STATE OF TEXAS §

March 21, 2022

COUNTY OF GRAYSON §

BE IT REMEMBERED THAT A Regular Meeting of the City Council of the City of Sherman, Grayson County, Texas was begun and held in the Council Chambers of City Hall on March 21, 2022.

MEMBERS PRESENT: MAYOR DAVID PLYLER; DEPUTY MAYOR PAM HOWETH. COUNCIL MEMBERS DOBBS, HOLLAND, MARROQUIN, STEVENSON, TEAMANN.

MEMBERS ABSENT: NONE.

CALL TO ORDER

Mayor Plyler called the meeting to order at 5:00 p.m. The Pledge of Allegiance and Invocation were led by Council Member Juston Dobbs.

CALL TO ORDER

APPROVE MINUTES

The Council reviewed the Minutes of the Regular City Council Meeting of March 7, 2022. Council Member Stevenson moved to approve the Minutes, as presented; Second by Council Member Holland; All present voted AYE.
MOTION CARRIED.

APPROVE MINUTES

CITIZEN'S COMMENTS

There were no citizen's comments.

CITIZEN'S COMMENTS

CONSENT AGENDA

Asterisked (*) items are considered to be routine and will be enacted in one motion without discussion unless a Council Member or a citizen requests a specific item be discussed and voted on separately.

The Council reviewed the Consent Agenda. Council Member Stevenson moved to approve the Consent Agenda, as presented. Second by Deputy Mayor Howeth. All present voted AYE.

CONSENT AGENDA

CONSENT AGENDA

Double Asterisked (**) items are considered to be routine and will be enacted in one motion, subject to Staff Review Letter, without discussion unless a Council Member or a citizen requests a specific item be discussed and voted on separately.

The Council reviewed the Consent Agenda. Deputy Mayor Howeth moved to approve the Consent Agenda, subject to the Staff Review Letter. Second by Council Member Teamann. All present voted AYE.

CONSENT AGENDA.

PUBLIC HEARING
TAX EQUITY AND FISCAL RESPONSIBILITY ACT PUBLIC HEARING

PUBLIC HEARING
TAX EQUITY &
FISCAL
RESPONSIBILITY

Robby Hefton, City Manager, explained that six items on the agenda deal with the proposed hospital. He wanted to give an overview of what these items did.

The first item, D-1, is a public hearing on the Tax Equity and Fiscal Responsibility Act, which is a Federal law that requires that any municipalities for which these private activity bonds are issued, must have the approval of the municipality, and must have a public hearing to allow the public to speak to the issue.

Item E-2, is Resolution 6859, and is an amended and restated Master Development Agreement, among the City, Crossroads Hospital Development, IVY P3 Group, and CFP Sherman. The Master Development Agreement was approved by the Council about a year ago. This amendment clarifies the roles of each of the parties as the project is about to enter the construction phase.

It also identifies IVY as the Project Manager and defines those rolls in each phase, including the pre-development phase, construction phase, and the operations phase of the project. It also clarifies the role of Crossroads Hospital Development to be the "development consultant."

Item E-3, is Resolution 6860, and is the second amended and restated Predevelopment Loan Agreement. The original agreement was approved by the Council about a year ago. It established the timeframes under which the pre-development activities would occur, it established a budget, and established parties to the contract.

It also extends the term of the contract to July 31, 2022 from April 30, 2022, to allow more time to complete legal work and take the bonds to market. It also increases the pre-development budget, which will not affect the City's participation, but "reshuffles the deck" on how the in-kind contributions are allocated.

Mr. Hefton said, as the project progressed, it was determined that they really needed the entire 16.8 acre site and not just 12 acres. This also changes the name of one of the parties. In the original contract IVY was know as IHG (IVY Hotel Group), and they are now incorporated as IVY P3 Group.

Item E-4, is Resolution 6861, and is related to the public hearing and is the City authorizing the issuance of up to $300 million in Revenue Bonds, or private activity bonds, which will be tax exempt.

The law requires that the City, in which the private activity bonds are issued, must approve the issuance. These bonds will be used to fund the hospital and equipment, fund the working capital reserves and debt reserves, and fund the capitalized interest. The Council must approve this before they can take the next step.

Item E-5, is Resolution 6862, which is the Replenishment Agreement for the Series 2022C bonds. These bonds will be "backstopped" by the City. It will not be the debt of the City, nor will it be debt service that the City is responsible for. This is the

City ensuring that the bond reserve fund on the Series C bonds stays at the level of the bond covenant.

If the bond reserve fund, at any time, "dips" below the set amount, then the City would be called on to replenish that. Then when the hospital is able, those funds would be reimbursed to the City. The City would only be a backstop in case all of the reserves, and the other steps, are used first. He said there is no escalation clause, and it is subject to annual appropriations.

He said the replenishment commitment is very serious. The staff did not feel that it would ever come into play, but if it did, there could be serious consequences, if the Council then decided not to replenish. It could significantly hurt the City's bond rating.

Item E-6, is Resolution 6863, and is the Public Private Partnership Agreement between the City, CFP Sherman Hospital, and Community Hospital Corporation (operator). This agreement sets the responsibilities of each party in the pre-development, construction, and operations phases of the project.

He reiterated that the City is not building anything, this is not a City of Sherman hospital, it's not funded by the City, it's not managed by the City, and it's not operated by the City. The City is a beneficiary of the non-profit, 501c3 entity that will be building and operating the facility.

Mr. Hefton said CHC will be the hospital operator, but this agreement sets forth details about things such as the acquisition of land, whose responsibility it is, construction and operation of the hospital, financing, underwriting, economic support for improvements, and management and construction of the facility.

No citizens appeared before the City Council to discuss the Tax Equity and Fiscal Responsibility Act, during the public hearing.

ORD 6460
SUP FOR SMOKE/
VAPE SHOP
(2916 N. HWY 75,
SUITE 110)

Mayor Plyler introduced Ordinance No. 6460 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A SMOKE/VAPE SHOP IN A C-1 (RETAIL BUSINESS) DISTRICT/ O-1 (75 & 82) OVERLAY DISTRICT AT 2916 NORTH HIGHWAY 75 SUITE 110, BEING LOT 4 OF SHAFER PLAZA (TAVA PROPERTIES LLC, OWNER; INFINITY AND BEYOND, TENANT; NOUMAN MUHAMMAD, REPRESENTATIVE; AND SANDS SURVEYING CORPORATION, SURVEYOR) PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Rob Ray, Director of Development Services, said this Specific Use Permit would allow a smoke/vape shop in a C-1 District. The shop would be located in Shafer Plaza and would have Hwy 75 frontage.

The Planning and Zoning Commission recommended approval of the Specific Use Permit.

Nouman Muhammad, 2916 N. Highway, #110
Mr. Muhammad is a Partner with Infinity and Beyond, and was available to answer any questions the Council might have.

No other citizens appeared before the City Council to discuss Ordinance No. 6460.

ORD 6461
SUP FOR
BINGO HALL
(1729 TEXOMA PKWY)

Mayor Plyler introduced Ordinance No. 6461 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A COMMERCIAL AMUSEMENT CENTER (BINGO HALL) IN A C-2 (GENERAL COMMERCIAL) DISTRICT AT 1729 TEXOMA PARKWAY, BEING 5.341 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 (EISENHOWER TEXOMA LTD, OWNER; AND JOHN MUNSON, REPRESENTATIVE) PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Mr. Rae said the applicant has requested a Specific Use Permit to operate a Bingo Parlor in a C-2 District. The Planning and Zoning Commission recommended approval of the Specific Use Permit.

John Munson, 2402 W. Morton, Denison
Mr. Munson appeared representing Eisenhower Texoma LTD, owner of the property. He said the new Veterans Referral Center is also located on the south end of the same building.

Cynthia Robertson, 1131 W. Bullock, Denison
Ms. Robertson appeared representing the VFW Auxiliary, and said this would move their Bingo Hall to a different location.

No other citizens appeared before the City Council to discuss Ordinance No. 6461.

ORD 6462
SUP FOR
SELF STORAGE
(2450 N. TRAVIS ST)

Mayor Plyler introduced Ordinance No. 6462 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A SELF STORAGE FACILITY IN A C-1 (RETAIL BUSINESS) DISTRICT AT 2450 NORTH TRAVIS STREET, BEING 3.03 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 (SHAWN MacDONALD, OWNER; RICHARD STRAUB, REPRESENTATIVE; BACA ARCHITECTURE, ARCHITECT; AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR) PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Mr. Rae said this Specific Use Permit would allow self-storage in a C-1 District. Five Star Storage has their main storage office on the east side of Travis Street, across from this site. This would be a second location with additional storage.

The Planning and Zoning Commission recommended approval of the Specific Use Permit.

No citizens appeared before the City Council to discuss Ordinance No. 6462.

ORD 6463
ZONE CHANGE
(1410 W. HOUSTON ST)

Mayor Plyler introduced Ordinance No. 6463 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTY WITHIN THE C-2 (GENERAL COMMERCIAL) DISTRICT, LOCATED AT 1410 WEST HOUSTON STREET, BEING LOT 1, BLOCK 3 OF THE REPLAT OF LOTS 1, 2, 3, 4 AND THE NORTH 15 FT. OF LOT 5, BLOCK 3 OF ELLIOTT'S GRAY'S HILL ADDITION (LAUREL ACRES, LTD, OWNER; JONATHAN HALLFORD, DESTINY'S HEATING AND AIR, TENANT; AND JERRY MONTGOMERY, SURVEYOR); PROVIDING A PENALTY NOT TO EXCEED $2,000.00; PROVIDING A REPEALING/ SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

Mr. Rae said this item was for a zone change from a C-1 District to a C-2 District, so the owner of the property can have a HVAC contractor's office, with no outside storage.

The Planning and Zoning Commission recommended approval of the Zone Change.

Jonathan Hallford, 1410 W. Houston
Mr. Hallford, Destiny's Heating and Air, is the proposed tenant, and was available to answer any questions the Council might have. No other citizens appeared before the City Council to discuss Ordinance No. 6463.

ORD 6464
ZONE CHANGE
(1530 TEXOMA PKWY)

Mayor Plyler introduced Ordinance No. 6464 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTY WITHIN THE R-2 (MULTI-FAMILY RESIDENTIAL) DISTRICT, LOCATED AT 1530 TEXOMA PARKWAY, BEING 2.995 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 (1530 TEXOMA OZ, LLC, OWNER; BACA ARCHITECUTRE, ARCHITECT; AND COPLEY LAND SURVEYING, INC. (SURVEYOR); PROVIDING A PENALTY NOT TO EXCEED $2,000.00; PROVIDING A REPEALING/SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

Mr. Rae said this zone change would change zoning from a C-1 District to an R-2 District, for multi-family development. This location is the former Economy Inn.

The owner is planning to convert the 60 motel rooms into 40 multi-family units. They also plan to build new structures to house 27 additional multi-family units.

The Site Plan approval from the Planning and Zoning Commission was conditional on the abandonment of East Street, which is their east and north boundary of the site.

With that condition, the Planning and Zoning Commission recommended approval of the Zone Change.

Jon Nylund, 3515 Brown Street, #109, Dallas, Texas
Mr. Nylund was the property owner, and was available to answer any questions the Council might have.

No other citizens appeared before the City Council to discuss Ordinance No. 6464.

ORD 6465
ZONE CHANGE
(3209 TEXOMA PKWY)

Mayor Plyler introduced Ordinance No. 6465 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTY WITHIN THE R-2 (MULTI-FAMILY RESIDENTIAL) DISTRICT, LOCATED AT 3209 TEXOMA PARKWAY, BEING 31.116 ACRES IN THE REUBEN HENDRIX SURVEY, ABSTRACT NO. 811 (SHERMAN NEC TEXOMA & 82, L.P., OWNERS; DAVID BOND, REPRESENTATIVE; SPIARS ENGINEERING, INC., ENGINEER/SURVEYOR; AND HEDK ARCHITECTS, ARCHITECT); PROVIDING A PENALTY NOT TO EXCEED $2,000.00; PROVIDING A REPEALING/SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

Mr. Rae said this request was for a zone change from C-2 to R-2, for a multi-family development. This is the former location of the Sher-Den Mall. The developer plans to build 726 multi-family units, in two phases.

The Planning and Zoning Commission recommended approval of the Zone Change.

David Bond, 501 President George Bush Hwy, Suite 200, Richardson, Texas
Mr. Bond appeared representing Spiars Engineering, Inc., and was available to answer any questions the Council might have.

No other citizens appeared before the City Council to discuss Ordinance No. 6465.

ORD 6466
ZONE CHANGE
(123 S. RICKETTS ST
& 825 W. LAMAR ST)

Mayor Plyler introduced Ordinance No. 6466 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTY WITHIN THE R-2 (MULTI-FAMILY RESIDENTIAL) DISTRICT, LOCATED AT 123 SOUTH RICKETTS STREET AND 825 WEST LAMAR STREET, BEING THE PROPOSED LOT 11R OF THE REPLAT OF G.Y. GRAY'S

2ND ADDITION, A REPLAT OF LOTS 10, 11 AND 12, BLOCK 2, G.Y. GRAY'S 2ND ADDITION, ALSO BEING 0.230 ACRES OF THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 AND BEING THE SOUTH 100 FEET OF LOTS 10 AND 11, BLOCK 2, G.Y. GRAY'S 2ND ADDITION CONTAINING 0.402 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 (HOUSE OF ELI, OWNER; TAWNI HODGE, APPLICANT; AND COPLEY LAND SURVEYING, INC., SURVEYOR); PROVIDING A PENALTY NOT TO EXCEED $2,000.00; PROVIDING A REPEALING/SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

Mr. Rae said this item was for a zone change from an R-1 District to an R-2 District. The House of Eli is currently located on the corner of Ricketts and Lamar Streets. They also own the property on Lamar Street, and are replatting it into one lot. They would like to do multi-family, because they have two structures on the lot.

The Planning and Zoning Commission recommended approval of the Zone Change.

Tawni Hodge, 123 S. Ricketts
Ms. Hodge appeared representing the House of Eli, and was available to answer any questions the Council might have.

No other citizens appeared before the City Council to discuss Ordinance No. 6466.

Mayor Plyler asked to have the captions of Ordinance Nos. 6467, 6468, and 6469 read together.

ORD 6467
ZONE CHANGE
(320 N. WOODS ST)

Mayor Plyler introduced Ordinance No. 6467 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTY WITHIN THE R-1 (ONE-FAMILY RESIDENTIAL) DISTRICT, LOCATED AT 320 NORTH WOODS STREET, BEING 0.150 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 AND BEING A PART OF LOT 1R, BLOCK 5, REPLAT OF LOTS 1, 2 & 3, BLOCK 5, EXSTEIN'S MAPLE ADDITION, ALSO BEING THE PROPOSED LOT 1R OF THE REPLAT OF LOTS 1R & 3R, BLOCK 5, EXSTEIN'S MAPLE ADDITION (HOUSE OF ELI, OWNER; TAWNI HODGE, APPLICANT; AND COPLEY LAND SURVEYING, INC., SURVEYOR); PROVIDING A PENALTY NOT TO EXCEED $2,000.00; PROVIDING A REPEALING/ SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

ORD 6468
ZONE CHANGE
(316 & 320 N. WOODS ST)

Mayor Plyler introduced Ordinance No. 6468 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTY WITHIN THE C-1 (RETAIL BUSINESS) DISTRICT, LOCATED AT 316 AND 320 NORTH WOODS STREET, BEING 0.332 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 AND BEING A PART OF LOT 1R AND ALL OF LOT 3R, BLOCK 5, REPLAT OF LOTS 1, 2 & 3, BLOCK 5,

EXSTEIN'S MAPLE ADDITION, ALSO BEING THE PROPOSED LOT 3R OF THE REPLAT OF LOTS 1R & 3R, BLOCK 5, EXSTEIN'S MAPLE ADDITION (HOUSE OF ELI, OWNER; TAWNI HODGE, APPLICANT; AND COPLEY LAND SURVEYING, INC., SURVEYOR); PROVIDING A PENALTY NOT TO EXCEED $2,000.00; PROVIDING A REPEALING/SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

ORD 6469
SUP FOR SECURITY OFFICE & LIVING QUARTERS
(316 N. WOODS ST)

Mayor Plyler introduced Ordinance No. 6469 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A SECURITY OFFICE WITH LIVING QUARTERS FOR HOUSE OF ELI, LOCATED AT 316 NORTH WOODS STREET, BEING THE PROPOSED LOT 3R OF THE REPLAT OF LOTS 1R & 3R, BLOCK 5, EXSTEIN'S MAPLE ADDITION, BEING A REPLAT OF LOTS 1, 2 AND 3, BLOCK 5, EXSTEIN'S MAPLE ADDITION, ALSO BEING 0.332 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763, IN A C-1 (RETAIL BUSINESS) DISTRICT. (HOUSE OF ELI, OWNER; TAWNI HODGE, APPLICANT; AND COPLEY LAND SURVEYING, INC., SURVEYOR) PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Mr. Rae said these ordinances are all intertwined. Ordinance 6467 involves the rezoning of 320 North Woods into R-1, to develop a single-family dwelling; at 316 North Woods, the plan is to zone it to C-1 to allow the storage of things pertaining to the House of Eli. Ordinance 6469 is for a Specific Use Permit to allow a security office with living quarters on the lot at 316 North Woods.

The Planning and Zoning Commission recommended approval of all three ordinances, however Ordinance 6469 did have conditions for the living quarters. It limited the dwelling to 600 square feet, for the security office with living quarters, and restricted it only to the House of Eli.

Ms. Hodge was also available to answer any questions that the Council might have on these items.

No other citizens appeared before the City Council to discuss Ordinance Nos. 6467, 6468, and 6469.

The Public Hearing was closed.

PUBLIC HEARING
TAX EQUITY & FISCAL RESPONSIBILITY

<u>TAX EQUITY AND FISCAL RESPONSIBILITY ACT PUBLIC HEARING</u>
Council Member Teamann asked for clarification about the City's responsibilities. In the past discussions, the City had no backstop responsibility, and he felt that had shifted in the current proposed items.

He said originally, the City had no responsibilities other than being a benefactor, and that has changed. He said that was the first the Council has heard of it.

Mr. Hefton said that relates to Resolution 6862, which is the replenishing agreement. He said the City has never been involved in a project like this, so there is no history to relate too, and it is a unique project.

He said this is not a debt of the City and doesn't go on the City's balance sheet, and the City isn't "on the hook" for the debt. The City's responsibility relates to the replenishment of the debt reserve fund.

Between $200 million and $300 million in bonds will be issued. When bonds for the project are issued, they will be issued for many things, such as construction of the facility and the equipping of the facility. Other funds will be used for capitalized interest, setting up debt reserve funds, construction reserve funds, and working capital reserve funds.

The City will be the last resort to "step in" and do anything. He said, in theory, there should be no call on the City's part to replenish anything, if things go as projected.

Mr. Hefton said projects of this magnitude just don't get done without backstopping of the City. While the amount is not small, he said the incremental revenues from this project, to the City annually, will be very close to what the City would be backstopping. He said there would be "risk" to the City, but he didn't believe the risk would be great. They have also vetted how it will be structured in the bond documents.

Council Member Teamann asked if there was a change in the type of bonds issued, that required the City to go on the books. Mr. Hefton said it wasn't the type of bonds, it was what the bond underwriter was requiring. The bond underwriter says they must have the backstop.

ADOPTION OF ORDINANCES

Ordinance 6460

ORD 6460
SUP FOR SMOKE/
VAPE SHOP
(2916 N. HWY 75,
SUITE 110)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A SMOKE/VAPE SHOP IN A C-1 (RETAIL BUSINESS) DISTRICT/ O-1 (75 & 82) OVERLAY DISTRICT AT 2916 NORTH HIGHWAY 75 SUITE 110, BEING LOT 4 OF SHAFER PLAZA (TAVA PROPERTIES LLC, OWNER; INFINITY AND BEYOND, TENANT; NOUMAN MUHAMMAD, REPRESENTATIVE; AND SANDS SURVEYING CORPORATION, SURVEYOR) PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Council Member Dobbs expressed concern about the vape shop, and asked what the Council's past experience is with this type of shop and was there anything to be concerned about.

Mr. Hefton said these shops are sometimes controversial, and are handled as a "specific use" in order for the City to retain the right to review how the applicant is doing in regards to what they said they would do. There have been instances where some don't do what they say they will do, and the Council needs to have the ability to not renew their Specific Use Permit.

He verified that the current request is for an "open-ended" SUP, however the Council could put conditions on the request that would bind the applicant.

He said there have been issues in the past with these types of shops and there have been other shops that have done what they said they would do.

Council Member Teamann said there was another request several months ago for a vape shop and they were also going to sell "novelty items," products that could be used with something other than tobacco, and some inappropriate-type novelty items.

Nouman Muhammad, 2916 N. Highway 75 #110
Mr. Muhammad appeared representing the request. He said the other request was for a tattoo shop that was wanting to sell other items. He said their focus was to maintain a very "high end" clientele, and to keep "the bad situation" away from their shop. He said their shop would also include compliance officers. He said the "novelty items" were very cheap items and that is not what they want to sell.

Council Member Holland asked about the signage that was used and worried about children walking by and seeing signs that encourage underage usage.

Mr. Muhammad said they would abide by the conditions of the City. He said they will not "go heavy" on advertising and already have a lot of clients that are coming to Sherman. They cater to a "high end" clientele, and run a "high end" smoke shop.

Deputy Mayor Howeth said she would feel more comfortable if the Council put a one-year limit on the Specific Use Permit, and then they returned for a renewal.

Council Member Teamann confirmed that the shop would be selling CDB oil and clothing.

Ordinance 6461
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A COMMERCIAL AMUSEMENT CENTER (BINGO HALL) IN A C-2 (GENERAL COMMERCIAL) DISTRICT AT 1729 TEXOMA PARKWAY, BEING 5.341 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 (EISENHOWER TEXOMA LTD, OWNER; AND JOHN MUNSON, REPRESENTATIVE) PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

ORD 6461
SUP FOR
BINGO HALL
(1729 TEXOMA PKWY)

ORD 6462
SUP FOR
SELF STORAGE
(2450 N. TRAVIS ST)

Ordinance 6462
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A SELF STORAGE FACILITY IN A C-1 (RETAIL BUSINESS) DISTRICT AT 2450 NORTH TRAVIS STREET, BEING 3.03 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 (SHAWN MacDONALD, OWNER; RICHARD STRAUB, REPRESENTATIVE; BACA ARCHITECTURE, ARCHITECT; AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR) PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

ORD 6463
ZONE CHANGE
(1410 W. HOUSTON ST)

Ordinance 6463
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTY WITHIN THE C-2 (GENERAL COMMERCIAL) DISTRICT, LOCATED AT 1410 WEST HOUSTON STREET, BEING LOT 1, BLOCK 3 OF THE REPLAT OF LOTS 1, 2, 3, 4 AND THE NORTH 15 FT. OF LOT 5, BLOCK 3 OF ELLIOTT'S GRAY'S HILL ADDITION (LAUREL ACRES, LTD, OWNER; JONATHAN HALLFORD, DESTINY'S HEATING AND AIR, TENANT; AND JERRY MONTGOMERY, SURVEYOR); PROVIDING A PENALTY NOT TO EXCEED $2,000.00; PROVIDING A REPEALING/ SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

ORD 6464
ZONE CHANGE
(1530 TEXOMA PKWY)

Ordinance 6464
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTY WITHIN THE R-2 (MULTI-FAMILY RESIDENTIAL) DISTRICT, LOCATED AT 1530 TEXOMA PARKWAY, BEING 2.995 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 (1530 TEXOMA OZ, LLC, OWNER; BACA ARCHITECUTRE, ARCHITECT; AND COPLEY LAND SURVEYING, INC. (SURVEYOR); PROVIDING A PENALTY NOT TO EXCEED $2,000.00; PROVIDING A REPEALING/SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

Council Member Stevenson asked what conditions the Planning and Zoning Commission placed on this Specific Use Permit.

Mr. Rae said the site plan conditions were based on the fact that the abandonment of North East Street be completed. The site plan they submitted included half of the right-of-way, so it couldn't be approved without that condition. He added that the condition doesn't affect the zoning, but is additional information. Council Member Holland asked for clarification on the location.

ORD 6465
ZONE CHANGE
(3209 TEXOMA PKWY)

Ordinance 6465
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTY WITHIN THE R-2 (MULTI-FAMILY RESIDENTIAL) DISTRICT, LOCATED AT 3209 TEXOMA PARKWAY, BEING 31.116 ACRES IN THE REUBEN

HENDRIX SURVEY, ABSTRACT NO. 811 (SHERMAN NEC TEXOMA & 82, L.P., OWNERS; DAVID BOND, REPRESENTATIVE; SPIARS ENGINEERING, INC., ENGINEER/SURVEYOR; AND HEDK ARCHITECTS, ARCHITECT); PROVIDING A PENALTY NOT TO EXCEED $2,000.00; PROVIDING A REPEALING/SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

Ordinance 6466

ORD 6466
ZONE CHANGE
(123 S. RICKETTS ST & 825 W. LAMAR ST)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTY WITHIN THE R-2 (MULTI-FAMILY RESIDENTIAL) DISTRICT, LOCATED AT 123 SOUTH RICKETTS STREET AND 825 WEST LAMAR STREET, BEING THE PROPOSED LOT 11R OF THE REPLAT OF G.Y. GRAY'S 2ND ADDITION, A REPLAT OF LOTS 10, 11 AND 12, BLOCK 2, G.Y. GRAY'S 2ND ADDITION, ALSO BEING 0.230 ACRES OF THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 AND BEING THE SOUTH 100 FEET OF LOTS 10 AND 11, BLOCK 2, G.Y. GRAY'S 2ND ADDITION CONTAINING 0.402 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 (HOUSE OF ELI, OWNER; TAWNI HODGE, APPLICANT; AND COPLEY LAND SURVEYING, INC., SURVEYOR); PROVIDING A PENALTY NOT TO EXCEED $2,000.00; PROVIDING A REPEALING/SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

Council Member Teamann asked if they planned to change the use of their facility or if it would continue to be used as it had in the past.

Tawni Hodge, 123 S. Ricketts

Ms. Hodge appeared representing the request. Ms. Hodge said nothing will change with the use of the facility.

Ordinance 6467

ORD 6467
ZONE CHANGE
(320 N. WOODS ST)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTY WITHIN THE R-1 (ONE-FAMILY RESIDENTIAL) DISTRICT, LOCATED AT 320 NORTH WOODS STREET, BEING 0.150 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 AND BEING A PART OF LOT 1R, BLOCK 5, REPLAT OF LOTS 1, 2 & 3, BLOCK 5, EXSTEIN'S MAPLE ADDITION, ALSO BEING THE PROPOSED LOT 1R OF THE REPLAT OF LOTS 1R & 3R, BLOCK 5, EXSTEIN'S MAPLE ADDITION (HOUSE OF ELI, OWNER; TAWNI HODGE, APPLICANT; AND COPLEY LAND SURVEYING, INC., SURVEYOR); PROVIDING A PENALTY NOT TO EXCEED $2,000.00; PROVIDING A REPEALING/ SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

Ordinance 6468

ORD 6468
ZONE CHANGE
(316 & 320 N. WOODS ST)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTY WITHIN THE C-1 (RETAIL BUSINESS) DISTRICT, LOCATED AT 316 AND 320 NORTH WOODS STREET, BEING 0.332 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 AND BEING A PART OF LOT 1R AND

ALL OF LOT 3R, BLOCK 5, REPLAT OF LOTS 1, 2 & 3, BLOCK 5, EXSTEIN'S MAPLE ADDITION, ALSO BEING THE PROPOSED LOT 3R OF THE REPLAT OF LOTS 1R & 3R, BLOCK 5, EXSTEIN'S MAPLE ADDITION (HOUSE OF ELI, OWNER; TAWNI HODGE, APPLICANT; AND COPLEY LAND SURVEYING, INC., SURVEYOR); PROVIDING A PENALTY NOT TO EXCEED $2,000.00; PROVIDING A REPEALING/SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

ORD 6469
SUP FOR SECURITY OFFICE & LIVING QUARTERS
(316 N. WOODS ST)

Ordinance 6469
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A SECURITY OFFICE WITH LIVING QUARTERS FOR HOUSE OF ELI, LOCATED AT 316 NORTH WOODS STREET, BEING THE PROPOSED LOT 3R OF THE REPLAT OF LOTS 1R & 3R, BLOCK 5, EXSTEIN'S MAPLE ADDITION, BEING A REPLAT OF LOTS 1, 2 AND 3, BLOCK 5, EXSTEIN'S MAPLE ADDITION, ALSO BEING 0.332 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763, IN A C-1 (RETAIL BUSINESS) DISTRICT. (HOUSE OF ELI, OWNER; TAWNI HODGE, APPLICANT; AND COPLEY LAND SURVEYING, INC., SURVEYOR) PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

ACTION TAKEN.
Motion by Deputy Mayor Howeth to adopt Ordinance No. 6460, for one year, with the stipulation that they will come back then for review, and to adopt Ordinance Nos. 6461, 6462, 6463, 6464, 6465, 6466, 6467, 6468, and 6469, as presented. Second by Council Member Holland.
VOTING AYE: Dobbs, Holland, Howeth, Marroquin, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

RES 6858
BEL AIR VILLAGE ASSESSMENTS

RESOLUTION NO. 6858 – DETERMING THE COSTS OF PHASE ONE DISTRICT IMPROVEMENTS TO BE FINANCED BY THE BEL AIR VILLAGE PUBLIC IMPROVEMENT DISTRICT; APPROVING A PRELIMINARY SERVICE PLAN AND ASSESSMENT PLAN, INCLUDING PROPOSED PHASE ONE ASSESSMENT ROLL; DIRECTING THE FILING OF THE PROPOSED ASSESSMENT ROLL FOR PHASE ONE WITH THE CITY SECRETARY; CALLING A REGULAR MEETING AND NOTICING A PUBLIC HEARING FOR APRIL 4, 2022 TO CONSIDER AN ORDINANCE LEVYING ASSESSMENTS ON PROPERTY LOCATED WITHIN THE BEL AIR VILLAGE PUBLIC IMPROVEMENT DISTRICT; DIRECTING THE FILING OF THE PROPOSED PHASE ONE ASSESSMENT ROLL WITH THE CITY SECRETARY TO MAKE AVAILABLE FOR PUBLIC INSPECTION; DIRECTING CITY STAFF TO PUBLISH AND MAIL NOTICE OF SAID PUBLIC HEARING; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO.
A RESOLUTION OF THE CITY OF SHERMAN, TEXAS, DETERMINING THE COSTS OF PHASE ONE DISTRICT IMPROVEMENTS TO BE FINANCED BY THE BEL AIR VILLAGE PUBLIC IMPROVEMENT DISTRICT; APPROVING A PRELIMINARY

SERVICE PLAN AND ASSESSMENT PLAN, INCLUDING PROPOSED PHASE ONE ASSESSMENT ROLL; DIRECTING THE FILING OF THE PROPOSED ASSESSMENT ROLL FOR PHASE ONE WITH THE CITY SECRETARY; CALLING A REGULAR MEETING AND NOTICING A PUBLIC HEARING FOR APRIL 4, 2022 TO CONSIDER AN ORDINANCE LEVYING ASSESSMENTS ON PROPERTY LOCATED WITHIN THE BEL AIR VILLAGE PUBLIC IMPROVEMENT DISTRICT; DIRECTING THE FILING OF THE PROPOSED PHASE ONE ASSESSMENT ROLL WITH THE CITY SECRETARY TO MAKE AVAILABLE FOR PUBLIC INSPECTION; DIRECTING CITY STAFF TO PUBLISH AND MAIL NOTICE OF SAID PUBLIC HEARING. AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO.

Mr. Hefton said this is an amendment to the Public Improvement District for Bel Air Village, which has already been approved. The Public Improvement District is an instrument used by the developer to assess properties within the development, for improvements, enhancements, and similar things. The City has no participation in that, other than approval as the taxing authority.

The developer allows the assessments, and the money from the assessments goes to him to reimburse himself for the improvements made.

When the plan was first approved, building costs were very different from where they are now. When MunyCap looked at this issue, they determined that an additional assessment was available through the PID. This request is to amend the plan, to allow for an increased assessment on a per lot basis. The difference would then go to the developer. This change would allow the developer to recover more of the cost than would have been allowed in the previous agreement.

<u>Devon Whitlock, 600 E. John Carpenter Freeway, Ste. 333, Irving</u>
Mr. Whitlock appeared representing MuniCap, Inc., and said some of the costs of supplies have increased drastically in the past year. This agreement increases the assessment levy slightly higher for each unit.

ACTION TAKEN.
Motion by Council Member Stevenson to approve Resolution No. 6858, as presented. Second by Council Member Teamann.
VOTING AYE: Dobbs, Holland, Howeth, Marroquin, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

Mayor Plyler asked to have the captions of Resolution Nos. 6859, 6860, 6861, 6862, and 6863 read together.

RES 6859 AMENDED & RESTATED MASTER DEVELOPMENT AGREEMENT FOR HOSPITAL

<u>RESOLUTION NO. 6859 – APPROVING AND AUTHORIZING EXECUTION OF AN AMENDED AND RESTATED MASTER DEVELOPMENT AGREEMENT AMONG THE CITY OF SHERMAN, TEXAS, CROSSROADS HOSPITAL DEVELOPMENT LLC, IVY P3 GROUP, LLC AND CFP SHERMAN, LLC FOR THE DEVELOPMENT,</u>

DESIGN AND CONSTRUCTION OF AN ESTIMATED 80-BED ACUTE CARE HOSPITAL AND APPROPRIATE SITE AMENITIES SUPPORTING THE SAME WITHIN THE CITY OF SHERMAN, TEXAS
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING AND AUTHORIZING EXECUTION OF AN AMENDED AND RESTATED MASTER DEVELOPMENT AGREEMENT AMONG THE CITY OF SHERMAN, TEXAS, CROSSROADS HOSPITAL DEVELOPMENT LLC, IVY P3 GROUP, LLC AND CFP SHERMAN HOSPITAL, LLC FOR THE DEVELOPMENT, DESIGN AND CONSTRUCTION OF AN ESTIMATED 80-BED ACUTE CARE HOSPITAL AND APPROPRIATE SITE AMENITIES SUPPORTING THE SAME WITHIN THE CITY OF SHERMAN, TEXAS.

Council Member Teamann said during the time that the City has been actively pursuing this hospital, they have never talked about the City "backstopping" the project. He felt this was a substantial change, that could cost the citizens $40 million, if it were required to be used.

He said he was "pro hospital" and "pro this hospital," but felt that this was such a "dynamic change" that a conversation with Council should have happened before this meeting. He said he wasn't prepared to make this change today.

ACTION TAKEN.

Motion by Council Member Teamann to table Resolution No. 6859, so it can be discussed in depth, to fully understand what this will look like.

Mr. Hefton recommended that the Council move into Executive Session to discuss the item, prior to tabling it. Ryan Pittman, City Attorney, said it was listed on the Executive Session agenda, for discussion.

Deputy Mayor Howeth said the Council has discussed this issue several meetings ago, possibly in Executive Session. She said it was discussed with the Council and explained that the bond people were requiring this, and want assurance that the City is supporting that the hospital be built. She added that the chance of the City having to backstop this project is very slim, and even if they did, the money the City would be getting, would pay back the money that was spent. Worst case scenario, the City would "break even."

Council Member Teamann said he did miss a meeting recently.

EXECUTIVE SESSION – IN ACCORDANCE WITH CHAPTER 551, GOVT. CODE, V.T.C.S., (OPEN MEETINGS LAW) — EXECUTIVE SESSION

THE CITY COUNCIL WILL NOW HOLD AN EXECUTIVE SESSION PURSUANT TO THE PROVISIONS OF THE OPEN MEETINGS LAW, CHAPTER 551, GOVERNMENT CODE, VERNONS TEXAS CODES ANNOTATED, IN ACCORDANCE WITH THE AUTHORITY CONTAINED IN THE FOLLOWING SECTIONS.

TEX. GOV'T CODE § 551.071 --

SEEKING THE ADVICE OF ITS ATTORNEY ABOUT PENDING OR CONTEMPLATED LITIGATION, SETTLEMENT OFFERS OR ANY MATTER IN WHICH THE DUTY OF THE ATTORNEY TO THE CITY COUNCIL UNDER THE TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT OF THE STATE BAR OF TEXAS CLEARLY CONFLICTS WITH THE TEXAS OPEN MEETINGS ACT

TEX. GOV'T CODE § 551.072 --
DELIBERATING THE PURCHASE, EXCHANGE, LEASE OR VALUE OF REAL PROPERTY IF DELIBERATION IN AN OPEN MEETING WOULD HAVE A DETRIMENTAL EFFECT ON THE POSITION OF THE CITY IN NEGOTIATIONS WITH A THIRD PERSON

TEX. GOV'T CODE § 551.073 --
DELIBERATING A NEGOTIATED CONTRACT FOR A PROSPECTIVE GIFT OR DONATION TO THE CITY IF DELIBERATION IN AN OPEN MEETING WOULD HAVE A DETRIMENTAL EFFECT ON THE POSITION OF THE CITY IN NEGOTIATIONS WITH A THIRD PERSON

TEX. GOV'T CODE § 551.074 --
DELIBERATING THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE; OR TO HEAR A COMPLAINT OR CHARGE AGAINST AN OFFICER OR EMPLOYEE UNLESS THE OFFICER OR EMPLOYEE WHO IS THE SUBJECT OF THE DELIBERATION OR HEARING REQUESTS A PUBLIC HEARING

TEX. GOV'T CODE § 551.076 –
DELIBERATING THE DEPLOYMENT, OR SPECIFIC OCCASIONS FOR IMPLEMENTATION, OF SECURITY PERSONNEL OR DEVICES OR A SECURITY AUDIT

TEX. GOV'T CODE § 551.087 –
DISCUSSING OR DELIBERATING COMMERCIAL OR FINANCIAL INFORMATION THAT THE CITY HAS RECEIVED FROM A BUSINESS PROSPECT THAT THE CITY SEEKS TO HAVE LOCATE, STAY OR EXPAND IN OR NEAR THE CITY AND WITH WHICH THE CITY IS CONDUCTING ECONOMIC DEVELOPMENT NEGOTIATIONS; OR DELIBERATING THE OFFER OF A FINANCIAL OR OTHER INCENTIVE TO A BUSINESS PROSPECT

(A) Sherman Hospital Project

TEX. GOV'T CODE § 551.089 --
DELIBERATING SECURITY ASSESSMENTS OR DEPLOYMENTS RELATING TO INFORMATION RESOURCES TECHNOLOGY, NETWORK SECURITY INFORMATION, OR THE DEPLOYMENT OR SPECIFIC OCCASIONS FOR IMPLEMENTATION OF SECURITY PERSONNEL, CRITICAL INFRASTRUCTURE OR SECURITY DEVICES

On Motion duly made and carried, the Open Meeting recessed and reconvened in Executive Session at 5:55 p.m.

On Motion duly made and carried, the Executive Session recessed at 6:27 p.m. and reconvened in Open Meeting.

OPEN MEETING

Reconvene into Open Meeting and take action, if any, on items discussed in Executive Session.

OPEN MEETING

RESOLUTION NO. 6859 – APPROVING AND AUTHORIZING EXECUTION OF AN AMENDED AND RESTATED MASTER DEVELOPMENT AGREEMENT AMONG THE CITY OF SHERMAN, TEXAS, CROSSROADS HOSPITAL DEVELOPMENT LLC, IVY P3 GROUP, LLC AND CFP SHERMAN, LLC FOR THE DEVELOPMENT, DESIGN AND CONSTRUCTION OF AN ESTIMATED 80-BED ACUTE CARE HOSPITAL AND APPROPRIATE SITE AMENITIES SUPPORTING THE SAME WITHIN THE CITY OF SHERMAN, TEXAS

RES 6859 AMENDED & RESTATED MASTER DEVELOPMENT AGREEMENT FOR HOSPITAL

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING AND AUTHORIZING EXECUTION OF AN AMENDED AND RESTATED MASTER DEVELOPMENT AGREEMENT AMONG THE CITY OF SHERMAN, TEXAS, CROSSROADS HOSPITAL DEVELOPMENT LLC, IVY P3 GROUP, LLC AND CFP SHERMAN HOSPITAL, LLC FOR THE DEVELOPMENT, DESIGN AND CONSTRUCTION OF AN ESTIMATED 80-BED ACUTE CARE HOSPITAL AND APPROPRIATE SITE AMENITIES SUPPORTING THE SAME WITHIN THE CITY OF SHERMAN, TEXAS.

ACTION TAKEN.
Council Member Teamann withdrew his motion to table Resolution No. 6859.
MOTION WITHDRAWN.

ACTION TAKEN.
Motion by Council Member Stevenson to approve Resolution No. 6859, as presented. Second by Deputy Mayor Howeth.
VOTING AYE: Dobbs, Holland, Howeth, Marroquin, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

RESOLUTION NO. 6860 – APPROVING AND AUTHORIZING EXECUTION OF THE SECOND AMENDED AND RESTATED PREDEVELOPMENT LOAN AGREEMENT AMONG CFP SHERMAN HOSPITAL, LLC, THE CITY OF SHERMAN, TEXAS, CROSSROADS HOSPITAL DEVELOPMENT, LLC, IVY P3 GROUP, LLC, AP GULF STATES, INC., SHERMAN HOSPITAL MANAGEMENT COMPANY, LLC AND E4H ARCHITECTURE FOR THE COMMITMENT OF FUNDS FOR PREDEVELOPMENT EXPENSES RELATED FOR THE DEVELOPMENT, DESIGN AND CONSTRUCTION OF AN ESTIMATED 80-BED ACUTE CARE HOSPITAL AND APPROPRIATE SITE AMENITIES SUPPORTING THE SAME WIHIN THE CITY OF SHERMAN, TEXAS

RES 6860 SECOND AMENDED & RESTATED PREDEVELOPMENT LOAN AGREEMENT FOR HOSPITAL

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING AND AUTHORIZING EXECUTION OF THE SECOND AMENDED AND RESTATED PREDEVELOPMENT LOAN AGREEMENT AMONG CFP SHERMAN HOSPITAL, LLC, THE CITY OF SHERMAN, TEXAS, CROSSROADS HOSPITAL

DEVELOPMENT, LLC, IVY P3 GROUP, LLC, AP GULF STATES, INC., SHERMAN HOSPITAL MANAGEMENT COMPANY LLC AND E4H ARCHITECTURE FOR THE COMMITMENT OF FUNDS FOR PREDEVELOPMENT EXPENSES RELATED FOR THE DEVELOPMENT, DESIGN AND CONSTRUCTION OF AN ESTIMATED 80-BED ACUTE CARE HOSPITAL AND APPROPRIATE SITE AMENITIES SUPPORTING THE SAME WITHIN THE CITY OF SHERMAN.

RES 6861
REVENUE BONDS FOR HOSPITAL

<u>RESOLUTION NO. 6861 – AUTHORIZING THE ISSUANCE OF AN AMOUNT NOT TO EXCEED $300,000,000 PRINCIPAL AMOUNT OF REVENUE BOND (CFP SHERMAN HOSPITAL, LLC), SERIES 2022, OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE ISSUANCE OF AN AMOUNT NOT TO EXCEED $300,000,000 PRINCIPAL AMOUNT OF REVENUE BONDS (CFP SHERMAN HOSPITAL, LLC), SERIES 2022, OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA.

RES 6863
PUBLIC / PRIVATE PARTNERSHIP AGREEMENT FOR HOSPITAL

<u>RESOLUTION NO. 6863 – APPROVING AND AUTHORIZING EXECUTION OF A PUBLIC PRIVATE PARTNERSHIP AGREEMENT BY AND BETWEEN THE CITY OF SHERMAN, TEXAS AND CFP SHERMAN HOSPITAL, LLC AND COMMUNITY HOSPITAL CORPORATION</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING AND AUTHORIZING EXECUTION OF A PUBLIC PRIVATE PARTNERSHIP AGREEMENT BY AND BETWEEN THE CITY OF SHERMAN, TEXAS, CFP SHERMAN HOSPITAL, LLC AND COMMUNITY HOSPITAL CORPORATION.

ACTION TAKEN.
Motion by Council Member Stevenson to approve Resolution No. 6860, 6861, and 6863, as presented. Second by Deputy Mayor Howeth.
VOTING AYE: Dobbs, Holland, Howeth, Marroquin, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

RES 6862
REPLENISHMENT AGREEMENT FOR HOSPITAL

<u>RESOLUTION NO. 6862 – AUTHORIZING EXECUTION OF A REPLENISHMENT AGREEMENT BETWEEN THE CITY OF SHERMAN AND UMB BANK, N.A., PURSUANT TO WHICH THE CITY WILL CONSIDER APPROPRIATING RESERVE FUNDS ESTABLISHED AND TO BE MAINTAINED FOR THE SERIES 2022C BONDS ISSUED IN CONNECTION WITH THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A NEW 80-LICENSED BED HOSPITAL IN THE CITY OF SHERMAN, TEXAS</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A REPLENISHMENT AGREEMENT BETWEEN THE CITY OF SHERMAN AND UMB BANK, N.A., PURSUANT TO WHICH THE CITY WILL CONSIDER APPROPRIATING FUNDS TO CURE ANY DEFICIENCIES IN THE DEBT SERVICE RESERVE FUND ESTABLISHED AND TO BE MAINTAINED FOR THE SERIES 2022C

BONDS ISSUED IN CONNECTION WITH THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A NEW 80-LICENSED BED HOSPITAL IN THE CITY OF SHERMAN, TEXAS.

ACTION TAKEN.
Motion by Deputy Mayor Howeth to approve Resolution No. 6862, as presented. Second by Council Member Stevenson.
VOTING AYE: Dobbs, Holland, Howeth, Marroquin, Stevenson.
VOTING NAY: Teamann.
MOTION CARRIED.

RES 6864
IDA ROAD GROUND STORAGE TANK REHABILITATION

RESOLUTION NO. 6864 – AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH O&J COATINGS, INC. BASED ON AN INVITATION TO BID FOR THE IDA ROAD GROUND STORAGE TANK REHABILITATION
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH O&J COATING, INC., BASED ON AN INVITATION TO BID FOR THE IDA ROAD GROUND STORAGE REHABILITATION; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

Tom Pruitt, Utility Engineer, explained that the Texas Commission on Environmental Quality requires that the City perform annual inspections on water tanks. The Ida Road Ground Storage Tank was determined to be the worst tank in the City, and it was recommended that it be rehabilitated.

Construction started earlier than anticipated by using a part of the American Rescue Plan Act, also known as the Covid-19 Stimulus Package.

The project was expanded to include adding the Sherman logo and the Austin College logo to the Harrison Water Tank, and adding the safety climber to that tank. This contract will also complete what was not done on that tank.

Deputy Mayor Howeth confirmed that they are adding the Sherman logo and the Austin College logo to the Harrison Tower, and said, at one time, if a logo went on the tower, the entity would pay a price for that identification. Mr. Pruitt confirmed that they are paying for the identification.

ACTION TAKEN.
Motion by Deputy Mayor Howeth to approve Resolution No. 6864, as presented. Second by Council Member Teamann.
VOTING AYE: Dobbs, Holland, Howeth, Marroquin, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

RES 6865
NETWORK EQUIPMENT

RESOLUTION NO. 6865 – AUTHORIZING THE PURCHASE OF NETWORK EQUIPMENT THROUGH TEXAS DIR-TSO-4167 CONTRACT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE PURCHASE OF NETWORK EQUIPMENT THROUGH TEXAS DIR-TSO-4167 CONTRACT.
CONSENT AGENDA.

RES 6866
GRANT FOR POLICE SAFETY EQUIPMENT

RESOLUTION NO. 6866 – AUTHORIZING SUBMISSION OF A GRANT APPLICATION TO THE DICKEY FOUNDATION TO FUND THE PURCHASE OF BODY ARMOR PLATES AND BALLISTIC HELMETS FOR THE SHERMAN POLICE DEPARTMENT; DESIGNATING THE CITY MANAGER AS THE AUTHORIZED OFFICIAL TO ACCEPT, REJECT, ALTER OR TERMINATE THE GRANT ON BEHALF OF THE CITY

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING SUBMISSION OF A GRANT APPLICATION TO THE DICKEY FOUNDATION TO FUND THE PURCHASE OF BODY ARMOR PLATES AND BALLISTIC HELMETS FOR THE SHERMAN POLICE DEPARTMENT; DESIGNATING THE CITY MANAGER AS THE AUTHORIZED OFFICIAL TO ACCEPT, REJECT, ALTER OR TERMINATE THE GRANT ON BEHALF OF THE CITY.
CONSENT AGENDA.

RES 6867
GRANT FOR VICTIM ADVOCATE FOR POLICE DEPT

RESOLUTION NO. 6867 – AUTHORIZING SUBMISSION OF A GRANT APPLICATION AND THE ACCEPTANCE OF THE GENERAL VICTIM ASSISTANCE GRANT PROGRAM, PY2023 THROUGH THE OFFICE OF THE GOVERNOR – CRIMINAL JUSTICE DIVISION TO FUND THE ADDITION OF A VICTIM ADVOCATE FOR THE SHERMAN POLICE DEPARTMENT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING SUBMISSION OF A GRANT APPLICATION AND THE ACCEPTANCE OF THE GENERAL VICTIM ASSISTANCE GRANT PROGRAM, PY2023 THROUGH THE OFFICE OF THE GOVERNOR – CRIMINAL JUSTICE DIVISION TO FUND THE ADDITION OF A VICTIM ADVOCATE FOR THE SHERMAN POLICE DEPARTMENT.
CONSENT AGENDA.

REQ TO ADVERTISE
PARKS MAINT. EQUIPMENT

REQUEST TO ADVERTISE
PURCHASE OF A TORO GROUNDMASTER 4500 SPORTS FIELD MOWER FOR THE PARKS MAINTENANCE DEPARTMENT

The City Council approved the request to advertise for the purchase of a Toro Groundmaster 4500 Sports Field Mower for the Parks Maintenance Department.

Currently, the mowing of each sports field, especially soccer fields, requires two employees operating two zero-turn mowers. With the larger mowing surface capacity of the Toro Groundmaster, the department will almost double the current mowing capacity with half the staff.
CONSENT AGENDA.

OTHER BUSINESS

APPROVAL OF REPLAT
EXSTEIN'S MAPLE ADDITION

REPLAT APPROVAL OF LOTS 1R & 3R, BLOCK 5, EXSTEIN'S MAPLE ADDITION, BEING A REPLAT OF LOTS 1, 2 AND 3, BLOCK 5, EXSTEIN'S MAPLE ADDITION; HOUSE OF ELI, OWNER; TAWNI

HODGE, APPLICANT; AND COPLEY LAND SURVEYING, INC., SURVEYOR (316 AND 320 NORTH WOODS STREET)
The City Council approved the Replat of Exstein's Maple Addition, located at 316 and 320 North Woods Street. The owner is requesting zone changes and replat approval to divide the property into two lots, one for a storage and workshop, and the other for a new home to rent or sell.

(316 & 320 N. WOODS ST.)

They are also requesting a Specific Use Permit and site plan approval to allow a "tiny house" for an office space to include living quarters for security.

The Planning and Zoning Commission recommended approval of the Replat, subject to the Staff Review Letter.
CONSENT AGENDA, SUBJECT TO STAFF REVIEW LETTER.

REPLAT APPROVAL OF ORIGINAL TOWN PLAT, BEING A REPLAT OF BLOCK 11, LOT 2 AND PART OF LOT 4 AND 6, ORIGINAL TOWN PLAT; JOHN C. DANNEL FUNERAL HOME INC., OWNER; CHARLES DANNEL, REPRESENTATIVE AND PRESTON TRAIL LAND SURVEYING, SURVEYOR (302 SOUTH WALNUT STREET)
The City Council approved the Replat of Original Town Plat, located at 302 South Walnut Street. The property is zoned a C-1 (Retail Business) District and the owner would like to replat three lots into one lot for commercial use.

APPROVAL OF REPLAT ORIGINAL TOWN PLAT (302 S. WALNUT ST)

The Planning and Zoning Commission recommended approval of the Replat, subject to the Staff Review Letter.
CONSENT AGENDA, SUBJECT TO STAFF REVIEW LETTER.

REPLAT APPROVAL OF THE HILL ADDITION, BEING A REPLAT OF LOT 2 OF THOMPSON ADDITION ON LUELLA ROAD, LOTS 1 AND 2 IN THE CITY OF SHERMAN'S EXTRATERRITORIAL JURISDICTION (ETJ); RANDY AND AMY THOMPSON, OWNER/ APPLICANT; AND UNDERWOOD DRAFTING AND SURVEYING, INC., SURVEYOR (3000 LUELLA ROAD IN ETJ)
The City Council approved the Replat of the Hill Addition, located at 3000 Luella Road in the City's Extraterritorial Jurisdiction. The owner would like to replat the property into two lots for residential development.

APPROVAL OF REPLAT THOMPSON ADDITION IN ETJ (3000 LUELLA RD)

The Planning and Zoning Commission recommended approval of the Replat, subject to the Staff Review Letter.
CONSENT AGENDA, SUBJECT TO STAFF REVIEW LETTER.

FINAL PLAT APPROVAL OF THE ALVAREZ ADDITION, BEING 0.72 ACRES IN THE D.C. SHELP SURVEY, ABSTRACT NO. 1097; ZULA INVESTMENTS, OWNER; ADRIANA ALVAREZ, REPRESENTATIVE; AND UNDERWOOD DRAFTING AND SURVEYING, INC., SURVEYOR (5116 TEXOMA PARKWAY)
The City Council approved the Final Plat of The Alvarez Addition, located at 5116 Texoma Parkway. The property is zoned a C-2 (General Commercial) District, and the owner would like approval of the Final Plat.

APPROVE FINAL PLAT THE ALVAREZ ADDITION (5116 TEXOMA PKWY)

The Planning and Zoning Commission recommended approval of the Final Plat, subject to the Staff Review Letter.
CONSENT AGENDA, SUBJECT TO STAFF REVIEW LETTER.

<u>REPLAT APPROVAL OF LOT 2 OF THE JACKSON WALKER ADDITION; PRESTON TRAIL PARTNERS, LLC, OWNER; COVENANT DEVELOPMENT, LLC, DEVELOPER; AND UNDERWOOD DRAFTING AND SURVEYING, INC., SURVEYOR (1000 BLOCK EAST PECAN GROVE ROAD)</u>

APPROVAL OF REPLAT JACKSON WALKER ADDITION (1000 BLOCK OF E. PECAN GROVE RD)

The City Council approved the Replat of the Jackson Walker Addition, located in the 1000 block of East Pecan Grove Road. The property is zoned a C-1 (Retail Business) District, and the owner would like approval of the Replat.

The Planning and Zoning Commission recommended approval of the Replat, subject to the Staff Review Letter.
CONSENT AGENDA, SUBJECT TO STAFF REVIEW LETTER.

<u>REPLAT APPROVAL OF MIDWAY INDUSTRIAL PARK ADDITION; LARRY MUELLER, OWNER; AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR (5100 AND 5104 MARSHALL STREET)</u>

APPROVAL OF REPLAT MIDWAY INDUSTRIAL PARK ADDITION (5100 & 5104 MARSHALL ST)

The City Council approved the Replat of Midway Industrial Park Addition, located at 5100 and 5104 Marshall Street. The property is zoned an M-1 (Light Manufacturing) District, and the owner would like approval of the Replat.

The Planning and Zoning Commission recommended approval of the Replat, subject to the Staff Review Letter.
CONSENT AGENDA, SUBJECT TO STAFF REVIEW LETTER.

<u>REPLAT APPROVAL OF LOTS 10R & 11R, BLOCK 2, G.Y. GRAY'S 2ND ADDITION, BEING A REPLAT OF LOTS 10, 11 AND 12, BLOCK 2, G.Y. GRAY'S 2ND ADDITION; HOUSE OF ELI, OWNER; TAWNI HODGE, APPLICANT; AND COPLEY LAND SURVEYING, INC., SURVEYOR (119 AND 123 SOUTH RICKETTS STREET AND 825 WEST LAMAR STREET)</u>

APPROVAL OF REPLAT GRAY'S 2ND ADDITION (119 & 123 S. RICKETTS ST & 825 W. LAMAR ST)

The City Council approved the Replat of G.Y. Gray's 2nd Addition, located at 119 and 123 South Ricketts Street and 825 West Lamar Street. The owner is requesting replat approval to combine the properties into two lots.

They are also asking for a zone change for 123 South Ricketts and 825 West Lamar Streets from an R-1 (One Family Residential) District to R-2 (Multi-Family Residential) District for The House of Eli.

The Planning and Zoning Commission recommended approval of the Replat, subject to the Staff Review Letter.
CONSENT AGENDA, SUBJECT TO STAFF REVIEW LETTER.

<u>APPOINT/REMOVE OR CONSIDER QUALIFICATIONS TO BOARDS AND COMMISSIONS</u>
<u>LIBRARY BOARD (3)</u>

LIBRARY BOARD

ACTION TAKEN.

Motion by Council Member Stevenson to reappoint Lisa Hébert to the Library Board, for a term from March 20, 2022 to March

20, 2025; and to appoint Marty Burkart and Mitchell McCraw for a term from March 22, 2022 to March 22, 2025, as presented. Second by Council Member Teamann.
VOTING AYE: Dobbs, Holland, Howeth, Marroquin, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

ANIMAL CONTROL ADVISORY COMMITTEE (3)
ACTION TAKEN.

ANIMAL CONTROL ADVISORY COMMITTEE

Motion by Deputy Mayor Howeth to reappoint Stephanie Phillips, Kyle Wiser, and Amber Doan to the Animal Control Advisory Committee, for a term from March 17, 2022 to March 17, 2025, as presented. Second by Council Member Stevenson.
VOTING AYE: Dobbs, Holland, Howeth, Marroquin, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

PARKS AND RECREATION ADVISORY BOARD (3)
ACTION TAKEN.

PARKS & RECREATION ADVISORY BOARD

Motion by Deputy Mayor Howeth to reappoint Michael Kelly to the Parks and Recreation Advisory Board, for a term from December 19, 2021 to December 19, 2023; Michelle Casey for a term from February 4, 2022 to February 4, 2024; and to appoint Nathaniel Lightfoot for a term from March 22, 2022 to March 22, 2024, as presented. Second by Council Member Stevenson.
VOTING AYE: Dobbs, Holland, Howeth, Marroquin, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

COUNCIL COMMENTS
CELTIC FESTIVAL

CELTIC FESTIVAL

Deputy Mayor Howeth recognized everyone who worked on the Celtic Festival this past weekend. She said people came from all over the country to attend the Festival. She said the hotels and restaurants were full, and it's great for tourism and Sherman's economy.

CELTIC FESTIVAL

CELTIC FESTIVAL

Council Member Teamann said the Celtic Festival was an incredible event and packed the park.

DENISON HOMETOWN HEROES

DENISON HOMETOWN HEROES

Council Member Teamann said the Denison Hometown Heroes is holding a mural presentation, and a ribbon cutting on March 26, 2022, at 1:00 p.m. The ribbon cutting will be held at the corner of Burnette and Chestnut Streets in Denison.

The event will honor Major Jewel Butler, an honored member of the Tuskegee Airmen.

ANNOUNCEMENTS

Mayor Plyler announced the following:

- The Chamber of Commerce will host a ribbon cutting for The Loft Coffeehouse on March 23, 2022.

- The City will hold a public open house, in the Municipal Ballroom, on March 28, 2022, from 5:00 p.m. until 7:00 p.m., to kick-off the Comprehensive Plan and Trails Master Plan. Citizens are encouraged to make sure their voice is heard as the City plans for the future.

- The Annual Hot Summer Nights lineup for 2022 will be announced on April 1, 2022, at Coffee with the Mayor. The event starts at 8:00 a.m. at St. Mary's School.

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at 6:36 p.m.

MAYOR

Linda Ashby

CITY CLERK

Sherman
CLASSIC TOWN. BROAD HORIZON.

Agenda Items for Sherman Hospital
3-21-22 Council Meeting

Sherman
CLASSIC TOWN. BROAD HORIZON.

- D.1 <u>Tax Equity and Fiscal Responsibility Act Public Hearing</u>
  - Federal law requires public hearing in the municipality in which “private activity bonds” are issued to allow for public input before issuing tax-exempt revenue bonds.
  - This public hearing satisfies those requirements

Sherman
CLASSIC TOWN. BROAD HORIZON.

- E.2 Resolution 6859
  - <u>Amended and Restated Master Development Agreement</u> among City, Crossroads Hospital Development, IVY P3 Group, and CFP Sherman
  - This amendment clarifies roles of each of the parties, specifically it identifies IVY as the Project Manager and defines their responsibilities to manage all aspects of the pre-development phase, construction phase, and into the operations phase of the project
  - Changes Crossroads Hospital Development to be "development consultant"

Sherman
CLASSIC TOWN. BROAD HORIZON.

- E.3 Resolution 6860
  - Second Amended and Restated Predevelopment Loan Agreement among all parties – City, IVY, AP Gulf States, CFP Sherman Hospital, Crossroads Hospital Development, E4H, Sherman Hospital Management
  - Four primary changes:
    - 1) Extends term to 7/31 from 4/30 to allow needed time to complete legal work and take bonds to market
    - 2) Adds $50K to previous $3.34M predevelopment budget (amount does NOT change City's participation of up to $738k)
    - 3) Change site to 16.8 acres from 12 acres
    - 4) Change names of parties to the agreement (e.g., IVY P3 Group from IVY Hotel Group (IHG))

Sherman
CLASSIC TOWN. BROAD HORIZON.

- E.4 Resolution 6861
  - <u>Authorizing issuance of up to $300M Principal of Revenue bonds by CFP Sherman Hospital</u> through the Phoenix Industrial Development Authority
  - Law requires City Council approval (because hospital is within City limits) of tax-exempt hospital revenue bonds by CFP Sherman thru Phoenix IDA to do things like:
    - Fund hospital and equipment
    - Fund working capital reserves and debt reserves
    - Fund capitalized interest

- E.5 Resolution 6862
  - Authorizing <u>Replenishment Agreement</u> for Series 2022C in connection with new hospital
  - Requires City to replenish bond reserve fund for annual debt service reserves of about $1.5M - $1.6M if needed if hospital isn't generating enough to pay debt service
  - Any "draws" would be eventually repaid to the City as funds allow
  - No "escalation" clause
  - Subject to annual appropriations

Sherman
CLASSIC TOWN. BROAD HORIZON.

- E.6 Resolution 6863
  - Authorizing <u>Public Private Partnership Agreement</u> between City, CFP Sherman Hospital, and Community Hospital Corporation (operator)
  - Sets responsibilities of each party in the pre-development, construction, and operations phases of the project.
  - Includes services such as 1) acquisition of the ground-lease interest in the property, 2) construction and operation of the Hospital, 3) sources of bond financing, underwriting and economic support for the Hospital Improvements, 4) general design specifications of the Hospital Improvements for the benefit of the City and its residents, 5) project management/construction management