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RESOLUTION NO. 14-91

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, APPROVING THE TERMS AND CONDITIONS OF AN AGREEMENT BY AND BETWEEN THE CITY OF MESQUITE, TEXAS, THE MESQUITE INDEPENDENT SCHOOL DISTRICT, AND THE MEDICAL CENTER OF MESQUITE AND AUTHORIZING ITS EXECUTION BY THE MAYOR; AND PROVIDING AN EFFECTIVE DATE THEREOF.

WHEREAS, the City Council has been presented a proposed Agreement by and between the City of Mesquite, Texas, the Mesquite Independent School District, and The Medical Center of Mesquite, has established Reinvestment Zone No. Four in the City of Mesquite, Texas, and has determined to enter into a commercial/industrial tax abatement agreement with The Medical Center of Mesquite, a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference (hereinafter called "Agreement"); and

WHEREAS, upon full review and consideration of the Agreement, and all matters attendant and related thereto, the City Council is of the opinion that the terms and conditions thereof should be approved, and that the Mayor, shall be authorized to execute it on behalf of the City of Mesquite;

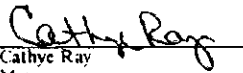
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS:

SECTION 1. The terms and conditions of the Agreement having been reviewed by the City Council of the City of Mesquite and found to be acceptable and in the best interests of the City of Mesquite and its citizens, are hereby in all things approved.


SECTION 2. The Mayor is hereby authorized to execute the Agreement and all other documents in connection therewith on behalf of the City of Mesquite, substantially according to the terms and conditions set forth in the Agreement.

SECTION 3. That this resolution shall take effect from and after its passage, as in the Charter in such cases is made and provided.

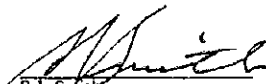
DULY RESOLVED by the City Council of the City of Mesquite, Texas, on the 20th day of May, 1991.

  
Cathy Ray  
Mayor

ATTEST:

  
Lynd Prugel  
City Secretary

APPROVED:

  
B.J. Smith  
City Attorney

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THE STATE OF TEXAS  
COUNTY OF DALLAS

### AGREEMENT

This Agreement is entered into by and between the City of Mesquite, Texas, a home rule city and municipal corporation of Dallas County, Texas, duly acting herein by and through its Mayor (hereinafter referred to as City); Mesquite Independent School District duly acting herein by and through its Board President, (hereinafter referred to as MISD); and The Medical Center of Mesquite, duly acting by and through its Chief Executive Officer, (hereinafter referred to as OWNER).

#### WITNESSETH:

WHEREAS, on the 20th day of May, 1991, the City Council of the City of Mesquite, Texas, passed Ordinance No. 2746 establishing Reinvestment Zone No. Four, City of Mesquite, Texas for commercial/industrial tax abatement, hereinafter referred to as the ORDINANCE, as authorized by Chapter 312, Texas Property Tax Code, as amended, hereinafter referred to as STATUTE; and

WHEREAS, the CITY has adopted by Resolution (No. 7-88), Criteria and Guidelines governing tax abatement reinvestment zones and agreements (the "CRITERIA"); and

WHEREAS, the CRITERIA constitutes appropriate guidelines and criteria governing tax abatement agreements to be entered into by the CITY as contemplated by the STATUTE; and

WHEREAS, the CITY has adopted a resolution (Resolution No. 9-88) stating that it elects to be eligible to participate in tax abatement; and

WHEREAS, the CITY desires to participate in tax abatement to maintain and/or enhance the commercial/industrial economic and employment base of the Mesquite area to the long term interest and benefit of the CITY and MISD, in accordance with said ORDINANCE and STATUTE; and

WHEREAS, the contemplated use of the PREMISES, as hereinafter defined, the contemplated improvements to the PREMISES in the amount as set forth in this Agreement, and the other terms hereof are consistent with encouraging development of said Reinvestment Zone No. Four in accordance with the purposes for its creation and are in compliance with the CRITERIA and the ORDINANCE and similar guidelines and criteria adopted by the CITY and all applicable law;

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NOW THEREFORE, the parties hereto do mutually agree as follows:

1. The property to be the subject of this Agreement shall be that property described by metes and bounds and map attached hereto as EXHIBITS "A" and "B" and made a part hereof and shall be hereinafter referred to as PREMISES.

2. The OWNER shall complete its expansion project on the PREMISES (hereinafter referred to as IMPROVEMENTS) with a total investment of five million dollars (\$5,000,000), and a net increase of at least two million (\$2,000,000) dollars in taxable value and substantially complete same on or about January 1993; provided, that OWNER shall have such additional time to complete the IMPROVEMENTS as may be required in the event of a "force majeure" if OWNER is diligently and faithfully pursuing completion of the IMPROVEMENTS. For this purpose, "force majeure" shall mean any contingency or cause beyond the reasonable control of OWNER including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, governmental or de facto governmental action (unless caused by acts or omission of OWNER), fire, explosions or floods, and strikes. The date of completion of the IMPROVEMENTS shall be defined as the date a Certificate of Occupancy is issued by the City of Mesquite.

3. The OWNER agrees and covenants that it will diligently and faithfully in a good and workmanlike manner pursue the completion of the IMPROVEMENTS as a good and valuable consideration of this AGREEMENT. OWNER further covenants and agrees that all construction of the IMPROVEMENTS will be in accordance with all applicable state and local laws and regulations or valid waiver thereof. In further consideration, OWNER shall thereafter, from the date a Certificate of Occupancy is issued until the expiration of the Agreement, continuously operate and maintain the PREMISES as The Medical Center of Mesquite.

4. In the event that: (1) the IMPROVEMENTS for which an abatement has been granted are not completed in accordance with this Agreement; or (2) OWNER allows its ad valorem taxes owed the CITY and MISD to become delinquent and fails to timely and properly follow the legal procedures for protest and/or contest of any such ad valorem taxes; or (3) OWNER breaches any of the terms or conditions of this Agreement, then this Agreement shall be default. In the event that the OWNER defaults in its performance of (1), (2) or (3) above, then the CITY or MISD shall give the OWNER written notice of such default and if the OWNER

has not cured such default within thirty (30) days of said written notice, or, if such default cannot be cured by the payment of money and cannot with due diligence be cured within a 90-day period owing to causes beyond the control of the OWNER, this Agreement may be terminated by the CITY or MISD or the abatement extended by this agreement may be reduced in percentage of taxes to be abated and/or period during which abatement is to be extended by revision of this agreement as may be determined by the City and MISD to be reasonable abatement based upon partial performance by the Owner. Notice shall be in writing and shall be delivered by personal delivery or certified mail to the Chief Executive Officer of The Medical Center of Mesquite, 1011 North Galloway, Mesquite, Texas. As liquidated damages in the event of default, all taxes which otherwise would have been paid to the CITY and MISD without the benefit of abatement (but without the addition of penalty; interest will be charged at the statutory rate for delinquent taxes as determined by Section 33.01 of the Property Tax Code of the State of Texas) will become a debt to the CITY and MISD and shall be due, owing and paid to the CITY and MISD within sixty (60) days of the expiration of the above-mentioned applicable cure period.

5. The CITY and the MISD each represent and warrant that the PREMISES do not include any property that is owned by a member of their respective councils or boards, agencies, commissions, or other governmental bodies approving, or having responsibility for the approval of, this Agreement.

6. The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto. This Agreement cannot be assigned by OWNER other than to wholly-owned subsidiary of OWNER unless written permission is first granted by the CITY and MISD, which permission shall be at the sole discretion of the CITY and MISD.

7. It is understood and agreed between the parties that the OWNER, in performing its obligations hereunder, is acting independently, and the CITY and MISD assume no responsibilities or liabilities in connection therewith to third parties and OWNER agrees to indemnify and hold harmless therefrom.

8. The OWNER further agrees that the CITY and MISD, their agents and employees, shall have reasonable right of access to the PREMISES to inspect the IMPROVEMENTS in order to insure that the construction of the IMPROVEMENTS are in accordance with this Agreement and all applicable state and local laws and regulations or valid waiver thereof. After completion of the IMPROVEMENTS, the CITY and MISD

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shall have the continuing right to inspect the PREMISES to insure that the PREMISES are thereafter maintained and operated in accordance with this Agreement.

9. Subject to the terms and conditions of this Agreement, and subject to the rights and holders of any *outstanding bonds of the CITY and MISD*, a portion of ad valorem real property taxes from the PREMISES otherwise owed to the CITY and MISD shall be abated. Said abatement shall be an amount equal to twenty percent (20%) of the taxes assessed upon the increased value of the IMPROVEMENTS over the value in the year in which this Agreement is executed and in accordance with the terms of this Agreement and all applicable state and local regulations or valid waiver thereof; provided that the OWNER shall have the right to protest and/or contest any assessment of the PREMISES and said abatement shall be applied to the amount of taxes finally determined to be due as a result of any such protest and/or contest. Said abatement shall extend for a period of five (5) years beginning January 1, 1993.

10. This Agreement was authorized by Resolution No. 1491 of the City Council at its meeting on the 20th day of May, 1991, authorizing the Mayor to execute the Agreement on behalf of the City.

11. This Agreement was authorized by the Board Minutes of the Mesquite Independent School District at its Board of Trustees meeting on the 8 th day of July, 1991, whereupon it was duly determined that the Board President would execute the Agreement on behalf of the Mesquite Independent School District, a copy of said authorization is attached as Exhibit C.

12. This shall constitute a valid and binding Agreement between the CITY and The Medical Center of Mesquite, when executed in accordance herewith, regardless of whether MISD executes this Agreement. If MISD executes this Agreement, this shall constitute a valid and binding Agreement between MISD and The Medical Center of Mesquite, when executed on behalf of said parties, for the abatement of MISD'S taxes in accordance therewith.

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The Agreement is performable in Dallas County, Texas, witness our hands this 7 day of

July, 1991.

ATTEST:

CITY OF MESQUITE, TEXAS

Linda Pruzel  
City Secretary

Cathy Pang  
Mayor

APPROVED AS TO FORM:

[Signature]  
City Attorney

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ATTEST:

*Mary Dwyer*

APPROVED AS TO FORM:

*Kary Allen Smith*  
Attorney for Mesquite Independent  
School District

MESQUITE INDEPENDENT SCHOOL  
DISTRICT

*A. Smith*  
President



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ATTEST:

THE MEDICAL CENTER OF MESQUITE

*Daniel J. Kuehn*

*[Signature]*  
Chief Executive Officer

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TRACT I

Description of an 8.237 acre tract of land situated in the M.L. Swing Survey, Abstract No. 1397, in the City of Mesquite, said tract also being all of Lot 1, Block 28, of the El Rosa addition, an addition to the City of Mesquite, Dallas County, Texas, recorded in Volume 80153, Page 3018, Deed Records, Dallas County, Texas and being more particularly described as follows:

BEGINNING, at a 4-inch iron rod with Powell & Powell cap set for corner in the intersection of the west line of Gus Thomasson Road (a 100' right-of-way) and the north line of Highland Village Drive (a 50' right-of-way);

THENCE, S 75° 25' 00" W, along the north line of said Highland Village Drive, a distance of 293.24 feet to an "x" in concrete set for corner in the east line of Ebrite Street (a 50' right-of-way);

THENCE, N 00° 01' 00" E, along the east line of said Ebrite Street, a distance of 322.94 feet to an "x" cut in concrete for corner, said point being in the south line of Rosabelle Drive (a 60' right-of-way);

THENCE, N 88° 39' 00" E, along the south line of said Rosabelle Drive, a distance of 8.66 feet to an "x" cut in concrete for corner, said point being in the west line of a 60' drainage and utility easement, as recorded in Volume 79118, Page 1337, Deed Records, Dallas County, Texas;

THENCE, N 01° 10' 00" E, along the west line of said easement and east line of said Rosabelle Drive, a distance of 60.09 feet to a 4-inch iron rod with Powell & Powell cap set for corner;

THENCE, S 88° 39' 00" W, along the north line of said Rosabelle Drive and departing the west line of said easement, a distance of 545.79 feet to a 4-inch iron rod with Powell & Powell cap set for corner, said iron rod also being the southeast corner of City of Mesquite tract;

THENCE, N 01° 15' 30" W, along the east line of said City of Mesquite tract, a distance of 427.67 feet to a 4-inch iron rod found for corner, said point also being in the south line of Hillview Addition;

THENCE, N 83° 37' 30" E, along the south line of said addition, a distance of 256.45 feet to a 4-inch iron rod with Powell & Powell cap set for corner, said iron rod also being the northwest corner of Jesse A. Allen tract;

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THENCE, S 14° 32' 20" E, a distance of 105.00 feet to a 5/8-inch iron rod found for corner, said iron also being the southwest corner of said Jesse A. Allen tract;

THENCE, N 83° 30' 37" E, along the south line of said Jesse A. Allen tract, a distance of 369.77 feet to a 4-inch iron rod with Powell & Powell cap set for corner;

THENCE, S 14° 35' 00" E, along the west line of the aforementioned road, a distance of 715.79 feet to the POINT OF BEGINNING.

TOGETHER WITH:

TRACT II

BEING a tract of land situated in the City of Mesquite, Dallas County, Texas and being part of the M. L. Swing Survey, Abstract No. 1397, Dallas County, Texas, and being all of Block 23 of the Replat of Block 23 and part of Block 24 and Block 25 of the El Rosa Addition, an addition to the City of Mesquite, as recorded in Vol. 85112, Page 1330 of the Deed Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a chisel mark for corner at the intersection of the westerly line of North Galloway Avenue (Gus Thomason Road) (100 foot right-of-way) and the southerly line of Highland Village Drive (50 foot right-of-way);

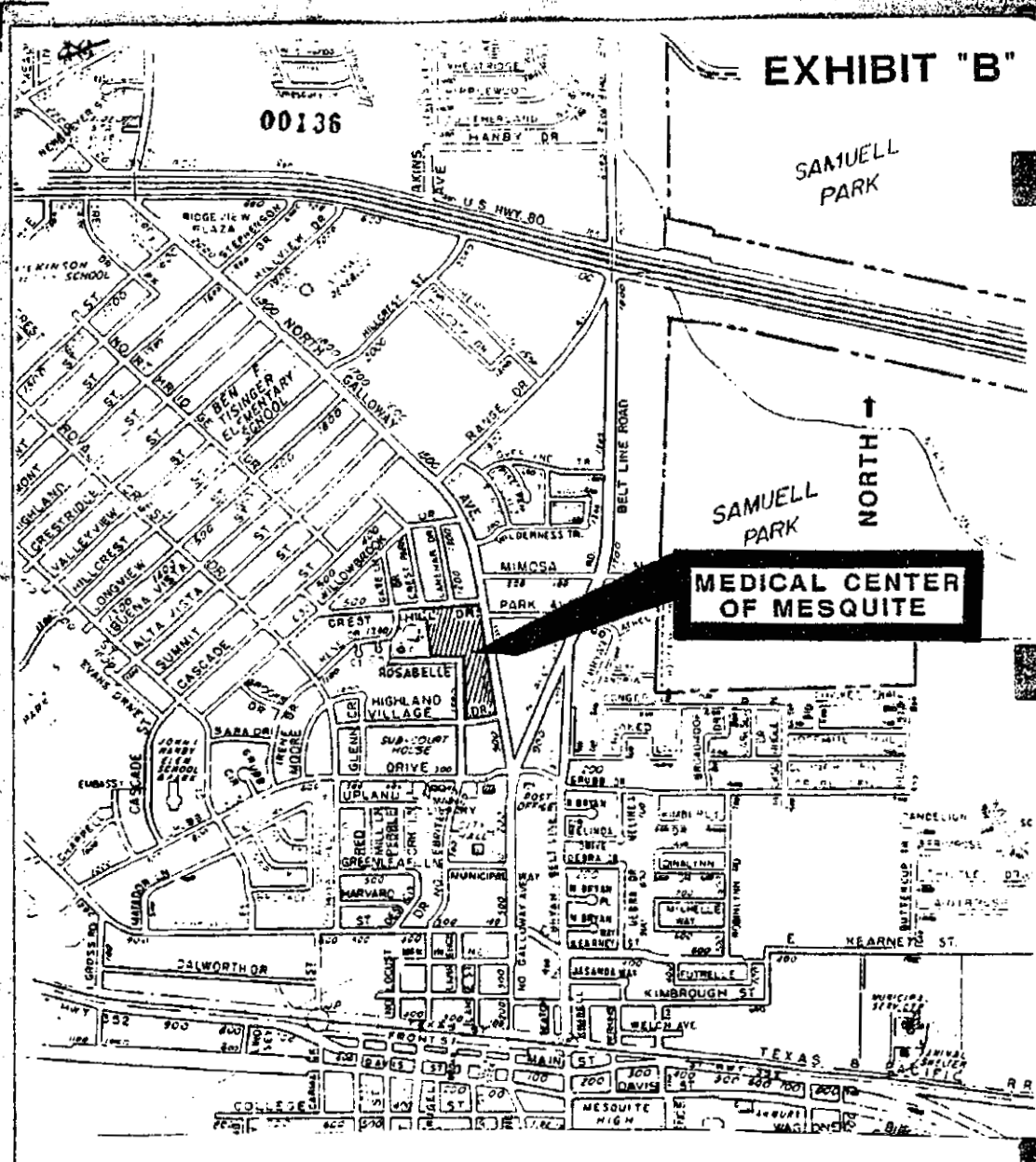
THENCE South 14° 35' 00" East along the westerly line of North Galloway Avenue a distance of 253.11 feet to an iron rod for corner and point being the southeast corner of said Block 23 and the northeast corner of Lot 1, Block 24A of El Rosa Addition Replat as recorded in Volume 85141, Page 832 of the Deed Records of Dallas County, Texas;

THENCE South 75° 25' 00" West along the common line between said Block 23 and Lot 1, Block 24A a distance of 294.01 feet to an iron rod found for corner, said point being the southwest corner of Block 23 and the northwest corner of said Lot 1, Block 24A;

THENCE North 01° 10' 00" West a distance of 260.21 feet to an iron rod in the southerly line of Highland Village Drive (50 foot right-of-way);

THENCE North 75° 25' 00" East along the southerly line of Highland Village Drive a distance of 233.63 feet to the POINT OF BEGINNING.

EXHIBIT "B"



LOCATION MAP  
MEDICAL CENTER OF MESQUITE

REGULAR MEETING BOARD OF EDUCATION

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Mesquite Independent School District

The Board of Education of the Mesquite Independent School District, State of Texas, met in regular session at 7:30 p.m. on July 8, 1991, in the Curriculum Building, 405 East Davis Street, Mesquite, Texas.

Present: B. J. Smith, Mrs. Beverly Vandiver, Mrs. Mary Perry, Mrs. Sue Ann Mackey, H. E. Finley, Cary Tanamachi, M.D., and Greg Everett

Absent: None

The invocation was given by Mrs. Vandiver.

APPROVAL OF MINUTES

It was moved by Mr. Finley and seconded by Mrs. Vandiver to approve the minutes of the June 10, 1991 (Regular) meeting. Motion approved: Mr. Smith, Mrs. Vandiver, Mrs. Perry, Mrs. Mackey, Messrs. Finley and Everett, and Dr. Tanamachi. Nays: None.

It was moved by Mr. Finley and seconded by Mr. Everett to approve the minutes of the June 24, 1991 (Special) meeting. Motion approved: Mr. Smith, Mrs. Vandiver, Mrs. Perry, Mrs. Mackey, Messrs. Finley and Everett, and Dr. Tanamachi. Nays: None.

Note: The board changed the order of the posted agenda to hear patrons and parents concerning the attendance boundary adjustments for Kimbrough/Vanston, NMHS/PHS, Molley/Lawrence, and the alternative school plans before proceeding to the regularly scheduled matters.

The board heard several patrons and parents from the Price attendance zone concerning the boundary change for students in that area to attend Vanston Middle School instead of the new Kimbrough Middle School after its completion, and several from the Molley/Lawrence attendance zones concerning the merging of these two schools to attend Lawrence and to move the Deaf Education students from Lawrence to Florence Elementary School. It was then moved by Mr. Finley and seconded by Mr. Everett to take a ten minute break. Motion approved: Mr. Smith, Mrs. Vandiver, Mrs. Perry, Mrs. Mackey, Messrs. Finley and Everett, and Dr. Tanamachi. Nays: None.

After reconvening, it was moved by Mr. Finley and seconded by Mrs. Vandiver to delay the decision on Price students attending Vanston for 90 days, to form a committee of patrons from the elementary feeder schools involved, staff, and board members to further study the matter. Motion approved: Mr. Smith, Mrs. Vandiver, Mrs. Perry, Mrs. Mackey, Messrs. Finley and Everett, and Dr. Tanamachi. Nays: None.

It was moved by Dr. Tanamachi and seconded by Mrs. Mackey to delay the designation of the alternative school until definite plans are finalized. Motion approved: Mr. Smith, Mrs. Vandiver, Mrs. Perry, Mrs. Mackey, Messrs. Finley and Everett, and Dr. Tanamachi. Nays: None.

It was moved by Mr. Finley and seconded by Mr. Everett to keep Molley and Lawrence elementaries as

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they are, including the Deaf Education program at Lawrence, for one year and to form a committee to do further study. Motion approved: Dr. Tanamachi, Mr. Finley, Mr. Everett, Mrs. Mackey and Mrs. Perry. Nays: Mrs. Vandiver and Mr. Smith.

The board took a two minute break, then reconvened.

#### REPORTS OF THE SUPERINTENDENT

It was moved by Mrs. Mackey and seconded by Mrs. Vandiver to approve the monthly financial report, the monthly tax report, and to amend the 1989 and 1990 tax rolls. Motion approved: Mr. Smith, Mrs. Vandiver, Mrs. Perry, Mrs. Mackey, Messrs. Finley and Everett, and Dr. Tanamachi. Nays: None.

It was moved by Mr. Finley and seconded by Mr. Everett to award the contract for bank depository to NCNB for the two-year period, beginning September 1, 1991 through August 31, 1993. Motion approved: Mr. Smith, Mrs. Vandiver, Mrs. Perry, Mrs. Mackey, Messrs. Finley and Everett, and Dr. Tanamachi. Nays: None.

It was moved by Mr. Finley and seconded by Mrs. Vandiver to approve the basic planning strategy and assumptions for preparation of the 1991-92 school budget. Motion approved: Mr. Smith, Mrs. Vandiver, Mrs. Perry, Mrs. Mackey, Messrs. Finley and Everett, and Dr. Tanamachi. Nays: None.

It was moved by Mrs. Vandiver and seconded by Mrs. Mackey to set August 12, 1991 as the date for the official hearing for the 1991-92 budget. Motion approved: Mr. Smith, Mrs. Vandiver, Mrs. Perry, Mrs. Mackey, Messrs. Finley and Everett, and Dr. Tanamachi. Nays: None.

It was moved by Mrs. Perry and seconded by Mr. Finley to approve the tax abatement agreement for The Medical Center of Mesquite of 20% on \$5 million for five years. Motion approved: Mr. Smith, Mrs. Vandiver, Mrs. Perry, Mrs. Mackey, Messrs. Finley and Everett, and Dr. Tanamachi. Nays: None.

It was moved by Mrs. Mackey and seconded by Mr. Finley to approve the joint Ad Valorem Taxation Exemption Election with Dallas County and County Education District on Saturday, August 10, 1991. Motion approved: Mr. Smith, Mrs. Vandiver, Mrs. Perry, Mrs. Mackey, Messrs. Finley and Everett, and Dr. Tanamachi. Nays: None.

Dr. Horn gave the board reports on the current summer school enrollment and teacher and student attendance for 1990-91.

It was moved by Mr. Finley and seconded by Mrs. Vandiver to approve the preliminary revised/updated Policies and Procedures. Motion approved: Mr. Smith, Mrs. Vandiver, Mrs. Perry, Mrs. Mackey, Messrs. Finley and Everett, and Dr. Tanamachi. Nays: None.

The board went into executive session (Section 2(f), 2(g) and 2(h) of Article 6252-17).

During executive session, the board heard a complaint from student Lora Wilson, WMHS.

The board reconvened in open session.

It was moved by Mrs. Vandiver and seconded by Mr. Everett to authorize the administration to sell the warehouse property on Executive Boulevard. Motion approved: Mr. Smith, Mrs. Vandiver, Mrs.

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Perry, Mrs. Mackey, Messrs. Finley and Everett, and Dr. Tanamachi. Nays: None.

It was moved by Mrs. Mackey and seconded by Mr. Finley to elect the professional personnel for 1991-92 as recommended on probationary contracts. Motion approved: Mr. Smith, Mrs. Vandiver, Mrs. Perry, Mrs. Mackey, Messrs. Finley and Everett, and Dr. Tanamachi. Nays: None.

It was moved by Mrs. Perry and seconded by Mrs. Vandiver to adjourn the meeting. Motion approved: Mr. Smith, Mrs. Vandiver, Mrs. Perry, Mrs. Mackey, Messrs. Finley and Everett, and Dr. Tanamachi. Nays: None.

The meeting was adjourned at 11:20 p.m.