact the City Secretary at 775-3481 for further information.**



AGENDA ITEM 2021-001

AGENDA CAPTION:

Citizens to be heard - The City Council invites citizens to address the Council on any topic not already scheduled for a Public Hearing. Citizens wishing to speak should complete a "Citizen Participation Form" and present it to the City Secretary prior to the meeting. Speakers are limited to 3 minutes. In accordance with the Texas Open meetings Act, the City Council cannot take action on items not listed on the agenda. However, your concerns may be addressed by City Staff, placed on a future agenda, or responded to by some other course.

ITEM SUMMARY/BACKGROUND:

Citizens who have registered with the City Secretary may address Council with comments and/or concerns.

SPECIAL CONSIDERATION:

N/A

FINANCIAL IMPACT/FUNDING SOURCE:

N/A

ATTACHMENTS:

N/A

ALTERNATIVES:

N/A

RECOMMENDATION:

N/A



AGENDA ITEM 2021-002

AGENDA CAPTION: Consider and act upon the First Amendment to Chapter 380 Economic Development Performance Agreement between the City of Midlothian and Methodist Hospitals of Dallas dba Methodist Health System.

ITEM SUMMARY/BACKGROUND: The City Council entered into a Chapter 380 Economic Development Performance Agreement (“Agreement”) with Methodist Hospitals of Dallas d/b/a Methodist Health System (“MHS”) that was last executed on August 14, 2018. According to the Incentive Agreement, MHS agreed to construct a 190,000 square foot hospital, 40,000 square foot physician office space building 1, 80,000 square foot physician office space building 2, and 5,000 square foot outpatient care facility.

Due to circumstances related to COVID-19, beyond the reasonable control of MHS, the construction schedule for the faculty and occupancy recruitments have been delayed. MHS is requesting an adjustment to the completion date outlined for Phase 1-A. Additionally, office space building 1 was modified to be 45,000 square feet in 2 stories which is slightly different from what was outlined in the Incentive Agreement.

The First Amendment to Chapter 380 Economic Development Performance Agreement (First Amendment) was created to extend the completion deadline for Phase 1-A from January 5, 2021 to December 31, 2021 and to modify the definition of office space building 1 to 45,000 square feet.

SPECIAL CONSIDERATION: Midlothian Economic Development (“MED”) and Midlothian Community Development Corporation (“MCDC”) also have a similar agreement with MHS. The MED and MCDC have voted to approve an amendment for their agreement which includes similar terms.

FINANCIAL IMPACT/FUNDING SOURCE: The First Amendment will enable MHS to receive the grants outlined in the Agreement. No payments will be made until MHS has successfully completed Phase 1-A outlined in the Agreement.

ATTACHMENTS: The First Amendment to Chapter 380 Economic Development Performance Agreement

ALTERNATIVES: Approve, deny, amend or table.

RECOMMENDATION: Staff recommends approval.

SUBMITTED BY and TO BE PRESENTED BY:

Kyle Kinateder, President/CEO, Midlothian Economic Development for the Tuesday, January 5, 2021 City Council Meeting.

A handwritten signature in blue ink, appearing to be "K. Kinateder", written over a light blue horizontal line.

REVIEWED BY:



Mary McDonald, Deputy City Secretary

APPROVED BY:



Chris Dick, City Manager

**FIRST AMENDMENT TO
CHAPTER 380 ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT**

This FIRST AMENDMENT TO CHAPTER 380 ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT (this “First Amendment”) is made and entered into as of the 5th day of January, 2021, by and between the City of Midlothian, Texas, a municipal corporation organized and existing pursuant to the laws of the State of Texas (the “City”), and Methodist Hospitals of Dallas d/b/a Methodist Health System, a 501(c)(3) Texas non-profit corporation (the “Company”) (each a “Party” and collectively the “Parties”), acting by and through their respective authorized representatives.

RECITALS

WHEREAS, the City and Company entered into a certain “Chapter 380 Economic Development Performance Agreement” on August 14, 2018 (the “Agreement”); and

WHEREAS, pursuant to the Agreement, the Company agreed to construct, over four phases, an approximately 190,000 square foot, 5-story hospital (“Hospital”), as well as an approximately 40,000 square foot, 3-story physician office space building, with supporting medical uses, (“MOB1”), an approximately 80,000 square foot, 4-story physician office space building, with supporting medical uses, (“MOB2”), an approximately 5,000 square foot outpatient care facility (“OCF”) (collectively the “Facility”); and

WHEREAS, pursuant to the Agreement, the Company was to cause Completion of Construction, as that term is defined in the Agreement, of Phase 1-A of the MOB1 building to occur by January 5, 2021, with the opening of the MOB1 for the treatment of patients and conducting of business at least thirty-three percent (33%) of the leasable square footage of MOB1; and

WHEREAS, after final consideration and planning, the Company constructed MOB1 as an approximately 45,000 square feet, 2-story physician office space building rather than the 40,000 square foot, 3-story building originally planned; and

WHEREAS, due to circumstances related to COVID-19, beyond the reasonable control of the Company, the construction schedule for the Facility, and the occupancy requirements, have been delayed and the Company has requested an adjustment to the completion date of Phase 1-A, and the Agreement allows the City and the Company to approve extensions in the performance schedule; and

WHEREAS, pursuant to the Agreement, the City will provide certain financial incentives upon the Completion of Construction of Phase 1-A, and upon the compliance and satisfaction of each of the terms and conditions of the Agreement by the Company; and

WHEREAS, the Parties desire to amend the Agreement as more particularly set forth below.

NOW, THEREFORE, for and in consideration of the Recitals, and for good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, the Parties do herein and hereby covenant and agree one with the other as follows:

1. **Recitals and Capitalized Terms.** The foregoing Recitals are true and correct and are hereby incorporated into this First Amendment for all purposes. All capitalized terms used but not specifically defined in this First Amendment shall have the same meanings as in the Agreement unless otherwise stated.

2. **Amendment to Recitals.** The Agreement is amended by replacing the second whereas clause as follows in order to amend the definition of MOB1:

WHEREAS, the Company intends to construct, or cause construction of, on the Property an approximately 190,000 square foot, 5 story hospital (“Hospital”), as well as an approximately 45,000 square foot, 2-story physician office space building, with supporting medical uses, (“MOB1”), an approximately 80,000 square foot, 4-story physician office space building, with supporting medical uses, (“MOB2”), an approximately 5,000 square foot outpatient care facility (“OCF”), and other ancillary facilities, such as required parking, lighting and landscaping, (collectively the Hospital, MOB1, MOB2 and OCF, the “Facility”) as generally depicted on the concept plan attached hereto as Exhibit “B” (“Concept Plan”) (the final building site plan(s) for the Facility shall be as approved by the City in accordance with City ordinances (“Site Plan”)); and

3. **Amendment to Article II, Section 2.1(C).** The Agreement is amended to extend the completion deadline for Phase 1-A from January 5, 2021 to December 31, 2021 as shown below:

PHASE	COMPLETION DEADLINE
Phase 1-A	December 31, 2021
Phase 1-B	January 7, 2026
Phase 2	October 1, 2027
Phase 3	October 1, 2030

4. **Miscellaneous.**

- (a) Except as expressly set forth in this First Amendment, the terms of the Agreement remain unchanged and in full force and effect.
- (b) In the event of any conflict between the meaning of any provision of this First Amendment and any provision of the Agreement, the provision(s) of this First Amendment shall control.
- (c) This First Amendment may be executed in counterparts and when so executed by the Parties, each such counterpart will be deemed an original and all of which together shall constitute one and the same document. Counterpart signatures that are transmitted electronically shall be deemed effective for all purposes.

Signature Page Follows

IN WITNESS WHEREOF, the Parties hereto have duly executed this First Amendment to be effective as of the date and year first above written.

City:

The City of Midlothian, Texas, a municipal corporation

By: _____
Richard Reno, Mayor

Methodist Health System

By: _____
James C. Scoggin, Jr., CEO



AGENDA ITEM 2021-003

AGENDA CAPTION: Consider and act upon a recommendation from Midlothian Economic Development and Midlothian Community Development Corporation granting the First Amendment to MED and MCDC Economic Development Incentive Agreement among Midlothian Economic Development, Midlothian Community Development Corporation, and Methodist Hospitals of Dallas d/b/a Methodist Health System.

ITEM SUMMARY/BACKGROUND: Midlothian Economic Development (“MED”) and Midlothian Community Development Corporation (“MCDC”) entered into an Economic Development Incentive Agreement (“Incentive Agreement”) with Methodist Hospitals of Dallas d/b/a Methodist Health System (“MHS”) that was last executed on August 20, 2018. According to the Incentive Agreement, MHS agreed to construct a 190,000 square foot hospital, 40,000 square foot physician office space building 1, 80,000 square foot physician office space building 2, and 5,000 square foot outpatient care facility.

Due to circumstances related to COVID-19, beyond the reasonable control of MHS, the construction schedule for the faculty and occupancy recruitments have been delayed. MHS is requesting an adjustment to the completion date outlined for Phase 1-A. Additionally, office space building 1 was modified to be 45,000 square feet in 2 stories which is slightly different from what was outlined in the Incentive Agreement.

The First Amendment to MED and MCDC Economic Development Incentive Agreement (First Amendment) was created to extend the completion deadline for Phase 1-A from January 5, 2021 to December 31, 2021 and to modify the definition of office space building 1 to 45,000 square feet.

SPECIAL CONSIDERATION: The MED and MCDC are non-profit industrial development corporation duly established under the Development Corporation Act of 1979, as defined in Tex. Loc. Govt. Code Section 501.001.

FINANCIAL IMPACT/FUNDING SOURCE: The First Amendment will enable MHS to receive the grant outlined in the Incentive Agreement. No payments will be made until MHS has successfully completed Phase 1-A outlined in the Incentive Agreement.

ATTACHMENTS: First Amendment to MED and MCDC Economic Development Incentive Agreement

ALTERNATIVES: Approve, deny, amend or table.

RECOMMENDATION: The MED Board of Directors met on December 8, 2020 and the MCDC Board of Directors met on December 14, 2020 to consider, discuss, and act on this item and to provide a formal recommendation to the City Council to approve the program and expenditures. The MED motion passed 6-0. The MCDC motion passed 6-0.

SUBMITTED BY and TO BE PRESENTED BY:

Kyle Kinateder, President/CEO, Midlothian Economic Development for the Tuesday, January 5, 2021
City Council Meeting



REVIEWED BY:



Mary McDonald, Deputy City Secretary

APPROVED BY:



Chris Dick, City Manager

**FIRST AMENDMENT TO
MED AND MCDC ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT**

This FIRST AMENDMENT TO ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT (this “First Amendment”) is made and entered into as of the 8th day of December, 2020, by and between Midlothian Economic Development (the “MED”), a Texas nonprofit corporation that is a “Type A” economic development corporation pursuant to Chapter 504 of the Texas Local Government Code, Midlothian Community Development Corporation, a Texas nonprofit corporation that is a “Type B” economic development corporation pursuant to Chapter 505 of the Texas Local Government Code (the “MCDC”) and Methodist Hospitals of Dallas d/b/a Methodist Health System, a 501(c)(3) Texas non-profit corporation (the “Company”) (each a “Party” and collectively the “Parties”), acting by and through their respective authorized representatives.

RECITALS

WHEREAS, the MED, MCDC and Company entered into a certain “Economic Development Incentive Agreement” last executed on August 20, 2018 (the “Agreement”); and

WHEREAS, pursuant to the Agreement, the Company agreed to construct, over four phases, an approximately 190,000 square foot, 5-story hospital (“Hospital”), as well as an approximately 40,000 square foot, 3-story physician office space building, with supporting medical uses, (“MOB1”), an approximately 80,000 square foot, 4-story physician office space building, with supporting medical uses, (“MOB2”), an approximately 5,000 square foot outpatient care facility (“OCF”) (collectively the “Facility”); and

WHEREAS, Completion of Construction, as that term is defined in the Agreement, of Phase 1-A of the MOB1 building is to occur by January 5, 2021, with the opening of the MOB1 for the treatment of patients and conducting of business at least thirty-three percent (33%) of the leasable square footage of MOB1; and

WHEREAS, after final consideration and planning, the Company constructed MOB1 as an approximately 45,000 square feet, 2-story physician office space building rather than the 40,000 square foot, 3-story building originally planned; and

WHEREAS, due to circumstances related to COVID-19, beyond the reasonable control of the Company, the construction schedule for the Facility, and the occupancy requirements, have been delayed and the Company has requested an adjustment to the completion date of Phase 1-A, and the Agreement allows the MED and MCDC to approve extensions in the performance schedule; and

WHEREAS, pursuant to the Agreement, MED and MCDC will provide certain financial incentives upon the Completion of Construction of Phase 1-A, and upon the compliance and satisfaction of each of the terms and conditions of the Agreement by the Company, including those specifically outlined in Article IV, “Conditions to Grant Payments”, of the Agreement; and

WHEREAS, the Parties desire to amend the Agreement as more particularly set forth below.

NOW, THEREFORE, for and in consideration of the Recitals, and for good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, the Parties do herein and hereby covenant and agree one with the other as follows:

1. **Recitals and Capitalized Terms.** The foregoing Recitals are true and correct and are hereby incorporated into this First Amendment for all purposes. All capitalized terms used but not specifically defined in this First Amendment shall have the same meanings as in the Agreement unless otherwise stated.

2. **Amendment to Recitals.** The Agreement is amended by replacing the second whereas clause as follows in order to amend the definition of MOB1:

WHEREAS, the Company intends to construct, or cause construction of, on the Property an approximately 190,000 square foot, 5 story hospital (“Hospital”), as well as an approximately 45,000 square foot, 2-story physician office space building, with supporting medical uses, (“MOB1”), an approximately 80,000 square foot, 4-story physician office space building, with supporting medical uses, (“MOB2”), an approximately 5,000 square foot outpatient care facility (“OCF”), and other ancillary facilities, such as required parking, lighting and landscaping, (collectively the Hospital, MOB1, MOB2 and OCF, the "Facility") as generally depicted on the concept plan attached hereto as Exhibit “B” (“Concept Plan”) (the final building site plan(s) for the Facility shall be as approved by the City in accordance with City ordinances ("Site Plan")); and

3. **Amendment to Article III, Section 3.1(C).** The Agreement is amended to extend the completion deadline for Phase 1-A from January 5, 2021 to December 31, 2021 as shown below:

PHASE	COMPLETION DEADLINE	MED GRANT	MCDC GRANT
Phase 1-A	December 31, 2021	\$1,500,000	\$1,500,000
Phase 1-B	January 7, 2026	\$250,000	\$250,000
Phase 2	October 1, 2027	\$400,000	\$400,000
Phase 3	October 1, 2030	\$100,000	\$100,000
TOTAL:		\$2,250,000	\$2,250,000

4. **Miscellaneous.**

- (a) Except as expressly set forth in this First Amendment, the terms of the Agreement remain unchanged and in full force and effect.
- (b) In the event of any conflict between the meaning of any provision of this First Amendment and any provision of the Agreement, the provision(s) of this First Amendment shall control.
- (c) This First Amendment may be executed in counterparts and when so executed by the Parties, each such counterpart will be deemed an original and all of which together shall constitute one and the same document. Counterpart signatures that are transmitted electronically shall be deemed effective for all purposes.

IN WITNESS WHEREOF, the Parties hereto have duly executed this First Amendment to be effective as of the date and year first above written.

Midlothian Economic Development

By: _____
Kyle Kinatader, President/CEO

Midlothian Community Development Corporation

By: _____
Alyn Nix, President

Methodist Health System

By: _____
James C. Scoggin, Jr., CEO