Work Session Room at City Hall
Monday, November 3, 2025
5:00 PM

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

GARLAND

Mission
We serve to grow public trust and a thriving Garland community, today and for the future.

CITY OF GARLAND
WORK SESSION OF THE CITY COUNCIL

Vision
Garland will be an engaged and vibrant community that residents proudly call home.

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

The Council Chambers at Garland City Hall is wheelchair accessible, and ADA parking is available on the street as well as in the public parking garage. Persons with disabilities who may need auxiliary aids or services must contact the City Secretary's Office at 972-205-2404 at least two working days prior to the meeting so that appropriate arrangements can be made. Braille is not available.

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

In the event the City Council has not completed its discussions or deliberations on any Work Session item by the 7:00 Regular Meeting, it will recess the Work Session until the Regular Meeting is completed. Upon adjournment of the Regular Meeting, the City Council will then reconvene into Work Session to finish its discussions or deliberations on any remaining Work Session items.

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

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

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

1. **All Abilities Committee**

   Staff is providing a written report regarding the creation of an All Abilities Committee to advise the City Council and support staff in fostering accessibility, inclusion, and community collaboration.

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

2. **Introduction of Julian Boring, Fleet Director**

   Council will be introduced to Julian Boring, the City's new Fleet Director.
   Presenter: Phillip J. Urrutia, Assistant City Manager

3. **MD Pathways Program Update**

   City Council will receive the required monthly update on the MD Pathways program as outlined in the agreement between the City and MD Pathways. The update will include information on recent and upcoming community outreach efforts, website development, hiring of a Community Engagement Liaison, and implementation of the pilot program.
   Presenter: Brian Davis, MD Pathways Liaison

4. **Housing Market Analysis Presentation by CZB**

Representatives from CZB will deliver a verbal presentation to the City Council, summarizing key preliminary findings from the ongoing housing market analysis conducted for the City of Garland.
Presenter: Becky King, Managing Director-Office of Neighborhood Vitality

5. Development Services Committee Report

Mayor Pro Tem Lucht, Assistant City Manager Andy Hesser, and Staff will report on multiple pending items of the Development Services Committee. These items were last discussed at the DSC Committee meeting on October 14, 2025.
Review Sign Ordinance: *Referred by Councilmember Bass, with a second from Mayor Pro Tem Lucht, at the June 17, 2024 Work Session. An additional referral to review the sign ordinance was made by Councilmember Dutton, with a second from Mayor Pro Tem Lucht, at the May 5, 2025 Work Session.*
Bounded Chapter 380 - Residential Improvements: *Referred by Deputy Mayor Pro Tem Ott, with a second from Mayor Hedrick, at the September 16, 2024 Work Session.*
Review SB840 Proposed Amendments: *Referred by Councilmember Dutton, with unanimous support from the City Council, at the July 21, 2025 Work Session.*
Evaluate Design Elements of Antennas: *Referred by Councilmember Thomas, with a second from Mayor Pro Tem Lucht, on July 22, 2025.*
Review Process for Designation of Outside Economic Development Tools (Foreign Trade Zones, PACE Program, etc.): *Referred by Councilmember Bass, with a second from Mayor Pro Tem Lucht, on August 21, 2025.*
Presenter: Margaret Lucht, Mayor Pro Tem, Andy Hesser, Assistant City Manager, Nabila Nur, Planning & Development Director, Becky King, Managing Director-Office of Neighborhood Vitality, Ayako Schuster, Economic Development Director, Shawn Weinstein, Deputy Building Official – Code Compliance

6. Texas Municipal League (TML) Annual Conference Report

Per Article II, Division 1, Section 6(E) of the City Council policies, Mayor Dylan Hedrick, Councilmember Kris Beard, and Councilmember Carissa Dutton will report back to the City Council on the Texas Municipal League (TML) Annual Conference.
Presenter: Dylan Hedrick, Mayor, Kris Beard, Councilmember, Carissa Dutton, Councilmember

7. Update on the DART City Manager's Working Group

Staff will provide the City Council with an update on discussions related to DART. The North Texas Commission recently convened a working group of city managers from six of the 13 DART member cities (Dallas, Garland, Irving, Plano, Richardson and Rowlett) to discuss DART's governance, funding, and service.
Presenter: Judson Rex, City Manager

8. TIF # 2 Proposed Term and Boundary Amendment

Staff will provide an overview of the TIF #2 Board's recommendation to extend the boundaries and term of TIF #2. Unless otherwise directed by Council, this item will be scheduled for formal consideration at the November 18, 2025 Regular Meeting.
Presenter: Matthew Watson, Managing Director-Financial Services

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

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

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

1. Pending/contemplated litigation, settlement offer(s), and matters concerning privileged and unprivileged client information deemed confidential by Rule 1.05 of the Texas Disciplinary Rules of Professional Conduct. Sec. 551.071, Tex. Gov't Code.
2. The purchase, exchange, lease or value of real property, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Sec. 551.072, Tex. Gov't Code.
3. A contract for a prospective gift or donation to the City, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Sec. 551.073, Tex. Gov't Code.
4. Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Sec. 551.074, Tex. Gov't Code.
5. The deployment, or specific occasions for implementation of security personnel or devices. Sec. 551.076,Tex. Gov't Code.
6. Discussions or deliberations regarding commercial or financial information that the City has received from a business prospect hat the City seeks to have to locate, stay, or expand in or near the territory of the City and with which the City is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect of the sort described in this provision. Sec. 551.087, Tex. Gov't Code.
7. Discussions, deliberations, votes, or other final action on matters related to the City's competitive activity, including information that would, if disclosed, give advantage to competitors or prospective competitors and is reasonably related to one or more of the following categories of information:

- generation unit specific and portfolio fixed and variable costs, including forecasts of those costs, capital improvement plans for generation units, and generation unit operating characteristics and outage scheduling;
- bidding and pricing information for purchased power, generation, and fuel, and Electric Reliability Council of Texas bids, prices, offers, and related services and strategies;
- effective fuel and purchased power agreements and fuel transportation arrangements and contracts;
- risk management information, contracts, and strategies, including fuel hedging and storage;
- plans, studies, proposals, and analyses for system improvements, additions, or sales, other than transmission and distribution system improvements inside the service area for which the public power utility is the sole certificated retail provider; and
- customer billing, contract, and usage information, electric power pricing information, system load characteristics, and electric power marketing analyses and strategies. Sec. 551.086; Tex. Gov't Code; Sec. 552.133, Tex. Gov't Code]

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


GARLAND
STRATEGIC FOCUS AREAS
Safe Community
Well-Maintained City Infrastructure
Reliable, Cost-Efficient Utility Services
Sound Governance and Finances
Vibrant Neighborhoods and Commercial Centers
Customer-Focused City Services
Growing Economic Base
Future-Focused City Organization
Enhanced Quality of Life through Amenities, Arts and Events
Commercially Thriving Downtown

GARLAND

CITY COUNCIL STAFF REPORT

1

Meeting Date: November 3, 2025

Title: All Abilities Committee

Submitted by: Phillip J. Urrutia

Strategic Focus Area: Customer-Focused City Services
Future-Focused City Organization
Enhanced Quality of Life through Amenties Arts and Events

Issue / Summary

The City Council has provided direction for the establishment of an All Abilities Committee to advise on matters of accessibility, inclusion, and quality of life for individuals with all abilities and their families. The committee would provide recommendations to the City Council and staff regarding policies, programs, and services that impact residents with all abilities, promote awareness, and foster collaboration between the City, schools, nonprofits, and local businesses.

Background

At the August 28, 2024 City Council Worksession, the City Council discussed the potential creation of an All Abilities Committee and provided direction for its establishment. The initiative was formally referred at the January 6, 2025 City Council Worksession to Committee by Councilmember Dutton and Mayor Pro Tem Lucht. This item was assigned to the Administrative Services Committee.The All Abilities Committee would be a City-established advisory body composed of nine members, with each Councilmember and the Mayor appointing one representative. Members will be subject to all eligibility requirements outlined in the City Charter and applicable ordinances.

The Committee's mission will be to advocate for, support, and improve the quality of life for individuals with special needs and their families through advisory input, awareness initiatives, and partnership development.

Specific focus areas include:

- Advising the City Council and staff on policies, programs, and services that promote accessibility and inclusion.
- Identifying community gaps and opportunities in special needs services and infrastructure.
- Promoting awareness and fostering understanding of the special needs community.
- Encouraging collaboration among the City, schools, nonprofits, and local businesses.

Consideration / Recommendation

Considerations:

- Composition: The committee should reflect a diversity of experiences, including individuals with special needs, caregivers, educators, social service professionals, and community advocates.
- Responsibilities: The committee would advise the City on relevant issues such as housing, transportation, education, employment, and public accessibility; review existing City programs; promote outreach and awareness events; and serve as a liaison between the special needs community and City leadership.
- Support and Collaboration: City staff may assist the committee in coordinating initiatives and identifying potential partnerships.
- Potential Initiatives: Inclusive recreation programming, educational workshops for local businesses and first responders, caregiver support events, and accessibility awareness campaigns.

Recommendation:

Staff seeks direction on establishing this committee, a formal vote will be set at the 11/3/2025 City Council meeting.

Attachments

A. Draft Resolution
B. AAC presentation

RESOLUTION NO. ____________

A RESOLUTION CREATING AN ADVISORY COMMITTEE TO CONSIDER AND ADVISE CITY COUNCIL ON DISABILITY CONCERNS SUCH AS ACCESSIBILITY AND ACCOMMODATONS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, at the January 6, 2025 City Council Work Session, Council referred the discussion of the potential creation of an advisory committee on persons with disabilities to the Administrative Services Committee;

WHEREAS, following consideration by the Administrative Services Committee, the Committee recommended the creation of such an advisory committee, to be entitled the "All Abilities Committee," to Council;

WHEREAS, at the August 18, 2025 Council Work Session, Council directed staff to proceed with the creation of an advisory All Abilities Committee as a Council-appointed committee by resolution to be consistent with other City boards and commissions;

WHEREAS, the committee would be composed of nine (9) citizens to advise the City in those areas of committee interest including, but not limited to, disability concerns such as accessibility, inclusion, and accommodations for City projects and activities; and

WHEREAS, the City Council finds that it is in the public interest to establish the advisory All Abilities Committee for the purpose of promoting accessibility to persons with disabilities in the City of Garland;

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

Section 1

The recitals which are set forth in the preamble of this Resolution are incorporated herein and are made a part of this Resolution for all purposes.

Section 2

The City Council hereby establishes an advisory committee to be called the "All Abilities Committee" ("Committee"). The Committee shall be composed of nine (9) City citizens. The nine (9) citizens of the community shall be appointed by the City Council, one to be appointed by each councilmember and the Mayor, respectively, who must meet eligibility requirements of the City Charter and applicable ordinances. The Committee shall perform its functions in accordance with the intent of this resolution. The Committee members shall service at the pleasure of the City Council until successors are duly appointed.

Section 3

Members will serve two (2) year terms, aligning with the respective term of the Councilmember or Mayor who appointed them, with the exception of the inaugural Committee members who are appointed by a Councilmember whose term expires in 2026, at which such time the Member's term shall also expire.

Section 4

It shall be the duty of the All Abilities Committee to advise the City in those areas of Committee interest including, but not limited to, disability concerns such as accessibility, inclusion, and accommodation for City projects and activities. All recommendations shall be made by a majority vote of the entire Committee. Some of the specific areas for consideration by the Committee may include the following:

a. Advising the City Council and staff on policies, programs, and services;
b. Identifying opportunities and gaps in accessibility and inclusion;
c. Promoting awareness and fostering understanding of the special needs community; and
d. Encouraging collaboration among the City, schools, nonprofits, and local businesses.

Section 5

Any matters not addressed by this resolution shall be governed by Chapter 10, Article III of the City of Garland Code of Ordinances.

Section 6

The City Manager, or his designee, will provide guidance and assistance to the Committee, and be responsible for ensuring that records are maintained in accordance with the requirements of the City Secretary's Office. The City Attorney, or his designee, shall provide legal counsel to the Committee.

Section 7

This Committee shall be a standing committee of the City of Garland until such time as it is dissolved by the City Council.

Section 8

That this Resolution shall be and become effective immediately upon and after its adoption and approval.

PASSED AND APPROVED this the _____ day of ______________, 2025.

CITY OF GARLAND, TEXAS

____
Mayor

ATTEST:

____
City Secretary

GARLAND

All Abilities Committee

All Abilities Committee

Submitted to Committee at the January 6th, 2025, worksession by Councilmember Dutton and Mayor Pro Tem Lucht. Direction provided at the August 26, 2025 worksession by Council to establish the committee.

Committee discussion:

Newly formed committee

Councilmember and Mayor appointed members (9 total)

Mission:

- Advising the city council and staff on policies, programs, and services.
- Identifying gaps in accessibility and inclusion in the community.
- Raising awareness and fostering understanding of the special needs community.
- Promoting collaboration between the city, schools, nonprofits, and local businesses.

Thank You

Questions?

GARLAND

CITY COUNCIL STAFF REPORT

2

Meeting Date: November 3, 2025

Title: Introduction of Julian Boring, Fleet Director

Submitted by: Phillip Urrutia, Assistant City Manager

Strategic Focus Area: Customer-Focused City Services
Safe Community
Well-Maintained City Infrastructure
Reliable / Cost-Efficient Utility Services
Sound Governance and Finances
Future-Focused City Organization

Issue / Summary

Introduction of Julian Boring, Fleet Director

Background

Council will be introduced to Julian Boring, the City's new Fleet Director, by Phillip J. Urrutia, Assistant City Manager.

Consideration / Recommendation

Attachments

None

GARLAND

CITY COUNCIL STAFF REPORT

3

Meeting Date: November 3, 2025

Title: MD Pathways Program Update

Submitted by: Phillip J. Urrutia

Strategic Focus Area: Customer-Focused City Services

Issue / Summary

City Council will receive the required monthly update on the MD Pathways program as outlined in the agreement between the City and MD Pathways. The update will include information on recent and upcoming community outreach efforts, website development, hiring of a Community Engagement Liaison, and implementation of the pilot program.

Background

In accordance with Exhibit A, Section 3 of Reporting & Accountability within the executed agreement between the City and MD Pathways, monthly reports are required to be provided to City staff and City Council regarding implementation of the program. These reports are intended to ensure transparency and accountability in tracking program milestones, community engagement activities, and overall progress toward the program's objectives.

Consideration / Recommendation

City staff and representatives from MD Pathways will present the current status of the program and request feedback and direction from City Council as the project progresses. Additional information or clarification will be provided upon request.

Attachments

A. Garland Outreach Update 2
B. (Executed Contract) Master Telehealth Services Agreement - Updated 091625 - signed 1

Tap Telehealth
Garland Outreach:

13 Touchpoint Strategy
September-October 2025

Outreach Strategy Overview:

- Reach residents over “13 Touch-points to build awareness, trust, and adoption.

- Combines municipal, educational, community, and business channels.

- Awareness and trust to be built on presence in the community. Early efforts are strongly focused on adoption of the pilot program for 10,000 Garland families to use Tap Telehealth prior to launch.

Municipal

#	Touchpoint
1	Utility Bill Insert
2	Website/Email
3	Mayor/City Events
4	City Social Media

Educational

#	Touchpoint
5	School District Briefing
6	Take-Home Flyer
7	School Functions

Community

#	Touchpoint
8	Community-wide Entities
9	Faith-Based Groups
10	Local Media Outlets

Business

#	Touchpoint
11	Chamber Luncheons
12	Workplace Presence
13	Seasonal Campaigns

Where We’ve Been and What’s to Come:

The following is a snapshot of the work we have done in the community in the last few weeks and plans for the near future.

Municipal Outreach - Touchpoints 1-4

- Our team is working closely with City of Garland employees, MDHP has a comprehensive plan to utilize existing communication channels.

- These channels include but are not limited to:
  - Utility Bill Inserts
  - Garland City Press
  - City of Garland Website
  - City of Garland Social media

Municipal Outreach - Touchpoints 1-4

Utility Bills

- Insert in three languages – December 2025
- Insert in three languages – April 2026

Garland City Press

- Story in November/December 2025 issue (in homes Nov. 1)
- Story/ad in January/February 2026 issue (in homes Jan. 1)
- Ad on back cover in March/April 2026 issue (in homes March 1)
- Story/ad in May/June 2026 issue (in homes May 1)
- Story/ad in July/August 2026 issue (in homes July 1)

Municipal Outreach - Touchpoints 1-4

Website

- Initial release posted Aug. 28, 2025; FAQ story posted Oct. 23, 2025
- Homepage banner graphic by Nov. 1, 2025
- Messaging added to Utility Customer Service page by Nov. 1, 2025
- Additional stories posted as new information becomes available

City Press Briefs e-Newsletter

- Information included in Aug. 31, Sept. 28, and Oct. 26, 2025 editions
- Will continue featuring updates at least once per month

Municipal Outreach - Touchpoints 1-4

City of Garland Social Media

- Initial release posted Aug. 28, 2025; FAQ highlight posted Oct. 24, 2025
- Ongoing posts at least twice per month beginning November 2025
- Existing MDHP social media assets have been shared

Miscellaneous

- Slide on CGTV by Nov. 1, 2025
- Informational flyer in three languages at City facilities by Dec. 1, 2025
- Ad on Firewheel digital billboard in December 2025 and April 2026

Municipal Outreach - Next Steps from MDHP

- Continue close communication with City employees to ensure a smooth roll-out of planned messaging.
- Social Media Content: Our team is currently working to generate informational video content specifically targeting Garland residents and the Pilot Program to be shared on City pages. Consider including some City officials in these videos.
- Attend Town Halls for other districts as they are scheduled.

Educational Outreach - Touchpoints 5-7

- Garland ISD Collaboration: Discussions with Dr. Lakisha Culpepper (FACE) and Renee Kotsopoulos (Health Services Director) to discuss how to best involve the district for our roll-out of the Pilot Program.

GARLAND INDEPENDENT SCHOOL DISTRICT

- ChildCareGroup (Head Start): Met with group organizers and attended the resource fair on October 15th. Interacted with families directly to sign several up for the Pilot Program.

ChildCareGroup

Educational Outreach - Next Steps

- Continued presence with ChildCareGroup. Plan to host a Lunch and Learn for their staff at a later date in the year.

- Meet with school nurses by the end of November with coordination from Renee Kotsopoulos. Discuss ways we can send children home with flyers or informational material.

- Attend “Back to School” events at the start of the 2026 spring semester.

- Plan to attend and speak at several monthly PTA meetings to inform parents directly about the Pilot Program.

Community Outreach - Touchpoints 8-10

- Faith-Based Organizations: Engagement with Lavon Drive, First Baptist, and Good Shepherd

- Charitable Organizations: Ongoing volunteering at Good Samaritans, Salvation Army, Trusted World, Garland Housing Agency, Friendship House

- Low-Income Groups: Display informational material at offices of Garland Housing Agency

- Media Outreach: Vietnamese news article published; press releases and articles with various North Texas outlets.

Community Outreach (Continued)

- Hope Clinic: Met with Tanya Downing, Executive Director, and Dr. Jennifer Kampas, Medical Director, in their facility.

- MDHP team members presented program during 10/14 staff meeting. Discussed how partnership can benefit both organizations.

- Potential sponsorship of upcoming Hope Clinic events

Community Outreach (Continued)

- East Garland WIC Site: Visited with multiple staff members at the WIC clinic to discuss the program and how their patients (mostly new mothers) could benefit greatly from the service.

- Made plans to host an on-site date where staff members and patients sign up for the Pilot Program by the end of November.

Community Outreach - Next Steps

- Maintain regular presence at churches at charitable sites.

- HOA's: Establish partnerships with HOA groups to speak at community meetings. Foster relationship with Eric and Cindy Scholl to attend monthly Metroplex Realtor Meetings

- Media Content: Make appearances on Vietnamese TV. Create multilingual video content revolving around the Pilot Program.

Business Outreach - Touchpoints 11-13

- Chamber of Commerce: Connected with Paul and Karina at the Garland COC offices to introduce ourselves and discuss our outreach within the community. We are active members.

- Met with Roni Taplin of the Chamber of Commerce on October 13th to streamline how the Chamber can assist us in our outreach goals.

- Cali Saigon Mall: Met with Jennifer Nguyen, community leader and owner of Cali Saigon Mall, to discuss our program in more depth and ways we can promote our service to the Vietnamese community.

Business Outreach - Next Steps

- Chamber of Commerce: Attend the October and November Business Connect meeting.

- Cali Saigon Mall: Hosted a booth at the Children's Fall Festival in October.

- Flu-Season Campaign: Produce flyers and informational material to be placed at local businesses and hubs with information on how to protect families from Flu season.

Community Champion

- Main Roles: manage relationships with entities across Garland, explore the new report with organizations we missed, lead seasonal campaigns in the future, gather feedback/testimonials

- Our goal is to interview 3-5 candidates for community champion by the end of October. With months to train and join along at community events, he or she will be primed to make an impact come launch time.

- While we hope to establish connections all across Garland, our community champion can cement these relationships for the long haul.

Community Champion (Continued)

- Working closely with City, several candidates have been identified. Interviews have been conducted with three Garland residents.

- We hope to select at least one of these individuals in the next few weeks to start on-boarding.

- Additional Community Champions may be required to meet our outreach goals.

Outreach Goals

Engagement Metrics

- Community Partners Engaged: Target 35+ by December
- Faith-Based & Charitable Engagements: 20+ pre-launch events
- School Participation: 10 Garland ISD campuses reached; goal to expand to 20 by midyear.
- Media Exposure: 5+ local publications (Vietnamese TV, City newsletter, Chamber feature).

Adoption Metrics

- Pilot Program Enrollment Goal: 10,000 Garland households enrolled with at least 25% utilization rate.
- Repeat Usage Rate: 40% of families who try the service repeat use by month six.

Master Telehealth Services Agreement

This Master Telehealth Services Agreement (the **"Agreement"**) is made and entered into as of 09/17/2025______________, by and between **Pathways Physicians Texas, PLLC**, a Texas professional limited liability company (hereinafter "**PPTX**"), and the **City of Garland, a Texas home-rule municipality** (hereinafter the "**City**"). PPTX and the City may each be referred to as a "**Party**" and collectively as the "**Parties**."

Recitals

- **Whereas,** the City desires to offer its residents access to telehealth immediate medical care ("TIMC") as a community benefit program, funded by voluntary contributions collected pursuant to the terms hereof;

- **Whereas,** the program contemplated hereunder would not, and is not intended to, raise revenue for the City or that the City will expend any funds from the General Fund in furtherance of said program;

- **Whereas,** PPTX is a provider of TIMC and has the expertise and resources to deliver such services to the City's residents; and

- **Whereas,** the Parties have negotiated this Agreement to set forth the terms under which PPTX will provide TIMC and the City will facilitate access to the program, with provisions intended to protect both Parties' legal, operational, and financial interests;

Now, therefore, for and in consideration of the mutual covenants and agreements herein, and other good and valuable consideration, the Parties agree as follows:

1. Definitions

For purposes of this Agreement, the following capitalized terms have the meanings set forth below. Other terms may be defined in context within this Agreement.

- **"Telehealth Services"** -- The remote TIMC intended to prevent aggravation of physiological illness or injury described in this Agreement that PPTX will provide to Participating Households, including virtual medical consultations by licensed physicians or other qualified healthcare professionals via telephone, video, text messaging, or other electronic communication methods.

- **"Household"** -- A residential utility account holder in the City (e.g., a single-family residence or other residential unit that receives a City utility bill) that is eligible to participate in the telehealth program.

- **"Participating Household"** -- A Household that has not opted out of the telehealth program and is current on its monthly telehealth Contribution, and therefore is entitled to receive Telehealth Services under this Agreement.

- **"Contribution"** -- The monthly fee voluntarily paid per Household to fund the telehealth program (rates as specified in Section 5.1, subject to CPI adjustments as set forth in Section 5.1).

- **"Introductory Term"** -- The period spanning the first 6 months from and after the Program Launch Date. It will include meetings between representatives of the Parties following every 3 months to review program effectiveness and recommended changes. Also, PPTX shall provide up to three temporary call center employees to manage increased call volume during the Introductory Term.

- **"Initial Term"** -- The initial duration of this Agreement as specified in Section 2.1.

- **"CPI"** -- The Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, All Items (or, if such index is discontinued or not available, a comparable index mutually agreed by the Parties), used for calculating allowable annual price adjustments beginning in Year 3, as described in Section 5.1.

- **"Program Launch Date"** - The first date on which the City includes the Contribution charge on utility bills and Participating Households may begin using the Telehealth Services.

2. Term of Agreement

2.1 Initial Term: The term of this Agreement shall commence on the Program Launch Date and continue for an initial period of **seven years** thereafter, unless earlier terminated in accordance with this Agreement (the "**Initial Term**"). The Initial Term includes the Introductory Term. Following the execution of this Agreement, the Parties will agree in writing to a Program Launch Date based on the City's determination that its customer service and billing systems will adequately support the program launch.

2.2 Renewal Terms: Upon expiration of the Initial Term, this Agreement may be renewed for additional terms (each a "**Renewal Term**") of a duration to be negotiated by the Parties upon the written agreement of both Parties. Unless a Party gives written notice of non-renewal at least 180 days before the end of the Initial Term or then-current Renewal Term, this Agreement shall renew on a month-to-month basis under the terms of the immediately preceding Term until either (i) the Parties execute a written agreement for a Renewal Period, or (ii) this Agreement is terminated by either Party pursuant to Section 6.

3. Scope of Services

3.1 Telehealth Services Provided. PPTX shall furnish comprehensive **Telehealth Services** to all Participating Households in accordance with this Agreement.

- **Standard Service Window.** Telehealth Services will be routinely available **every day, including holidays, from 8:00 a.m. to 10:00 p.m. Central Time** (the "Standard Service Window").
- **24 / 7 Expansion Option.** Should the City later determine that around-the-clock availability is desirable, the Parties may amend this Agreement to extend coverage to a full 24 / 7 model at mutually agreed pricing and service-level terms. Until such amendment is executed, PPTX has no obligation to provide Telehealth Services outside the Standard Service Window.

During the Standard Service Window, residents may consult with qualified, Texas-licensed healthcare providers via secure text/SMS, telephone, video conference, or a designated telehealth platform/application. Telehealth Services include, without limitation:

- On-demand immediate evaluation and advice for perceived physiological illness or injury;
- Diagnosis and treatment recommendations for common illnesses and minor injuries (e.g., colds/flu, infections, minor sprains);
- Prescription services when clinically appropriate and lawful, including transmittal to local pharmacies;
- Triage guidance on whether in-person urgent care or emergency services are recommended;
- Answers to health-related questions and early-intervention coaching for chronic-condition management; and
- Referrals to specialists or community health resources when an issue is beyond the scope of telehealth or requires follow-up.

PPTX shall ensure that Telehealth Services are provided **without any per-visit charge** to the patient or the City beyond the monthly Contributions set forth in Section 5; Participating

Households therefore receive **unlimited** access---subject to reasonable controls---covered by the program.

3.2 Licensed Personnel and Standard of Care: PPTX shall ensure that all services are provided by individuals holding the necessary **professional licenses and certifications** in the State of Texas (e.g., medical doctors or osteopathic physicians licensed by the Texas Medical Board, nurse practitioners or physician assistants if utilized, etc.). PPTX will provide Telehealth Services in accordance with the **prevailing standard of care** for telemedicine and all applicable laws and regulations. This includes compliance with Texas telemedicine requirements (e.g., establishing a valid physician-patient relationship via telehealth as required by Tex. Occupations Code and Texas Medical Board rules), maintaining patient privacy and security in accordance with **HIPAA** and other applicable privacy laws, obtaining any necessary consents for treatment via telehealth, and maintaining thorough medical records of telehealth encounters. PPTX is solely responsible for the acts and omissions of its physicians and staff; however, nothing in this Agreement shall be construed to create an employer-employee relationship between the City and any PPTX personnel (see Section 11.4). PPTX will have physicians who are multi-lingual and, if needed, able to provide services in languages prevalent in the community (to the extent practicable, such as Spanish for Spanish-speaking residents), or through translation services if necessary.

3.3 Service-Level Standards. PPTX shall use commercially reasonable efforts to maintain the performance standards set forth in **Exhibit A (Service Level Agreement and Key Performance Indicators)**, which is incorporated herein. The primary objective metric is **Availability / Uptime**: the Telehealth Services are expected to remain continuously operational during the Standard Service Window (8 a.m.--10 p.m. CT, seven days a week), except for infrequent, short maintenance windows that PPTX will schedule during historically low-usage periods and, when practicable, announce to the City in advance.

PPTX will monitor platform performance and promptly correct material service degradations. The Parties acknowledge that isolated anomalies may arise (e.g., a brief carrier outage or unexpected surge), but sustained or repeated service interruptions, after notice and a reasonable cure period, may be treated as a breach under Section 6.2. No specific "time-to-patient" or response-interval targets are imposed under this Agreement unless the Parties later amend Exhibit A to include such metrics by mutual written consent.

3.4 Reporting and Monitoring: PPTX shall provide the City with regular reports to facilitate oversight of the program's success and compliance with service standards. At a minimum, PPTX will provide:

- **Introductory Term Reports:** During the second City Council Work Session meeting of each month during the Introductory Term, PPTX will provide a presentation to the City Council. The presentation shall include, but not be limited to, the number of telehealth consultations provided to Garland residents under this program, average and maximum wait/response times; any downtime or service interruptions (with dates, duration, and reason for downtime/interruption); and summary of any resident feedback or complaints received (with general nature of issue and resolution, but without any personal health details).

- **Monthly Reports:** By the 15th of each month, PPTX will deliver a report for the previous month detailing: the number of telehealth consultations provided to Garland residents under this program; the number of unique Households that utilized the service; average and maximum wait/response times; any downtime or service interruptions (with dates and duration); and a summary of any resident feedback or complaints received (with general nature of issue and resolution, but without any personal health details).

- **Annual Reports:** Within 30 days after each anniversary of the Program Launch Date (and within 30 days after termination or expiration, if applicable), PPTX will present to the City Council during a Work Session meeting a comprehensive annual report summarizing the above metrics over the year, identifying trends (e.g., utilization rates, peak usage times, most common consultation types), and including any recommendations for program improvements or adjustments for the City's consideration.

These reports shall be provided in a format reasonably requested by the City (for example, a written csv or Excel report and an accompanying spreadsheet of key data). **Privacy Note:** The City acknowledges that medical consultations are private. PPTX will **not disclose any Protected Health Information (PHI)** or personally identifiable patient information to the City in these reports, beyond what is needed for program administration. All usage data will be aggregated and de-identified in compliance with HIPAA. The City may use the aggregated data for lawful purposes such as public reports to City Council on program effectiveness.

3.5 Program Limitations and Resident Guidance: PPTX's Telehealth Services are intended to provide TIMC to aid in the diagnosis and prevention of the aggravation of physiological illness or injury. The program is **not** health insurance and is not a replacement for in-person primary care or in-person emergency services as may be required by health insurance. PPTX shall ensure that all Participating Households are informed (via welcome materials, the utility bill insert in Exhibit C, or initial interactions) that **for any medical emergency or conditions requiring immediate hands-on care, residents should call 9-1-1 or go to the nearest emergency facility**. PPTX providers will use professional judgment to direct patients to in-person emergency care or in-person evaluation if symptoms suggest a serious condition (e.g., chest pain, severe shortness of breath, signs of stroke, etc.) that cannot be sufficiently diagnosed by TIMC. Furthermore, the Telehealth Services do not cover the cost of prescriptions or external medical services---those remain the patient's responsibility (though PPTX's services include helping locate low-cost options or referrals). Participating Households should maintain any regular health insurance or primary physician relationships they have; this program is a supplemental benefit to increase access to care. PPTX will not provide long-term management of chronic diseases beyond telehealth advice and directing patients to appropriate follow-up; nor will PPTX prescribe any medications that are not legally permissible via telehealth or without an in-person examination when required by law.

3.6 Changes in Scope of Services: If the City requests an expansion or significant change to the scope of Telehealth Services (for example, adding mental health tele-counseling or on-site services), or if PPTX proposes service enhancements (like a new telehealth platform feature), the Parties shall discuss such changes in good faith. No such change will be effective unless agreed in writing (e.g., as an amendment or added exhibit). Minor adjustments and improvements that do not materially alter the obligations of either Party (such as adding additional languages support or improving average response times) may be made by PPTX in the ordinary course, with notice to the City. Any change that could affect the pricing or costs must be mutually agreed.

3.7 PPTX-Funded Support Positions: To facilitate the successful launch and implementation of the telehealth program and to ensure the City does not incur any expense associated with the program, PPTX agrees to fund the following temporary positions:

- **Utility Billing Agent:** PPTX will fund one Garland employee position for a period of 6 months from the Program Launch Date, at a rate equal to the current utility billing customer service representative rates established by the City. This employee will focus on addressing resident inquiries related to the telehealth program billing, assisting with opt-out requests, and supporting the initial implementation of the program within the City's utility billing system. The City shall hire or assign this individual according to its standard employment procedures. Such funds for the actual cost of this position (salary and benefits) shall be shown as a credit on the amounts owed to PPTX pursuant to Section 5 hereof.

- **Community Liaison:** PPTX will fund a community liaison position for a period of 9 months, beginning 3 months before the Program Launch Date and continuing 6 months after the Program Launch Date, to promote the program throughout the community. PPTX will request the City's assistance in identifying a suitable candidate for this role, preferably a former council member or other individual with strong community connections who is trusted by Garland residents. The hourly wage for this position will be negotiated directly between the selected individual and PPTX. The community liaison will report to PPTX but will coordinate activities with the City's marketing efforts described in Exhibit D. The community liaison's responsibilities shall include attending community events, meeting with neighborhood groups, and otherwise raising awareness of the telehealth program.

- **Temporary Call Center Employees:** As referenced above, PPTX will fund three Garland employee positions at the call center for the Introductory Term, at a rate equal to the current call center employee rates established by the City. The City shall hire or assign these individuals according to its standard employment procedures. Such funds for the actual cost of these positions (salary and benefits) shall be shown as a credit on the amounts owed to PPTX pursuant to Section 5 hereof.

PPTX shall provide the City with bi-weekly updates on the community liaison's activities. For clarity, the community liaison shall be an independent contractor of PPTX, not an employee of the City.

- **Process Consultant:** Following the Introductory Term, if determined by the City in its reasonable discretion that such an engagement would be beneficial, PPTX will engage, at its sole expense, a qualified process consultant to assist with business process mapping. The consultant's scope of work shall be (i) optimizing customer communication workflows and (ii) designing and supporting data exchange between MD Pathways and the City.

The funds contemplated by this Section shall be used solely for the purposes therein stated. Any remaining funds determined by the City to be unnecessary for the respective purpose shall be remitted to PPTX.

3.8 PPTX-Funded Program Support: To facilitate the successful launch and implementation of the telehealth program and to ensure the City does not incur any expense associated with the program, PPTX agrees to fund the following program support commitments:

- **Software Support:** PPTX shall provide the City with $80,000, as a $6,666.67 credit on the monthly remission of fees from the City to PPTX under Section 5.2 for the first year of the Program, for software support. These funds shall be used by City to license and upgrade customer service software, bill printing system integration, and associated Information Technology professional services.

- **Program Escrow:** Beginning with the first year of the Initial Term, PPTX shall provide the City with $50,000 annually, as a $4,166.67 credit on the monthly remission of fees from the City to PPTX under Section 5.2, for a program escrow. The City shall deposit these funds into an escrow account designated by the City to fund staffing and program-related costs incurred by City. The annual Program Escrow amount shall increase by an amount equal to three percent (3%) of the prior year's Program Escrow amount, starting in year two of the Initial Term and continuing through the remainder of the Initial Term and any Renewal Term until the Termination of this Agreement.

- **Community Assistance:** Beginning with the first year of the Initial Term, PPTX shall provide the City with $25,000 annually, as a $2,083.33 credit on the monthly remission of fees from the City to PPTX under Section 5.2, for community utility assistance. These funds shall be deposited into the City's bill assistance program. The annual Community Assistance amount shall increase by an amount equal to three percent (3%) of the prior year's Community Assistance amount, starting in year two of the Initial Term and continuing through the remainder of the Initial Term and any Renewal Term until the Termination of this Agreement.

- **Billing Insert Support:** PPTX shall provide the City with $8,000 in year one of the program, as a $666.66 credit on the monthly remission of fees from the City to PPTX under Section 5.2, for billing inserts to accompany the utility bill and explain the service to customers, as contemplated in Section 4.1 below.

The funds contemplated by this Section shall be used solely for the purposes therein stated. Any remaining funds determined by the City to be unnecessary for the respective purpose shall be remitted to PPTX.

4. City's Obligations and Program Administration

4.1 Billing and Collection of Contributions: The City shall facilitate the funding of the telehealth program by acting as the billing and collection agent for the monthly **Contributions** from Participating Households. Beginning on the Program Launch Date (or the next practicable utility billing cycle) and continuing throughout the Term, the City will include on each eligible Household's utility bill a separate line item or charge labeled to indicate the telehealth services program Contribution (for example, "Telehealth Services Program -- [Month]" with the applicable amount). An explanatory addendum or insert will accompany or be incorporated into the bill, at least for the first billing cycle and periodically as needed, to explain the nature of this charge (substantially in the form attached as **Exhibit C**). The City's utility billing department shall handle the mechanics of billing this fee alongside normal Residential utility charges. Specifically for apartment complex buildings where utility charges are billed through a master meter, the City shall apply a single Contribution charge per meter, regardless of the number of individual units. Following the first year after the Program Launch Date, PPTX, at its discretion, shall be allowed to negotiate third-party contracts with those apartment complexes using master meters for Telehealth Services, and upon notice to the City by PPTX, the City shall be released of its obligation to collect the Contribution from those accounts. Collected Contributions shall be accounted for separately (for clarity, the City will track these funds, which will be owed to PPTX, distinct from general utility revenue). The City will exercise diligent efforts in billing and collecting Contributions, applying similar practices as it does for other City charges (except no service disconnections will occur solely for non-payment of the telehealth fee, as described in 4.2). The City will not markup or add additional fees to the Contribution; the agreed amounts (as specified in Section 5.1) are what residents pay and what is owed to PPTX (minus any uncollected amounts as noted in Section 5.2). If the City's billing system requires any initial setup or programming to implement this charge, the City will complete such setup prior to the Program Launch Date (with PPTX to assist in providing any needed information).

4.2 Resident Opt-Out Mechanism: Participation in the telehealth program is **voluntary** for City residents. The City shall implement and manage an **opt-out** system whereby any Household may choose not to participate and not be billed the Contribution. Key aspects of the opt-out process include:

- **Initial Opt-Out Period:** On or before the Program Launch Date, the City will notify all eligible Households of the upcoming telehealth program and give them a clear opportunity to opt out **before** the first charge appears. This can be achieved via a mailed notice or insert (Exhibit C) and through City communication channels (website, social media, etc.). Residents might opt out by calling a designated City phone number, returning a form, or using an online website or portal -- the City will provide convenient methods and will log each opt-out request. Any Household that opts out in advance will not be billed the Contribution on the first or subsequent utility bills (unless they later opt back in).

- **Ongoing Opt-Out Rights:** After the Program Launch Date, a Household may opt out at any time by notifying the City through the established process. The City shall remove the telehealth charge from that Household's bill starting with the next billing cycle following the opt-out request (allowing for reasonable processing time).

- **Non-Payment Treated as Opt-Out:** If a Household does **not pay** the telehealth Contribution portion of its utility bill, the City will treat such non-payment as that Household's election to opt out of the program. In practice, the City may include a note on the bill or a courtesy reminder (e.g., "If you do not wish to participate in the telehealth program, you may opt out; non-payment of this charge will be interpreted as an opt-out."). The City is not required to undertake collection actions for unpaid Contributions beyond its standard utility bill collection processes. If a partial payment is made on a utility bill, the City's payment application protocols will first satisfy essential utility services and may leave the telehealth charge unpaid, indicating an opt-out. The City will not impose late fees, penalties, or service cut-offs solely for refusal to pay the telehealth Contribution; instead, the Household simply will be unenrolled (opted-out) for non-payment. The City will update its records to reflect that status and cease future billing to that account for the Contribution. (If that resident later wishes to rejoin, they could request to opt back in, in which case billing would resume in a future cycle.)

- **Data on Participation:** The City shall maintain accurate records of which Households are Participating Households (i.e., have not opted out and continue to pay) and which have opted out (or been deemed opted out for non-payment). The City will provide PPTX with an updated list (or accessible dataset) on at least a monthly basis identifying all Participating Households, or conversely all opted-out Households, so that PPTX knows whom it is obligated to serve. This list may be in the form of account numbers or another unique identifier; it need not include resident names (unless necessary for verification).. PPTX will use this information solely for verifying service eligibility and administration of the program.

In summary, **PPTX is only obligated to provide Telehealth Services to Participating Households**, and the City is only obligated to pay PPTX for Households that actually participate (pay the Contribution). Handling of opt-outs and the communication thereof is a critical City responsibility to ensure clarity on who is covered at any given time.

4.3 Remittance of Funds to PPTX: The City's payment obligations to PPTX are set forth in Section 5. In general, the City will act as a pass-through entity: collecting Contributions and remitting those collected funds to PPTX on a regular basis (monthly, unless otherwise agreed).

The City shall segregate or account for collected Contributions such that they are identifiable as funds due to PPTX. Collected amounts shall not be diverted to other City uses. The City will prepare a monthly summary of collections and promptly pay PPTX as described in Section 5.3. If the City anticipates any **administrative delays** or issues in remitting payment (for example, a software issue delaying calculation of amounts), it will inform PPTX and work to resolve it quickly. Both Parties acknowledge that timely and accurate flow of funds is essential to the success of the program.

4.4 Promotion and Marketing Support: The City will endeavor to actively promote the telehealth program. The City's specific marketing and outreach commitments are detailed in **Exhibit D (City Marketing Commitments)**. In general, the City will utilize its communication channels to raise awareness of the Telehealth Services among residents. This includes, at minimum: sending periodic informational mailers or bill inserts about the program, posting about the program on the City's official social media accounts several times per year, including program information in materials provided to new residents, and collaborating with PPTX to present the program at community events or health fairs. The City will designate a point of contact or coordinator to work with PPTX's team on marketing efforts, ensuring that messaging is accurate and consistent. All outreach will clearly convey that the program is an **"opt-out"** service (so people understand they are included unless they choose otherwise) and will highlight the service offered (unlimited telehealth access for a monthly fee). The City's name and logo may be used in program materials, and PPTX's name and service may be featured in City communications, in accordance with guidelines either Party may provide (and each Party will obtain approval from the other for any use of the other's logo or trademarks). Marketing expenses for the activities listed in Exhibit D (such as printing and mailing City utility inserts) shall be borne by the City, except that PPTX will bear any costs associated with its own optional marketing efforts or any premium promotional activities not outlined that PPTX elects to do.

4.5 Exclusivity of Program Services: During the Term of this Agreement, the City shall **not enter into any agreement with a third party to provide a similar telehealth subscription service to City residents** where fees are collected in connection with City utility billing or a City-managed opt-out program. PPTX shall be the exclusive provider for any City-sponsored telehealth program of this nature while this Agreement is in effect. (This does not prevent the City from participating in or promoting unrelated health initiatives, such as county health programs or hospital partnerships, so long as they are not the same model of providing telehealth-for-all via a utility bill fee.) The City confirms that it currently has no contracts with other telehealth vendors for a program in violation of this section.

4.6 Legal Compliance and Support: The City will use its governmental authority to support the lawful implementation and ongoing operation of the telehealth program. The City represents that it has or will obtain all necessary approvals (e.g., City Council resolutions or City Manager approvals) to lawfully add the telehealth Contribution to utility bills and enter into this Agreement. The City shall ensure the program structure (including the opt-out billing mechanism) complies with any applicable laws or regulations. If any resident, regulator, or other stakeholder challenges the legality of the billing mechanism or any aspect of the program, the City will promptly notify PPTX and, to the extent the challenge centers on City policy or action, the City will take primary responsibility in addressing or defending against such challenge (consistent with the indemnification obligations in Sections 8.1 and 8.2). The City will also handle any **Texas Public Information Act** (TPIA) requests or other public records inquiries relating to this Agreement or the program in accordance with law and Section 11.3 (ensuring PPTX is consulted if any request encompasses PPTX's proprietary information). Nothing in this Agreement requires the City to violate any law, and any apparent conflict shall be addressed through the contract's modification or termination provisions (see Section 10, Regulatory Changes). The City will not knowingly pass any ordinance or policy that conflicts with the purpose of this Agreement or that materially increases PPTX's costs of performance without engaging in the renegotiation process contemplated in Section 10.

4.7 Founding Partner Program Obligations: As part of the Founding Partner Program and in exchange for the discounted pricing structure specified in Section 5.1, the City agrees to:

- **Joint Press Release:** Collaborate with PPTX on one joint press release announcing the telehealth program partnership. The City will provide input, review, and approval of the release content, as well as assist with distribution through appropriate City channels.

- **Case Study Authorization:** Allow PPTX to develop and publish a case study about the telehealth program implementation in Garland. PPTX may use anonymized program data (such as utilization statistics and health outcomes) and the City's logo in the case study. Any case study will be provided to the City for review prior to publication, and the City shall have the right to request reasonable modifications to protect resident privacy or City interests.

- **Timely Payment:** Pay PPTX on time as specified in Section 5.3 and 5.4 of this Agreement.

5. Compensation and Payment Terms

5.1 Contribution Rates and Pricing Structure: In consideration for PPTX's Telehealth Services, the City (on behalf of Participating Households) shall remit based on fees voluntarily collected through the program to PPTX as follows:

- **Founding Partner Program:** The City of Garland Residents will participate in PPTX's Founding Partner Program, which provides special discounted pricing over a five-year period. The standard monthly program price per Household is $9.00, but as a Founding Partner, the program participants will receive the following discounted rates:

    - **Year 1:** $6.00 per Household per month
    - **Year 2:** $6.00 per Household per month
    - **Year 3:** $7.00 per Household per month
    - **Year 4:** $8.00 per Household per month

- **Year 5:** $9.00 per Household per month
- **Year 6:** $9.00 per Household per month
- **Year 7:** $9.00 per Household per month

- **Annual CPI Adjustment (Cap 5%):** Beginning with the sixth year of the program and for each year thereafter, PPTX may adjust the per-Household monthly rate based on inflation as measured by the Consumer Price Index (CPI). Specifically, **at the start of Year 6** (and at the start of each subsequent year on the anniversary of the Program Launch Date), the base rate for that year as specified above may be increased by a percentage equal to the percentage increase in the CPI over the most recent 12-month period for which official CPI data is available. However, **any such annual increase shall be capped at 5%** of the then-current rate. If the CPI indicates a larger increase, only a 5% increase will be applied for that year. If the CPI change is smaller, the smaller percentage (or no increase) may be applied. PPTX shall give the City at least **60 days' advance written notice** of any CPI-based rate increase, including documentation of the CPI calculation. The adjusted rate will remain in effect until the next annual adjustment or end of the Agreement. CPI adjustments are intended to account for increased costs of providing services due to inflation and regulatory changes; they are not automatic unless CPI has increased. If CPI is flat or negative, the rate would remain the same (no increase), absent mutual agreement for a downward adjustment.

All pricing above is per Household per month. If the City ever bills on a different periodic basis (e.g., bi-monthly utility billing), the charges can be prorated or structured so that it equates to the same monthly rate (for instance, $12 every two months in Year 1 instead of $6 monthly, if needed for billing software). The City shall not charge or withhold any administrative fees from these Contributions -- the full collected amount (except uncollected amounts, addressed in 5.2) is due to PPTX.

5.2 Payment Based on Collected Contributions (No Payment for Opt-Outs): PPTX's compensation under this Agreement is expressly limited to the **Contributions actually collected by the City** from Participating Households. The City shall **not** be required to pay PPTX for any Household that has opted out or otherwise failed to pay the Contribution. In other words, PPTX bears the risk of non-collection from residents -- if a resident does not pay, PPTX will not receive that Contribution (and, correspondingly, PPTX will not be obligated to provide service to that resident as they are considered to have opted out). The City will only remit amounts that it has successfully collected. The City's obligation to pay is purely **contingent on collection**; there is no guarantee of any minimum number of participants or amount. However, the City will make commercially reasonable efforts in its billing and collection practices to maximize collection, as described in Section 4.1 and 4.2, treating the telehealth Contribution like an ordinary line item on the utility bill. If a previously non-paying Household later pays past due Contributions (perhaps in clearing up a utility bill), the City will include those recovered funds in the next remittance to PPTX, but the Household's eligibility for services will be determined by the opt-out rules (generally, non-payment means they were not covered during that period).

PPTX acknowledges and agrees that the City has not made and is not making any promise of a particular participation level or revenue amount; the financial model is enrollment-driven.

5.3 Invoicing and Remittance Procedure: The following process shall apply to the billing and remittance of Contributions from the City to PPTX:

- **Monthly Remittance/Invoice Cycle:** On a monthly basis (aligned with the City's normal billing cycle), the City will calculate the total Contributions collected in the preceding period. The City will provide PPTX with a **Monthly Contribution Report** (as noted in Section 4.3) stating the number of Participating Households and total amount of Contributions collected for that month (or billing cycle), along with any necessary detail (e.g., identification of any partial payments or adjustments). PPTX will then issue an invoice to the City for that amount, referencing the City's report. Alternatively, if mutually agreed, the City's report itself can serve as the basis for payment without a separate PPTX invoice; in such case, the City will initiate payment of the reported amount within the timeframe below.

- **Payment Terms:** The City shall remit payment to PPTX for each invoice (or report) **within 30 days** of receipt of the invoice/report, less the credit for the Utility Billing Agent pursuant to Section 3.7 and the credits for program support in Section 3.8, above. Payment shall be made via a mutually agreed method, such as ACH electronic transfer to an account designated by PPTX. Timely payment is important to maintain service continuity. If the City identifies any discrepancy or has a good-faith dispute about the invoiced amount, it shall notify PPTX within 15 days after delivery of the invoice, and the Parties will work together to resolve the dispute promptly. The City will in any event pay the **undisputed portion** of an invoice within the 30-day period.

- **Records:** Each Party will maintain records of the amounts billed, collected, invoiced, and paid. The City's records of what was collected shall be controlling in determining the amount due, absent manifest error. PPTX may inspect relevant City records to verify the figures if needed (subject to audit provisions in Section 11.2). Likewise, the City can inspect PPTX's invoicing records. Both Parties agree to seek to resolve discrepancies in good faith.

- **Adjustment for CPI or Rate Changes:** If a CPI adjustment or other rate change occurs as described in 5.1, the City's billing and PPTX's invoicing will reflect the new rates as of the effective date. The City shall not be responsible for calculating PPTX's invoice; PPTX will ensure its invoice reflects the current approved rate and matches the City's reported number of participants and collected funds.

5.4 Late Payment and Suspension of Service: The City shall remit PPTX on time as described above. In the event any **undisputed** remittance is not received by PPTX within 30 days after it is due, PPTX will provide written notice to the City's contract manager or finance department, alerting the City to the delinquency. If the City still has not remitted within an additional ten days after receiving such notice (i.e., 60 days past the original due date), PPTX shall have the right to **suspend Telehealth Services** under this Agreement until remittance is made, upon giving the City a second written notice (a "Notice of Suspension") at least ten days before the suspension is to take effect. If the City cures the default within that ten-day period, the suspension will not occur. If the City does not cure, PPTX may halt services starting on the specified suspension date. During any period of suspension for non-remittance, PPTX will have no obligation to provide Telehealth Services to City residents, and the City will be responsible for informing residents (if inquiries arise) that the service is temporarily unavailable due to remittance issues. PPTX shall resume services promptly after the City remits all outstanding undisputed amounts (including any applicable late charges).

Additionally, any late remittance (beyond 30 days past due) shall accrue interest at the lesser of an annual rate of 1.5% per month or any part of a month, compounded annually, or the maximum rate allowed by Texas law for municipal contracts, calculated from the original due date until the date of remittance. The Parties intend for this to comply with the Texas Prompt Payment Act (Tex. Gov't Code Ch. 2251) to the extent it applies, and not to exceed any lawful rate.

If remittance delinquency continues beyond 90 days without satisfactory resolution, such failure to remit shall constitute a material breach by the City, and PPTX may terminate the Agreement for cause pursuant to Section 6.2(b). In such case, the City would be responsible for any applicable termination remittance as set forth in Section 6.2(b) and 6.1.

5.5 Taxes: The Contributions are considered a fee for services provided to Participating Households and passed through to PPTX; they are not a tax or a City fee for City revenue. Each Party is responsible for its own taxes as applicable. PPTX shall be responsible for any taxes based on its income or business operations (including payroll taxes for its employees). The City, as a Texas municipal entity, is generally tax-exempt for its purchases and not subject to sales tax; in this arrangement, the City is acting as a billing conduit. It is not anticipated that sales tax applies to medical services, but if any sales, use, excise, or similar taxes are determined by a competent authority to apply to the amounts paid to PPTX hereunder, PPTX shall be responsible for such taxes (as PPTX is the ultimate recipient of the payment for services). The City shall not withhold any portion of the Contribution for taxes unless required by law, in which event the City shall notify PPTX and cooperate to minimize any such withholding or double-taxation. If any law provides an exemption or exception that can be claimed, the Parties will reasonably cooperate (for example, providing resale or exemption certificates). In no event will either Party be responsible for any taxes of the other Party that are not directly related to this Agreement.

5.6 Funding and Appropriations: The City reasonably believes that, as the program is structured, the amounts needed to remit PPTX will be fully covered by Contributions, and therefore the City will not appropriate additional general funds for this Agreement. The City agrees to budget and appropriate the collected Contribution funds for remittance to PPTX. In compliance with Texas law, the City's obligations hereunder are subject to the availability of funds and annual appropriation by the City Council, as applicable. The City has appropriated funds for the initial year of this Agreement by virtue of approving the program. If in any subsequent fiscal year the City Council fails to appropriate funds for the continuation of this Agreement (and if no collected Contributions are available to cover the costs), the City may terminate the Agreement by providing written notice to PPTX and complying with any applicable Texas law requirements (this scenario would be treated as a termination for non-appropriation, potentially without the penalty of Section 6.1, since the City cannot commit funds it does not appropriate). The City will make good faith efforts to avoid this outcome, and shall not use non-appropriation as a pretext to terminate for convenience in order to circumvent the termination fee.

6. Termination

6.1 Termination by City for Convenience (Without Cause).

- (a) **Right to Terminate Pre-Program Launch Date.** Either party may cancel this Agreement without penalty up to 30 days prior to the Program Launch Date.

- **(b) Right to Terminate Following Introductory Term.** At the end of the Introductory Term, the City may terminate this Agreement for its convenience by delivering at least 30 days' prior written notice to PPTX.

- (c) **Right to Terminate After Month 24.** Beginning on the first day of Month 25---and at any time thereafter---the City may terminate this Agreement for its convenience by delivering at least **90 days' prior written notice** to PPTX specifying the effective date of termination.

- (d) **No Fee.** If the City terminates this Agreement for convenience, no termination fee is owed. The City must still remit to PPTX all Contributions collected for services rendered through the termination date.

6.2 Termination for Cause: Either Party may terminate this Agreement for cause upon a material breach by the other Party, subject to the following provisions:

- **By the City (PPTX Breach):** If PPTX materially breaches any material obligation of this Agreement, the City shall provide written notice to PPTX describing the nature of the breach in detail. PPTX shall have 30 days from receipt of such notice to cure the breach to the City's reasonable satisfaction. If the breach is of a nature that cannot reasonably be cured within 30 days, PPTX may submit a reasonable plan for curing the breach as promptly as practicable, and seek the City's written consent for an extended cure period (which consent shall not be unreasonably withheld for non-monetary breaches). Failure to meet service level standards as required, significant downtime or unavailability of services, repeated justified complaints from residents about service quality, or any action by PPTX that jeopardizes residents' health or privacy could all constitute material breaches if not promptly remedied. If PPTX fails to cure the breach within the applicable cure period, the City may terminate this Agreement by delivering a written termination notice to PPTX, with a specified termination date at least 30 days from the date notice is sent by City. In a termination for PPTX's breach, the City is not required to pay any termination fee. The City shall pay PPTX for any validly collected Contributions attributable to services provided up to the termination date (to the extent not already paid), but the City may withhold or offset any amounts reasonably necessary to cover the City's damages caused by the breach (subject to the limitation of liability in Section 9). Termination for breach is without prejudice to any other rights or remedies the City may have under this Agreement or at law, except those remedies are subject to the limitations and waivers provided herein.

- **By PPTX (City Breach):** If the City materially breaches its obligations under this Agreement, PPTX shall provide written notice to the City describing the breach. Material breaches by the City include, for example: failure to remit PPTX amounts due (beyond applicable notice and cure periods in Section 5.4), failure to collect Contributions as agreed (e.g., arbitrarily stopping collection without terminating the Agreement), or violation of exclusivity (bringing in another provider in breach of Section 4.5). The City shall have 30 days from receipt of notice to cure the breach. For remittance breaches, cure would consist of full remittance of all outstanding amounts; for other breaches, appropriate corrective action should be taken. If the City does not cure the breach within the cure period, PPTX may terminate this Agreement by written notice, effective as of a specified date at least 30 days from the date notice is sent by PPTX. In such event, the City shall remain liable to remit to PPTX all Contributions collected (or due to be collected) for services provided up to the termination date. PPTX may also pursue any other remedies available at law or in equity for the City's breach, subject to the limitation of liability in Section 9.

In all cases of alleged breach, the non-breaching Party has a duty to act reasonably and in good faith. If a breach is disputed, the Parties may engage in discussions or mediation to attempt to resolve the dispute prior to termination if time permits, but are not obligated to delay a justified termination beyond the cure period.

6.3 Termination for Change in Law or Regulatory Issues: In addition to termination for cause, either Party may terminate this Agreement upon written notice (with at least 60 days' notice, if feasible) if a **change in applicable law or regulation** or a government order makes the continuation of this Agreement impracticable, illegal, or would materially increase the cost of performing the Agreement without a mutually agreeable amendment. This right is further described in Section 10 (Regulatory Changes). In such a case, the Parties shall attempt to negotiate adjustments first. If termination is ultimately necessary under this Section 6.3, it shall be considered a no-fault termination. The City will remit PPTX for any services rendered up to the termination date from collected funds, and each Party will bear its own costs of termination.

6.4 Effect of Termination: Upon any termination or expiration of this Agreement, the Parties shall take the following actions for an orderly wind-down:

- **Cessation of Services:** PPTX will cease providing Telehealth Services to Participating Households as of the effective date of termination/expiration (the "Termination Date"), unless otherwise agreed for a brief extension to ensure a smooth transition. PPTX will ensure that any person contacting the service after the Termination Date is informed that the program is no longer active. If appropriate, PPTX may advise patients to seek alternative care (e.g., refer them to their primary care physician or urgent care) since the Telehealth Services under the City program have ceased. The City agrees to promptly inform residents (through a notice on its website, a message on the final utility bill with the Contribution charge, or other reasonable means) that the Telehealth Services program is ending or has ended as of the Termination Date.

- **Final Billing and Payments:** The City shall remove the Contribution fee from all future utility bills after the Termination Date. The City will still collect any Contributions that were billed for periods prior to the Termination Date (for example, if the program ends on March 31 but the March bills were already issued with the telehealth charge, the City will collect those and include them in the final remittance to PPTX). The City shall remit to PPTX any remaining amounts due for services provided through the Termination Date. PPTX shall submit a final invoice or reconciliation statement within 30 days after termination, and the City shall remit that (subject to reconciliation of any last adjustments) in accordance with Section 5.3. The City will still be responsible to remit any late-arriving payments from residents for pre-termination service periods, or otherwise account to PPTX for all Contributions collected up to the Termination Date. Conversely, if the City collected Contributions for any period beyond the Termination Date (e.g., billing timing quirks), the City will refund those amounts to the participants or, if not feasible, remit them to PPTX only if PPTX actually provided any service during that period (which generally will not be the case if services ceased).

- **Return of Materials and Information:** Each Party shall promptly return or (with permission) destroy any confidential information, proprietary materials, or equipment of the other Party that is in its possession due to the Agreement. For example, PPTX will return or securely destroy any City-provided data lists, and the City will return or destroy any PPTX-provided training materials or marketing collateral that is not publicly available. An exception is made for any information that a Party is required by law to retain (e.g., PPTX's medical records of patient consultations, which by law must be retained for a certain period, and the City's record of this contract for record-keeping purposes). Any retained information remains subject to the confidentiality obligations of this Agreement (and the BAA for any PHI).

- **Transition Assistance:** Upon the City's request, PPTX will provide reasonable cooperation to transition participants to any new program or provider (if one is immediately available) or to simply close out the program. This might include providing the City with a brief summary of utilization or any lessons learned that could be passed to a successor (nothing containing PHI). If the City desires to start a similar program with a different vendor after termination, PPTX's obligations are limited to cooperation consistent with Section 11.1 (Right to Match and Transition) if applicable.

- **Survival of Terms:** Any provisions of this Agreement which by their nature or expressly are intended to survive termination or expiration (such as indemnification obligations, confidentiality, limitation of liability, and accrued remittance or contribution obligations) shall survive. Specifically, Sections 5.4 (if remittances are late at termination), 5.5, 6.4, 7.4, 8, 9, 11.3, 11.6, 11.8 through 11.12, and all relevant definitions, exhibits, and any other provision that contemplates performance or enforcement after termination, will remain in effect.

- **No Further Liability:** Provided that all amounts due to PPTX have been remitted (including any required termination fee) and both Parties have fulfilled their obligations up to the Termination Date, neither Party shall have any further liability to the other under this Agreement following termination or expiration, except for liabilities that had already accrued or for obligations that survive by the terms of this Agreement. Neither Party shall be liable to the other for damages solely by reason of exercising a lawful termination right as provided in this Agreement.

ARTICLE 7 -- INSURANCE

7.1 Maintenance of Insurance. PPTX shall, at its own expense, maintain during the Term such categories and amounts of insurance as are customarily carried by prudent tele-healthcare providers operating in Texas, including (without limitation) commercial general liability, professional (medical-malpractice) liability, and---if PPTX has employees---statutory workers' compensation. PPTX shall ensure that each medical professional with which it has contracted to provide medical services carries, whether at the expense of PPTX or the medical professional, professional (medical-malpractice) liability insurance.

7.2 Evidence of Coverage Upon Request. No more than once in any twelve-month period, the City may request certificates (or other reasonable proof) showing that the coverages described in § 7.1 are in force on the date of the request. Provision of such proof shall not be construed as the City's approval of the adequacy of coverage.

7.3 Additional-Insured Endorsement (CGL only). If the City's risk manager determines in writing that additional-insured status is necessary on PPTX's commercial general liability policy, PPTX will use commercially reasonable efforts to obtain an endorsement naming the City (and its officers and employees) as additional insureds on a primary and non-contributory basis. No additional-insured endorsement is required on PPTX's professional-liability, cyber-liability, or workers'-compensation policies.

7.4 No Expansion of Liability. The existence, type, or amount of insurance carried by PPTX shall not enlarge or modify the limitations of liability contained in Article 9.

7.5 Notice of Cancellation. PPTX will make commercially reasonable efforts to see that its insurers endeavor to give the City at least 30 days' prior notice (ten days for non-payment of premium) of any cancellation or non-renewal of required coverage.

8. Indemnification

8.1 INDEMNIFICATION BY PPTX: TO THE FULLEST EXTENT PERMITTED BY LAW, PPTX SHALL INDEMNIFY, DEFEND, AND HOLD HARMLESS THE CITY AND ITS OFFICERS, ELECTED OFFICIALS (MAYOR AND COUNCIL), AGENTS, AND EMPLOYEES (COLLECTIVELY, THE "CITY INDEMNITEES") FROM AND AGAINST ANY AND ALL THIRD-PARTY CLAIMS, ACTIONS, LIABILITIES, DAMAGES, JUDGMENTS, OR EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES AND COURT COSTS) ASSERTED AGAINST THE CITY INDEMNITEES THAT ARISE OUT OF OR RESULT FROM: (I) ANY NEGLIGENT ACT OR OMISSION OR WILLFUL MISCONDUCT OF PPTX OR ITS OFFICERS, EMPLOYEES, AGENTS, MEDICAL PROFESSIONALS, OR SUBCONTRACTORS IN THE PERFORMANCE OF THIS AGREEMENT (INCLUDING IN THE PROVISION OF TELEHEALTH SERVICES); (II) ANY BREACH OF THIS AGREEMENT BY PPTX, INCLUDING ANY BREACH OF ITS REPRESENTATIONS, WARRANTIES, OR COVENANTS (FOR EXAMPLE, A VIOLATION OF HIPAA OR A CONFIDENTIALITY OBLIGATION BY PPTX RESULTING IN A CLAIM); AND/OR (III) ANY ACTUAL OR ALLEGED INFRINGEMENT OF ANY PATENT, COPYRIGHT, TRADEMARK, TRADE SECRET, OR OTHER INTELLECTUAL PROPERTY RIGHT CAUSED BY PPTX'S PROVISION OF SERVICES OR MATERIALS (SUCH AS IF PPTX'S TELEHEALTH PLATFORM SOFTWARE INFRINGES A THIRD PARTY'S IP). THIS INDEMNIFICATION OBLIGATION INCLUDES, BUT IS NOT LIMITED TO, CLAIMS FOR PERSONAL INJURY OR DEATH (INCLUDING MEDICAL MALPRACTICE CLAIMS BY PROGRAM PARTICIPANTS) AND PROPERTY DAMAGE TO THE EXTENT CAUSED BY PPTX'S NEGLIGENCE OR WRONGFUL ACTS. HOWEVER, PPTX'S OBLIGATIONS UNDER THIS SECTION 8.1 SHALL NOT APPLY TO THE EXTENT ANY CLAIM OR LIABILITY IS CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF THE CITY OR ANY CITY INDEMNITEE. IN ADDITION, WITH RESPECT TO MEDICAL MALPRACTICE OR PERSONAL INJURY CLAIMS BY RESIDENTS, THE PARTIES ACKNOWLEDGE THAT RESIDENTS RECEIVING TELEHEALTH SERVICES ARE NOT THIRD-PARTY BENEFICIARIES OF THIS AGREEMENT (SEE SECTION 11.11) AND THUS ARE NOT ENTITLED TO ENFORCE THIS CONTRACT; THEIR REMEDIES ARE THROUGH MEDICAL MALPRACTICE LAW AGAINST THE PROVIDER. THIS SECTION 8.1 IS FOR THE BENEFIT OF THE CITY AND CITY INDEMNITEES AND NOT ANY OTHER PERSON.

8.2 INDEMNIFICATION BY THE CITY: TO THE EXTENT ALLOWED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, THE CITY SHALL INDEMNIFY AND HOLD HARMLESS PPTX AND ITS OFFICERS, MEMBERS, MANAGERS, EMPLOYEES, AND AGENTS (COLLECTIVELY, THE "PPTX INDEMNITEES") FROM AND

AGAINST ANY THIRD-PARTY CLAIMS, DEMANDS, SUITS, OR LIABILITIES (INCLUDING REASONABLE ATTORNEYS' FEES AND COSTS) THAT ARISE OUT OF OR RESULT FROM: THE CITY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT IN CARRYING OUT ITS OBLIGATIONS UNDER THIS AGREEMENT. LIMITATIONS: THE CITY'S OBLIGATIONS UNDER THIS SECTION 8.2 ARE LIMITED BY AND SUBJECT TO TEXAS LAW. THE CITY DOES NOT WAIVE ANY GOVERNMENTAL OR SOVEREIGN IMMUNITY BY ENTERING THIS AGREEMENT, AND NOTHING HEREIN SHALL BE CONSTRUED TO REQUIRE THE CITY TO INDEMNIFY BEYOND WHAT IS PERMITTED BY TEXAS LAW OR TO EXPEND FUNDS NOT APPROPRIATED FOR THIS PURPOSE. IN PRACTICE, IF SUCH A CLAIM ARISES, THE CITY (THROUGH ITS CITY ATTORNEY OR DESIGNATED COUNSEL, POSSIBLY PROVIDED BY THE CITY'S INSURER OR RISK POOL) WOULD LIKELY DEFEND THE LEGALITY OF ITS PROGRAM. THE CITY'S INDEMNITY HERE WOULD COVER PPTX'S COSTS AND DAMAGES ARISING FROM BEING NAMED OR INVOLVED IN SUCH A CLAIM, TO THE EXTENT OF THE CITY'S COMPARATIVE FAULT OR RESPONSIBILITY. THE CITY'S INDEMNIFICATION SHALL NOT APPLY TO THE EXTENT A CLAIM ARISES FROM PPTX'S OWN NEGLIGENCE, BREACH, OR MISCONDUCT. ALL INDEMNIFICATION BY THE CITY IS FURTHER CONDITIONAL UPON APPROPRIATION OF FUNDS AND TO THE EXTENT ALLOWED BY LAW; THE CITY WILL ASSERT ALL LAWFUL DEFENSES INCLUDING IMMUNITY AS APPROPRIATE, BUT IN ANY CASE, WILL NOT LEAVE PPTX SOLELY RESPONSIBLE FOR A CLAIM THAT FUNDAMENTALLY CONCERNS CITY POLICIES OR ACTIONS.

No third party shall have the right to assert an indemnity claim under this Agreement, as these indemnification provisions are intended only to allocate risk between the contracting Parties. Both Parties shall promptly notify each other upon receiving notice of any claim potentially covered by this Section, and shall cooperate in the defense. (Nothing herein shall eliminate or reduce any other legal immunity or defense available to either Party under Texas law, such as liability limits under the Texas Tort Claims Act for governmental functions.)

9. Limitation of Liability

Except for the specific indemnity obligations set forth in Section 8.1 and except in the case of PPTX's willful misconduct or fraud, the Parties agree to limit PPTX's liability to the City under this Agreement as follows:

9.1 Cap on Liability: PPTX's total cumulative liability to the City for any and all claims, losses, or damages arising out of, relating to, or in connection with this Agreement, whether in contract, tort (including negligence or medical malpractice), or any other theory of liability, shall not exceed **$1,000,000** in the aggregate. This cap on liability includes liability for any City direct damages but not any amounts payable to third parties (for example, under indemnity claims) for which PPTX is responsible, but excludes the following items which are not counted toward the cap: (a) PPTX's liability for its own gross negligence, willful misconduct, or intentional wrongdoing; and (b) any obligations to pay the City amounts due under the Agreement (for instance, if PPTX owed the City a refund or payment). The cap is intended primarily to align with PPTX's insurance coverage levels and to allocate risk of catastrophic losses.

9.2 No Indirect Damages: In addition, neither PPTX nor the City shall be liable to the other for any **consequential, indirect, special, exemplary, or punitive damages** or for any loss of profits, loss of revenue, or loss of goodwill, arising out of or related to this Agreement, regardless of whether such damages were foreseeable or a Party was advised of the possibility of such damages. This exclusion does not apply to amounts owed to third parties for which a Party is seeking indemnification under Section 8 (e.g., an indemnified third-party claim with consequential damages is treated as direct for the indemnitee) -- it mainly prevents either Party from suing the other for speculative losses like "reputation damage" or lost business opportunities.

9.3 Exceptions: Notwithstanding the above, nothing in this Section 9 shall limit or exclude PPTX's liability for any act or omission deemed by a court of competent jurisdiction to constitute **gross negligence, willful misconduct, fraud, or intentional violation of law**. In addition, to the extent any claims are covered by insurance, the limitations of liability shall not prejudice the City's right to recover under the insurance policies set forth in Section 7.1 up to the policy limits (the intent being that PPTX will carry at least $1,000,000 in applicable insurance so the cap is effectively backed by insurance coverage). Likewise, nothing in this Section limits the City's ability to seek and obtain equitable remedies (such as injunctive relief) to the extent available at law, although the City cannot use an injunction to circumvent the cap on monetary damages.

9.4 City's Liability: The City's liability to PPTX is limited by the doctrines of sovereign and governmental immunity and by Texas law (see Section 11.12). The City does not waive any defenses or limits on liability provided by law. In no event shall the City be liable for consequential damages to PPTX, and any City obligation to pay damages (as opposed to the contractual payments to PPTX) would be subject to statutory limitations and appropriations. Notwithstanding any provision in this Agreement to the contrary, **City’s total cumulative liability** to PPTX for any and all claims, losses, or damages arising out of, relating to, or in connection with this Agreement, whether in contract, tort (including negligence or medical malpractice), or any other theory of liability, shall not exceed **an amount equal to 90 days of contractual remittances less the credits in Section 3** in the aggregate. This cap on liability includes liability for any PPTX direct damages but not any amounts payable to third parties (for example, under indemnity claims) for which the City is responsible, but excludes the following items which are not counted toward the cap: the City’s liability for its own willful misconduct or intentional wrongdoing.

The provisions of this Section 9 shall survive the expiration or termination of this Agreement. The Parties acknowledge that this limitation of liability represents a fair allocation of risk and is a fundamental part of this Agreement.

10. Regulatory Changes

In the event that any federal, state, or local law, regulation, ordinance, or court order is enacted, amended, or interpreted after the Effective Date of this Agreement **(a "Regulatory Change")** which **materially affects** the ability of either Party to perform its obligations under this Agreement, or **materially increases the costs** or burdens of such performance, the affected Party shall promptly notify the other Party in writing of the specific Regulatory Change and its impact on the Agreement. Examples of Regulatory Changes could include: a new state law prohibiting or restricting municipalities from adding fees to utility bills for services like telehealth; a change in healthcare regulations that significantly raises PPTX's cost of providing telehealth (such as a requirement for enhanced technology, new licensing fees, or additional personnel); or a change in tax law that imposes taxes on the Contributions or payments that were not anticipated.

Upon such notice, the Parties shall engage in good faith negotiations to **amend or adjust** the Agreement as necessary to comply with the law or address the increased costs. Possible adjustments include, but are not limited to: modifying the program structure or procedures to comply with the law; adjusting the Contribution rate or payment terms to offset increased costs due to the Regulatory Change; or other changes to fairly re-balance the economic and operational terms in light of the new situation.

If the Parties are **unable to reach agreement within 60 days** of the initial notice of the need for amendment (or sooner if the law requires compliance by an earlier deadline), then either Party shall have the right to terminate this Agreement upon written notice to the other Party. Such termination for Regulatory Change shall be treated as a no-fault termination (neither Party will be deemed in breach, and no termination penalty will apply). However, the City shall remit to PPTX for services rendered to participants up to the termination date from the Contributions collected (or, if the law prohibits further collections, the Parties will negotiate in good faith a fair compensation for services already provided if some collected funds are still in the City's possession).

During the period between the Regulatory Change notice and the amendment or termination (not to exceed the compliance deadline imposed by law), the Parties shall make reasonable interim adjustments to continue the service in compliance with law. For example, if a law banned opt-out fees on utility bills effective in 90 days, the Parties might agree to switch to an opt-in model or pause new charges while negotiating, and if no solution, wind down before the law's effective date.

This Section 10 is intended to ensure that the Agreement can adapt to significant legal changes and to protect both Parties from being forced to violate the law or suffer undue hardship due to unforeseen regulatory developments. It is **not** intended to allow termination or price renegotiation for minor changes or normal fluctuations in business conditions (for instance, a small increase in administrative paperwork would not trigger this, nor would a general economic downturn---there must be a specific change in law or regulation). Both Parties will approach any such situation with mutual respect and an aim to continue the program if at all possible under revised terms.

11. Additional Covenants and Miscellaneous Provisions

11.1 Audit of Records ("Inspection on Cause"): PPTX shall maintain complete and accurate books, records, and documents relevant to its performance under this Agreement (including records of service delivery and financial records relating to the Contributions and costs) in accordance with generally accepted accounting principles and applicable law. The City (or its authorized representative, such as an auditor or accountant) may request access to and the right to examine these relevant records **if and only if** the City has a reasonable good-faith belief that it needs to verify a specific aspect of PPTX's performance or billing under this Agreement (for example, to investigate a suspected billing discrepancy or a compliance issue). In other words, the City's right to audit is based on **cause**, not free-ranging access.

If the City believes cause exists, it shall provide written notice to PPTX outlining the specific concern or area of inquiry and requesting an audit or inspection of records pertaining to that issue. Any such audit shall: (a) be conducted upon at least ten days' prior notice; (b) occur during PPTX's normal business hours; and (c) be conducted in a manner that does not unreasonably interfere with PPTX's business or operations. The scope of the audit will be limited to records that are material to the City's stated cause for the audit. For example, if the concern is whether all collected Contributions were accounted for, the City may review PPTX's records of invoices and remittances received; if the concern is whether response times meet SLA, the City may review PPTX's internal logs or system reports on response times.

PPTX shall reasonably cooperate with any such audit request, providing the City or its auditor access to the pertinent records and appropriate staff to explain the records as needed. However, PPTX is **not required to expose proprietary or highly confidential information** not relevant to the audit, such as trade secrets, source code of software, or information about PPTX's other clients. The City will have no access to patient medical records (except de-identified aggregate data) to protect patient privacy, and the City cannot demand access to PPTX's systems except for pulling relevant data reports. If the audit requires PPTX to compile data in a certain format, PPTX will do so if reasonable, or the Parties will mutually agree on a method to extract the needed information.

Each Party shall bear its own costs of any audit. If an audit reveals an overpayment by the City (for instance, an error in which the City remitted for non-participating households), PPTX shall refund the overpaid amount or credit it against future invoices. If an audit reveals an underpayment (e.g., some collected Contributions were inadvertently not reported), the City shall include that in the next remittance. If an audit uncovers a material breach by PPTX, the City may exercise its remedies as provided in this Agreement. All information obtained in an audit shall be kept confidential by the City to the extent allowed by law, and used solely for purposes of contract oversight.

11.2 Confidentiality and Public Information: The Parties anticipate that in the course of performance, each may disclose to the other information that is sensitive or proprietary. **PPTX Confidential Information** may include, for example, trade secrets, technical information about PPTX's telehealth platform, business plans, provider lists, training materials, or pricing structure beyond this contract. **City Confidential Information** may include non-public personal data of residents (if any is shared) or internal City plans or reports. Each Party agrees to treat information marked or otherwise clearly identified as confidential as confidential, and to not disclose it to any third party except as necessary for performing this Agreement or as required by law. Each Party will use the same degree of care to protect the other's confidential information as it uses to protect its own confidential information of similar importance, but at a minimum shall use reasonable care.

The Parties acknowledge that the City, as a governmental entity, is subject to the **Texas Public Information Act** (TPIA), which may require disclosure of certain documents or records upon request by the public. If a TPIA request is made for information that involves PPTX's confidential or proprietary information, the City will promptly notify PPTX (to the extent allowed by law) and give PPTX an opportunity to assert exceptions to disclosure with the Texas Attorney General's Office as provided under the TPIA. PPTX must act promptly to provide legal justification for withholding the information (e.g., claiming it is a trade secret or confidential commercial information under Tex. Gov't Code §552.110 or other applicable exceptions). The City will reasonably cooperate with PPTX, at PPTX's expense, in seeking to protect such information, but the City will make the final decision on disclosure as required by law and any Attorney General opinions. Any information that is purely medical records of patients will be withheld under TPIA exceptions for medical privacy and under HIPAA, as applicable.

In addition, the Parties agree to comply with all applicable privacy laws. PPTX, as a healthcare provider, is a covered entity or a business associate under HIPAA. The City might be considered a sponsor or facilitator of the program and may be a **Business Associate** if it comes into contact with PHI. To address this, the Parties have included **Exhibit B**, a Business Associate Agreement (BAA) or placeholder for a BAA, which shall govern the use and protection of Protected Health Information. In case of any conflict between the BAA and this section regarding PHI, the BAA provisions shall control.

The confidentiality obligations in this Section 11.2 shall survive the termination of the Agreement for a period of at least **three years**, or indefinitely in the case of trade secrets for as long as they remain trade secrets under applicable law. Information that was previously known to a Party without obligation of confidentiality, independently developed, lawfully obtained from a third party, or that becomes public through no breach of this Agreement is not considered confidential. Furthermore, either Party may disclose the terms of this Agreement as needed to enforce its rights or as required by law or legal process (e.g., court order), but if so required, shall seek protective orders or confidential treatment to the extent available.

11.3 Independent Contractor: PPTX's relationship to the City in the performance of this Agreement is that of an **independent contractor**. Nothing herein shall be construed to create a partnership, joint venture, or agency relationship between PPTX and the City. Neither Party has the authority to bind the other to any contract or agreement or to incur any obligation or liability on behalf of the other Party, except as expressly provided in this Agreement. PPTX shall be solely responsible for the acts and omissions of its physicians, employees, contractors, and agents. All persons furnished by PPTX to perform work under this Agreement (including the telehealth doctors and staff) are **employees or subcontractors of PPTX**, and not of the City. PPTX is responsible for all compensation, benefits, and taxes (including withholding, social security, workers' compensation, and unemployment insurance) for its employees and subcontractors. PPTX shall ensure that all personnel performing services are properly trained and supervised. The City's interest is solely in the results of the services, i.e., that Telehealth Services are provided to residents as described; the manner and means of performing under this Agreement are under the control of PPTX, subject to the terms and standards herein. Should any regulatory body or court deem any personnel of PPTX to be an agent or employee of the City, PPTX shall indemnify and hold harmless the City from and against any claims, liabilities, or expenses incurred by the City as a result of any employment relationship (this is in addition to, not instead of, other indemnities).

11.4 Assignment and Subcontracting: Neither Party may assign or transfer this Agreement (or any of its rights or obligations hereunder) to any third party without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned, or delayed. Any attempted assignment without such consent shall be null and void. Notwithstanding the foregoing: (a) PPTX may assign this Agreement, upon written notice to the City, in the event of a merger, acquisition, or sale of substantially all of PPTX's assets or membership interests to another entity, provided that the successor entity is capable of performing PPTX's obligations and agrees in writing to be bound by the terms of this Agreement (such consent by the City shall not be unreasonably withheld in such scenario); and (b) PPTX may freely engage subcontractors or independent contractors (such as a physician network or telehealth platform provider) to assist in delivering the services, **provided** that PPTX remains fully responsible for the performance of this Agreement and the compliance of any subcontractor with all applicable terms (including insurance and confidentiality obligations, etc.). PPTX shall notify the City of any major subcontractor performing key portions of the services (for transparency, e.g., if PPTX uses a third-party telehealth physician group to handle overnight calls). The City may require such subcontractors to sign a joinder agreeing to relevant contract provisions (like HIPAA BAA, if not covered by Exhibit B).

The City may assign its rights and obligations hereunder to a successor governmental entity in the event of a reorganization or consolidation of the City or its utility services, or to another agency or public instrumentality that takes over the program, upon notice to PPTX. This Agreement shall inure to the benefit of and be binding upon the Parties and their respective permitted successors and assigns. There are no third-party beneficiaries to this Agreement, except as expressly provided (e.g., indemnitees).

11.5 Governing Law and Venue: This Agreement shall be governed by and construed in accordance with the **laws of the State of Texas**, without regard to its conflict of laws principles. The Parties agree that this Agreement is performable in Dallas County, Texas. Any legal action or proceeding arising out of or relating to this Agreement shall be brought exclusively in a state court of competent jurisdiction located in Dallas County, Texas (or, if federal jurisdiction is applicable, the United States District Court for the Northern District of Texas, Dallas Division). Each Party irrevocably submits to the exclusive jurisdiction of such courts and waives any objection based on forum non conveniens or any claim that such forum is improper. The Parties specifically exclude the application of the United Nations Convention on Contracts for the International Sale of Goods, which shall not apply to this Agreement.

11.6 Notices: All notices, demands, invoices, and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given: (a) when personally delivered; (b) on the date delivered by a reputable overnight courier service (e.g., FedEx, UPS) with tracking to the intended recipient's address; or (c) on the third Business Day after (a "Business Day" is any day that is not a Saturday, Sunday or day on which banks in Texas are closed for business) being sent by United States certified mail, return receipt requested, postage prepaid. Notices shall be sent to the following addresses (or such other address as a Party may designate by written notice to the other):

- **If to the City:

  Judson Rex, City Manager

  City of Garland

  200 N. Fifth Street

  Garland, TX 75040

  With a copy to: City Attorney's Office, at the same address.

- **If to PPTX:

  ** [Name or Title] Dirk Perritt

  Pathways Physicians Texas, PLLC

  [Street Address] 5956 Sherry Ln, 20th Floor

  Dallas, TX [ZIP] 75225

  Email: [optional, for courtesy copies or routine communications] dperritt@mdhealthpathways.com

Either Party may change its notice address by giving notice of the new address in the manner set forth above. Routine operational communications (e.g., day-to-day emails, reports) may be sent via email or other means, but any formal notice of breach, termination, or legal dispute must be delivered in one of the manners described in this Section 11.7 to be effective.

11.7 Entire Agreement: This Agreement, including all Exhibits attached hereto and any documents incorporated by reference, constitutes the **entire agreement** between the Parties with respect to its subject matter and supersedes all prior or contemporaneous agreements, negotiations, representations, and proposals, whether written or oral, relating to the same subject. The Parties acknowledge that they have not relied on any statement, promise, or representation not expressly contained in this Agreement. Any amendments or modifications to this Agreement must be in writing and signed by authorized representatives of both the City and PPTX. **No verbal modifications** will be recognized. In the event of any conflict between the terms of the main body of this Agreement and any exhibit or attachment, the main body of this Agreement shall prevail unless the exhibit expressly states an intent to override the main body on a specific issue (e.g., the BAA with respect to PHI privacy obligations).

11.8 Severability: If any provision of this Agreement is held to be invalid, illegal, or unenforceable by a court of competent jurisdiction, that provision shall be deemed modified to the minimum extent necessary to make it enforceable (if possible) or, if modification is not possible, it shall be severed from this Agreement. In any event, the remaining provisions of this Agreement shall continue in full force and effect. The Parties will endeavor in good faith to replace any invalid or unenforceable provision with a valid and enforceable provision that, as closely as possible, achieves the original intent and economic effect of the invalid provision.

11.9 Waiver: The failure of either Party to enforce any right or remedy provided by this Agreement or by law, or to insist upon strict performance of any term or condition of this Agreement, shall not constitute a waiver of that term, condition, right, or remedy. No waiver shall be effective unless it is in writing and signed by the Party granting the waiver. One waiver shall not be interpreted as a continuing or future waiver of the same or a different provision. Any single or partial exercise of a right or remedy shall not preclude further exercise of that or any other right or remedy.

11.10 No Third-Party Beneficiaries: This Agreement is for the exclusive benefit of the City and PPTX, and not for the benefit of any third party (including, but not limited to, any resident or Household, or any subcontractor of PPTX). No third party shall have any rights under this Agreement, except as expressly provided (for example, the indemnified parties under Section 8 are intended beneficiaries of the indemnity promise to the extent of their indemnification rights). While the Telehealth Services obviously benefit participating residents, those residents do not become third-party beneficiaries with direct rights to enforce this contract; any issues or claims they have (medical malpractice, etc.) are outside the scope of this Agreement and shall be handled between the patient and provider under applicable law. The Parties may amend or terminate this Agreement without the consent of any third party.

11.11 Governmental Immunity: Nothing in this Agreement shall be deemed a waiver of the City's **governmental immunity or sovereign immunity** or any legal limitations on the City's liability, except to the extent specifically agreed (such as the indemnity to the extent permitted by law in Section 8.2). This Agreement shall not be construed to create any claim or cause of action against the City that is not recognized under Texas law. All privileges and immunities from liability, defenses, or laws limiting the City's liability (including Texas Tort Claims Act limitations) are fully retained by the City. Likewise, nothing herein waives any immunities or defenses of PPTX under applicable law (though PPTX generally does not have sovereign immunity, it may have statutory protections under Good Samaritan laws or telemedicine statutes, etc., which are not waived).

11.12 Counterparts and Electronic Signatures: This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The Parties agree that a signed copy of this Agreement transmitted by facsimile, email (as a scanned PDF), or other electronic means shall be as valid and binding as an original, and either Party may use such a copy as evidence of the execution and delivery of this Agreement. The Parties further consent to the use of electronic signatures, as governed by the Texas Uniform Electronic Transactions Act (Tex. Bus. & Com. Code Chapter 322), to the extent that each Party's laws and policies allow. If requested, the Parties will exchange original signed copies of the Agreement as well.

11.13 Force Majeure

(a) **Definition.** "**Force Majeure Event**" means any event or circumstance beyond the reasonable control of the affected Party that, despite the exercise of commercially reasonable diligence, prevents or materially delays that Party's performance of its obligations under this Agreement. Force Majeure Events include, without limitation, tornadoes, hurricanes, floods, fires and other natural disasters; war, terrorism or civil unrest; acts of governmental authority (including mandatory shutdowns or embargoes); widespread power-grid, telecommunications or Internet failure; labor strikes not directed solely at the affected Party; and externally caused cyber-attacks or ransomware incidents that render systems inoperable.

(b) **Notice and Suspension.** The Party whose performance is affected shall give the other Party written notice as soon as practicable, and in any event within five business days, after becoming aware of the Force Majeure Event. Upon such notice the affected obligations are suspended for the duration of the Force Majeure Event, and any deadlines are extended for a period equal to the time lost because of the event.

(c) **Mitigation.** Each Party shall use commercially reasonable efforts to mitigate the impact of the Force Majeure Event and to resume full performance as soon as feasible.

(d) **Extended Force Majeure --- Right to Terminate.** If a Force Majeure Event continues for 45 consecutive days and still materially prevents either Party's performance, either Party may terminate this Agreement without further liability---except for payment of Contributions for Telehealth Services actually rendered and for amounts that accrued before the Force Majeure Event---by providing ten days' written notice to the other Party.

(e) **Exclusions.** A Force Majeure Event does **not** excuse:

(i) the City's obligation to remit Contributions already collected for services performed before the event; or

(ii) either Party's confidentiality, data-security, or indemnification obligations that can still be performed without material impairment.

(f) **Relationship to Other Remedies.** Termination under this Section 11.14 is a **no-fault termination**; and neither Party will otherwise be liable for damages arising solely from its inability to perform during the Force Majeure Event.

11.14 Dispute-Resolution Ladder (Negotiation → Mediation → Litigation)

(a) **Step 1 -- Notice of Dispute.** A Party asserting that a dispute, claim, or controversy ("**Dispute**") has arisen under this Agreement shall deliver written notice describing the nature of the Dispute in reasonable detail.

(b) **Step 2 -- Project-Level Conference (10 days).** Within ten days after the notice is received, the Parties' day-to-day contract liaisons (or other designated representatives) shall meet by phone or in person and attempt in good faith to resolve the Dispute.

(c) **Step 3 -- Senior-Executive Meeting (30 days).** If the Dispute is not resolved at the project level, either Party may escalate it by written notice to a senior executive with authority to settle the matter. Within 15 days after such escalation notice, the executives shall confer (in person or by videoconference) and endeavor to reach a mutually acceptable resolution. This executive-level negotiation period shall continue for 30 days unless the executives agree to extend it.

(d) **Step 4 -- Non-binding Mediation (Dallas County).** If the Dispute remains unresolved 30 days after executive escalation, the Parties shall submit the matter to non-binding mediation administered by a mediator mutually agreed upon, to be held in Dallas County, Texas. Each Party shall bear its own costs and share the mediator's fee equally. The mediation shall be completed within 45 days after a demand for mediation is filed, unless the Parties agree otherwise.

(e) **Condition Precedent to Litigation.** Except in the case of carve-outs pursuant to Section 11.14(f), no Party may commence litigation or other formal adjudicatory proceedings unless it has first completed Steps 1-4 above. A court of competent jurisdiction may stay any action filed in breach of this subsection until the Parties complete the required steps.

(f) **Carve-Outs.** Nothing in this section prevents either Party from seeking (i) a temporary restraining order, preliminary injunction, or other provisional relief to protect confidentiality, intellectual-property rights, or data security, or (ii) collection of undisputed monetary amounts, pending completion of the dispute-resolution steps.

(g) **Effect on Limitations Periods.** All applicable statutes of limitation shall be tolled from the date a Dispute notice is delivered under subsection (a) until the earlier of (i) completion of the mediation described in subsection (d) or (ii) written agreement of the Parties that the Dispute has been resolved.

(h) **Survival.** This § 11.14 survives any termination or expiration of the Agreement and applies to any Dispute arising out of or related to this Agreement.

11.15 Incorporation of Recitals

The Parties acknowledge that the Recitals above are true and correct and material to this Agreement. The Recitals are hereby incorporated into this Agreement as if set out fully herein.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date set forth above.

City of Garland, Texas	**Pathways Physicians Texas, PLLC**
By: Judson J. Rex	By: Dirk Perritt Dirk Perritt (Sep 16, 2025 22:59:05 CDT)
Name: Judson Rex	Name: [Name] Dirk Perritt
Title: City Manager	Title: [Title] CEO
Date: 09/17/2025	Date: 09/16/2025

Exhibit A -- Service Level Agreement (SLA) & Key Performance Indicators

Overview: This Exhibit outlines the performance standards and metrics PPTX agrees to meet in providing Telehealth Services, as well as reporting and monitoring mechanisms. These metrics are intended to ensure a high-quality experience for residents and accountability for service delivery. PPTX's performance will be reviewed against these standards regularly by the City.

1. Service Availability & Responsiveness

- **Availability:** Telehealth Services shall be available to Participating Households 8 A.M. to 10 P.M. CST/CDT, 7 days a week, 365 days a year (except in the case of force majeure events as defined in the Agreement or scheduled maintenance as noted below). Residents must be able to request a consultation at any time.

- **Measurement & Reporting:** PPTX will track each request and response time in its system. The Monthly Reports to the City will include the total number of service requests and response times. It will also highlight any outliers (e.g., calls that waited longer than 15 min.) and provide explanations if available (e.g., unusually high call volume hour, technical issue encountered).

- **Escalation Procedure:** If a request is not responded to within 15 minutes, PPTX will have an internal escalation procedure to ensure the request is addressed promptly. For example, if a doctor has not picked up the case within 15 minutes, the system may alert a supervisor or send the request to an on-call backup provider. PPTX will keep records of any escalations and their resolution times.

- **Downtime:** PPTX will use commercially reasonable efforts to maintain continuous service availability. Any scheduled maintenance that would make services unavailable (or significantly impaired) for more than 15 minutes shall be communicated to the City at least 48 hours in advance and, whenever possible, scheduled during very low usage periods (e.g., 3:00 AM on a Sunday). Unscheduled outages or system failures shall be reported to the City within 24 hours with an explanation of cause and corrective action. PPTX's Monthly Report will note any downtime incidents and their duration.

2. Quality of Service & Clinical Effectiveness

- **Licensure and Credentials:** 100% of providers delivering services must be properly licensed in Texas and in good standing. PPTX will verify credentials upon onboarding any provider and regularly check for any disciplinary actions. Upon request, PPTX will confirm to the City that all providers meet this requirement (without disclosing personal data, just a certification of compliance).

- **Clinical Protocols:** PPTX will adhere to evidence-based clinical guidelines for telehealth where applicable. While it's hard to measure clinical accuracy in an SLA, PPTX agrees to conduct periodic peer reviews of a sample of telehealth consultations for quality assurance. If the City requests general results of such QA reviews, PPTX can share aggregated findings (e.g., "10 charts were reviewed this quarter with no significant deviations found").

- **Patient Satisfaction:** PPTX will strive to achieve high patient satisfaction with the telehealth service. PPTX will provide a mechanism (such as a follow-up text or email survey) for participants to rate their experience or provide feedback after consultations. Further, PPTX shall develop and maintain an online portal and/or phone line for patients to opt into and monitor the Program throughout its duration. **Target:** Achieve an average satisfaction rating of at least 4 out of 5 (or equivalent positive metric) and address any serious complaints. PPTX will summarize patient feedback in the Annual Report, including any trends or improvements made in response to feedback. (The City and PPTX may mutually agree on specific survey questions and process.)

- **Follow-Up and Continuity:** If a participant requires follow-up, PPTX will provide clear instructions or schedule a follow-up telehealth check-in as appropriate. The goal is to ensure participants feel their issue was addressed or properly handed off. While difficult to metricize, PPTX will include any notable follow-up efforts in its reports (e.g., "5 patients were advised to get lab tests and we followed up with them two days later to discuss results").

3. Reporting & Accountability

- **Monthly Performance Reports:** As noted, PPTX will deliver a monthly report including at least: number of consultations, response time metrics (average, 95th percentile, % within 10 min), participation numbers (if known to PPTX), any downtime incidents, summary of resident feedback or complaints and resolutions, and any other City-requested metrics (if feasible).

- **Annual Review Meeting:** At least once per year (for example, around the program anniversary or in coordination with an annual report), PPTX and City representatives shall have the opportunity to meet (in person or via conference) to review the program's performance, discuss any issues, and plan for any improvements or changes for the next year. This will include reviewing whether the SLA targets are being met and if any adjustments to resources are needed.

- **Continuous Improvement:** If the City's utilization is lower or higher than expected, or if participants express certain needs (e.g., many asking for a certain type of service), PPTX will consider adjustments to better serve the community. Likewise, if response times or satisfaction fall short, PPTX will propose corrective actions (such as adding more on-call providers during peak times, or enhancing patient education materials) to work collaboratively with the City, but these measures underscore the importance of meeting the SLA.

- **Billing Accuracy:** Although not a "service level" per se, PPTX is expected to accurately invoice only for Participating Households as reported by the City. Any discrepancies found (billing for someone who opted out, etc.) will be corrected in the next cycle. The City will similarly ensure its reports to PPTX are accurate to avoid under/over payments.

(End of Exhibit A)

Exhibit B -- Business Associate Agreement (HIPAA Terms)

[Note: This Exhibit will be a formal Business Associate Agreement ("BAA") between the City (if the City is a covered entity or acting on behalf of one) and PPTX, to ensure compliance with the Health Insurance Portability and Accountability Act (HIPAA) and applicable state privacy laws. The full text of the BAA is not included here, but its key provisions will include:

- **Permitted Uses and Disclosures:** Defining how PPTX (as a Business Associate) may use or disclose Protected Health Information (PHI) received from or on behalf of the City (the Covered Entity) -- generally limited to performing the Telehealth Services and as otherwise required by law.

- **Safeguards:** PPTX must implement appropriate administrative, physical, and technical safeguards to protect the privacy and security of PHI, including compliance with the HIPAA Security Rule for electronic PHI.

- **Breach Notification:** PPTX must report to the City any use or disclosure of PHI not provided for by the Agreement (including any "Breach" of Unsecured PHI as defined by HIPAA) without unreasonable delay and in no case later than a specified number of days upon discovery. Such notification will include information about the breach as required by 45 C.F.R. 164.410.

- **Subcontractors:** PPTX must ensure that any subcontractors that create, receive, or transmit PHI on behalf of PPTX agree in writing to the same restrictions and conditions that apply to PPTX under the BAA.

- **Access and Amendment:** To the extent PPTX has PHI in a Designated Record Set, it will provide access to PHI to the City or the individual, and incorporate amendments to PHI, as required by 45 C.F.R. §§ 164.524 and 164.526. (In the telehealth program context, PPTX might maintain its own medical records, so it will handle patient rights directly as a provider; the BAA ensures coordination if needed.)

- **Accounting of Disclosures:** PPTX will document disclosures of PHI and provide an accounting to the City or the individual upon request, as required by 45 C.F.R. §164.528 (for example, disclosures for public health or law enforcement, but typically telehealth will have minimal such disclosures).

- **Right to Audit and Inspection:** The City (or Covered Entity) can terminate the BAA if PPTX violates a material term. Also, PPTX agrees to make its internal practices and records relating to PHI available to the U.S. Department of Health and Human Services

(HHS) for compliance checks.

- **Return/Destruction of PHI:** Upon termination of the BAA, PPTX will return or destroy all PHI received from the City, if feasible, or extend protections if destruction is infeasible. (Note: PPTX as a provider may have independent obligations to maintain patient records, so this will be addressed accordingly -- likely PHI will be retained by PPTX under continued protections rather than returned to the City).

- **Miscellaneous:** Definitions aligning with HIPAA (Privacy Rule, Security Rule, Breach, Unsecured PHI, etc.), no third-party beneficiaries (other than HHS rights), and that in case of any conflict between the BAA and the main Agreement, the BAA governs with respect to PHI privacy/security.

The Parties will execute a separate BAA document incorporating these terms. Once executed, that BAA will be attached hereto as Exhibit B and is hereby incorporated by reference. Until then, this placeholder summary indicates the Parties' commitment to enter a BAA as required by law.]

(End of Exhibit B placeholder)

Exhibit C -- Form of Utility Bill Addendum (Resident Notice)

(The following is a sample of the notice that will be provided to City of Garland utility customers regarding the telehealth program. This text may be adapted for format, but the core information will be conveyed as below.)

City of Garland -- New Telehealth Services Program

Access a Medical Provider Anywhere -- For Just $6 a Month!

The City of Garland is excited to offer a new **Telehealth Services Program** for our residents, in partnership with Pathways Physicians Texas (PPTX). This optional program gives your household **access to medical professionals by phone or video** for common health concerns.

How the Program Works:

Beginning [Program Launch Date], a $6.00 charge will appear on your monthly City utility bill labeled "Telehealth Services Program." This covers **unlimited** telehealth consultations for you and members of your household with board-certified doctors through our partner, PPTX. You can call, text, or video chat with a doctor **from 8:00 a.m. to 10:00 p.m., 365 days a year.** As a founding partner in this program, Garland residents will receive special pricing: $6 per month for the first two years, $7 for year three, $8 for year four, and $9 for year five.

There are **no copays, no per-call charges, and no insurance required.** The program is funded by the community for the community. Doctors can provide medical advice, diagnose many common conditions, and even prescribe medications if needed (sent to your local pharmacy). All from the comfort of your home!

What's Included:

- **Unlimited Telehealth Visits:** Connect with a doctor via phone or video as often as you need for everyday illnesses like flu, sinus infections, rashes, upset stomach, and more.

- **Quick Response:** Experienced medical providers are standing by. **95% of calls are answered within just a few minutes** or less, often much sooner. Getting the kids ready for bed? Early morning? Weekends? You'll still reach a doctor quickly.

- **No Additional Fees:** You pay only the monthly program fee. There is no charge at the time of service. Talk to the doctor as long as needed -- one flat rate covers it all.

- **Household Coverage:** The telehealth program covers everyone in your household (all family members living at your address up to 10 individuals). One fee per household, not per person. So, your spouse and children (or other household members) can all use the service.

Opt-Out Option -- You're In Control:

Participation is **voluntary**. We hope you'll find this service valuable, but if you **do not wish to participate**, you may opt out at any time. To opt out, simply do one of the following:

- Call us at **[City Utility Department Phone Number]** and say you want to opt out of the telehealth program.
- Visit **[City's Telehealth Program Webpage URL]** and submit the opt-out form online.
- Or visit the Garland Utility Customer Service office in person.

If you opt out, the telehealth charge will be removed from your bill and your household will **not** have access to the telehealth services. There is no penalty to opt out. If you opt out before [Program Launch Date] (or within the first 30 days of being charged), we will ensure you are not billed or receive a full credit if already billed. **Important:** If you simply do not pay the $6.00 on your bill, we will treat that as choosing to opt out, and you won't be billed further (and won't be able to use the service). It's best to contact us to formally opt out to avoid any confusion.

If you opt out now but change your mind later, you can opt back in during an open re-enrollment period (to be announced) or by contacting us to re-subscribe; the fee would then resume on your bill.

Privacy and How to Use the Service:

Using the telehealth service is easy and private. Here's what to do when you need to speak with a doctor:

1. **Text [Telehealth Text Number]** -- Identify yourself as a Garland resident in the program and provide your utility account number or enrollment info for verification. (Your information is confidential and only used to verify you're enrolled.)
2. **Consult with a Doctor:** A licensed Texas physician will promptly speak with you by phone or video. They will ask about your symptoms, medical history, and provide guidance. Everything you discuss is **protected by doctor-patient confidentiality and HIPAA** -- the City does **not** receive details of your medical consult.
3. **Get Treatment:** If it's something that can be handled via telehealth, the doctor will advise a treatment plan. If a prescription is needed, they can send it to your chosen pharmacy. If the issue is more serious and cannot be resolved remotely, the doctor will direct you to in-person care (like an urgent care or ER) and can provide a summary of

the concern for you to share with that provider.

4. **Follow-Up:** If you have questions after your consult or if symptoms change, you can call back -- remember, unlimited access. You may even get a follow-up message from the telehealth team to check on you.

The City does NOT have access to your personal health information. The only information the City receives is aggregated usage statistics (e.g., how many calls this month) to evaluate program success. Individual medical details are strictly between you, the doctors, and PPTX, protected under HIPAA. If you have a medical emergency, do **not** wait for a telehealth call---dial 9-1-1 immediately.

Why Telehealth?

This program is designed to improve healthcare access for Garland residents. Whether you have insurance or not, whether it's a weekend or holiday, you shouldn't have to make expensive ER trips for minor issues or wait days for an appointment. Telehealth is a convenient first stop for many common ailments and health questions. It's not meant to replace your primary doctor for regular checkups, but it can fill gaps and provide peace of mind anytime you're sick or concerned.

Questions?

- For questions about the telehealth service or what it can be used for, call **[PPTX Customer Support Number]** or visit **[PPTX Program FAQ link]**. They can explain how it works in detail.

- For questions about the billing or opt-out process, contact the City's Utility Customer Service at **[Utility Dept Number]** or email **[Utility Dept Email]**.

- To learn more, visit **[City's webpage for Telehealth Program]**, which includes FAQs, opt-out instructions, and links to resources.

We encourage you to give this program a try. For just $6 a month, your household gains access to medical advice and care. Many issues can be resolved quickly over the phone -- saving you time and money. This is part of the City's commitment to community well-being and innovation in service delivery.

Thank you for being a valued resident of Garland. Here's to your health!

(End of Exhibit C notice)

Exhibit D -- City Marketing Commitments

To support and grow the telehealth program, the City agrees to undertake the following outreach and marketing efforts (at its own expense) in collaboration with PPTX:

1. **Quarterly Mailers / Bill Inserts:** At least once each quarter, the City will include a dedicated notice or informational flyer about the telehealth program in its utility billing mail-outs (or send a standalone mailer). These will highlight the program's benefits, remind residents of the service availability, and provide instructions on how to access care or opt out. Content for these mailers will be prepared jointly by the City and PPTX (with PPTX providing any necessary artwork or success stories), and the City will ensure they are mailed to all residential households.

2. **Social Media Promotion:** The City will promote the telehealth program on its official social media accounts. **At minimum, two posts per quarter** will be made on platforms such as Facebook and Twitter (or other platforms the City commonly uses) to raise awareness of the service. Posts may include general reminders about the program, tips for using telehealth (e.g., during flu season), or success anecdotes (subject to privacy considerations). PPTX can supply sample post text or graphics, but the City will tailor and publish them.

3. **New Resident Welcome Packets:** The City will include information about the telehealth program in materials provided to new residents or new utility account holders. This may be a brochure, a one-page insert, or a section in a digital welcome packet. The information will explain that the City offers this telehealth service, note the monthly Contribution (with opt-out rights), and instruct how to use the service. By ensuring every new resident learns of the program upon moving in, the City helps maintain or increase participation rates over time.

4. **Community Events and Health Fairs:** The City will facilitate PPTX's participation in local community health-related events. Specifically, the City commits to providing PPTX the opportunity to host a booth or table at **least one City-sponsored health fair or community wellness event per year** to promote the telehealth program directly to residents. Additionally, the City will invite or allow PPTX to participate in other relevant events (for example, neighborhood block parties, senior center events, etc., where appropriate). The City will also permit distribution of telehealth program literature at City facilities (such as community centers or libraries) in brochure racks or bulletin boards, subject to any standard City guidelines.

5. **City Website and Media Releases:** The City will maintain an up-to-date page on its official website dedicated to the telehealth program, which will include program details, FAQs, and links or phone numbers for access and opt-out. The City's communications department will also support the program with periodic media outreach: for example, issuing a press release or news blurb at program launch and on notable milestones

(such as "1,000 calls served in first 6 months" or any major enhancements to the program). The City may feature the program in its newsletters or e-news (if such communications exist) at least annually to remind residents of this available benefit. The City's Public Information Office will coordinate with PPTX on any press announcements to ensure accuracy and positive messaging, and will include quotes or participation from PPTX representatives as appropriate.

The City and PPTX will communicate regularly (for instance, via quarterly check-ins) to plan upcoming outreach efforts and share feedback on past initiatives. All marketing materials will adhere to City branding guidelines and be approved by the City prior to distribution, and PPTX will promptly provide any information or logos required by the City to fulfill these commitments. The Parties acknowledge that effective communication is key to the program's sustainability, and these commitments reflect the City's active role in that effort.

(End of Exhibit D)

Master Telehealth Services Agreement - Updated 091625

Final Audit Report 2025-09-17

Created:	2025-09-16
By:	Joel Wilson (jwilson@garlandtx.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAzKzsyGXXCUsupcbR5ECDKVnrA77Fs3Ie

"Master Telehealth Services Agreement - Updated 091625" History

Document created by Joel Wilson (jwilson@garlandtx.gov)
2025-09-16 - 9:50:01 PM GMT- IP address: 47.187.247.166

Document sent to Dirk Perritt (dperritt@mdhealthpathways.com) and bdavis@bdaconsultinggroup.com for signature. One of them to sign
2025-09-16 - 9:51:44 PM GMT

Email viewed by Dirk Perritt (dperritt@mdhealthpathways.com)
2025-09-16 - 9:51:50 PM GMT- IP address: 74.125.214.67

Email viewed by bdavis@bdaconsultinggroup.com
2025-09-16 - 9:54:59 PM GMT- IP address: 146.75.164.0

Signer bdavis@bdaconsultinggroup.com entered name at signing as Dirk Perritt
2025-09-17 - 3:59:03 AM GMT- IP address: 104.62.145.134

Document e-signed by Dirk Perritt (bdavis@bdaconsultinggroup.com)
Signature Date: 2025-09-17 - 3:59:05 AM GMT - Time Source: server- IP address: 104.62.145.134

Document emailed to Judson Rex (jrex@garlandtx.gov) for signature
2025-09-17 - 3:59:07 AM GMT

Email viewed by Judson Rex (jrex@garlandtx.gov)
2025-09-17 - 12:23:26 PM GMT- IP address: 50.84.41.254

Document e-signed by Judson Rex (jrex@garlandtx.gov)
Signature Date: 2025-09-17 - 12:24:49 PM GMT - Time Source: server- IP address: 50.84.41.254

Agreement completed.

2025-09-17 - 12:24:49 PM GMT

GARLAND

CITY COUNCIL STAFF REPORT

4

Meeting Date: November 3, 2025

Title: Housing Market Analysis Presentation by CZB

Submitted by: Mona Woodard, Grant Administrator

Strategic Focus Area: Vibrant Neighborhoods and Commercial Centers

---

Issue / Summary

Representatives from CZB will provide a verbal presentation to City Council summarizing the findings from their housing market analysis for the City of Garland. This report is part of the broader housing market study initiative continuing to evaluate Garland's current housing conditions, market dynamics, and trends across all income segments. The presentation is intended to inform the Council of key patterns identified so far and set the stage for future policy discussions and strategy development.

Background

In 2024, the city engaged CZB, a national housing and neighborhood planning firm, to conduct a comprehensive housing market study. The purpose is to support data-driven decision-making by evaluating the overall health of the city's housing market, identifying challenges and gaps across the full spectrum of income levels, and recommending actionable strategies for long-term stability. An initial presentation was provided to Council on September 15, 2025. This presentation is in continuance of that discussion.

Consideration / Recommendation

Council is asked to consider the implications of the findings and how they may inform future housing policy decisions. Key considerations include:

- **Policy Development:** How the data may shape strategies to support a balanced housing market that serves residents at all income levels, from workforce and middle-income households to higher-income earners and vulnerable populations.
- **Resource Allocation:** Identification of neighborhoods or housing types that may warrant targeted investment or support to enhance access, diversity, and quality of housing.
- **Strategic Alignment:** Ensuring the housing strategy aligns with existing city priorities such as neighborhood vitality, economic development, and inclusive growth.

Attachments

A. GTX Strategy_for Council 11.03.25_FINAL

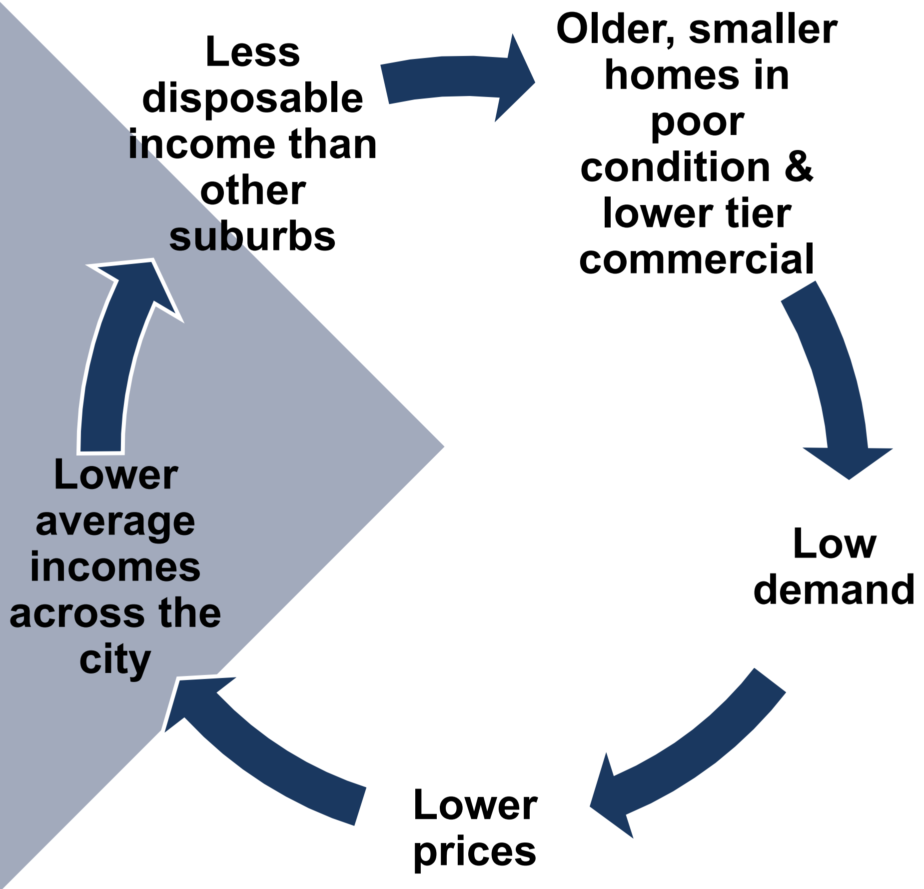
Draft Citywide Housing Strategy

Presentation to Garland City Council
November 3, 2025

czb

Introduction – Findings Review

- In a region with many options, **Garland struggles to attract households who have a wide range of choices in where they live**
- **Prices and home values are well below regional averages**, impacting the tax base, the city's ability to provide services, & the ability to attract quality commercial amenities desired by residents
- **Lower prices are a good fit for lower income households**, who tend to be cost-burdened
- **Low levels of property maintenance** and care solidify Garland's below-average reputation, pushing upper income households elsewhere
- On a fair-share basis, Garland today is **-8,000 upper income households**
- These factors make it **perpetually difficult for the City to keep up with the rising costs of providing capital improvements and services**
- This **decades-in-the-making cycle is self-fulfilling** and will remain so without an intervention



Introduction – The Challenge

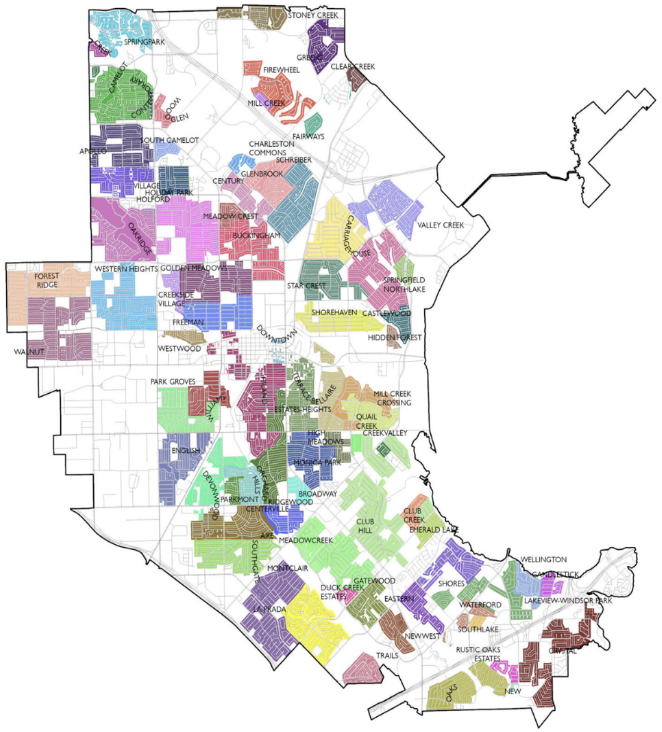
- **Can this decades-in-the-making demand problem be addressed…**
  - Without displacing Garland's vulnerable households?
  - Without Garland becoming a soulless place?
  - Without turning its back on Garland's cultural roots and heritage?
  - …and do so with limited resources, because, in fact, *resources are limited*

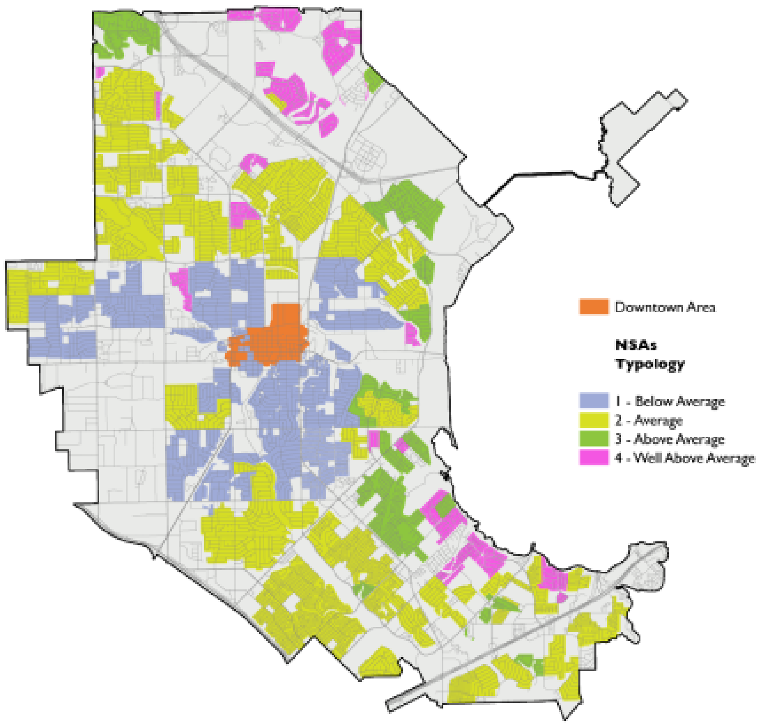
- **Yes, but only by…**
  - *Building on marketable strengths* – this gets you leverage
  - *Focusing geographically* to revitalize vulnerable middle areas – this gets you impacts
  - *Helping the most vulnerable* households stay in their homes – this gets you inclusion

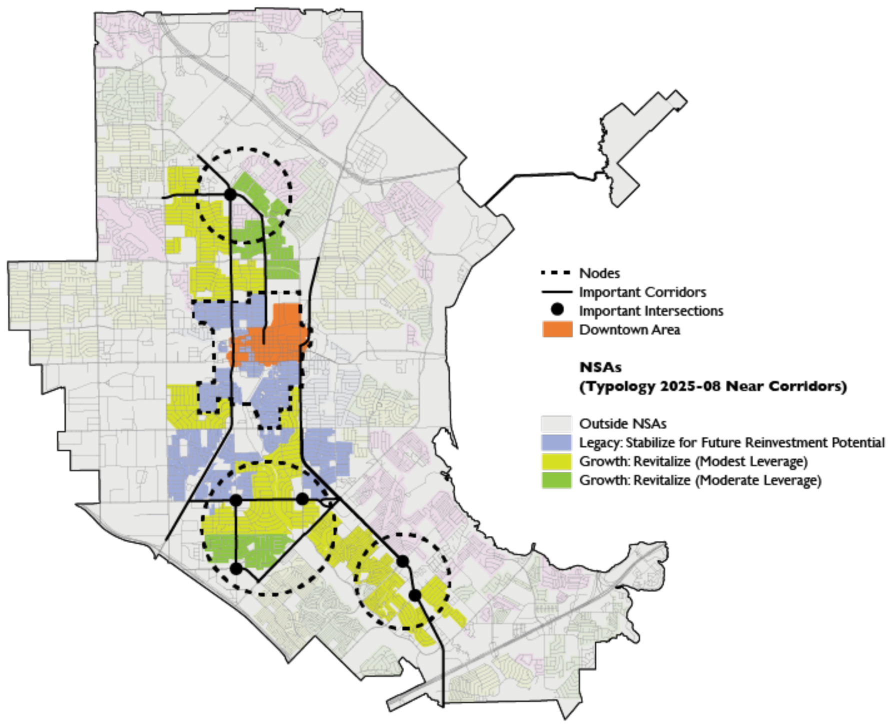
In Practice…

- Generally, this means:
  - **Prioritizing what needs to occur where**, and in what chronological order
  - Focusing and **not scattering resources**
  - Targeting those areas where there's the **best leverage ratio possible**
- More specifically, this means:
  - Identifying and investing in the **beautification** of key corridors
  - **Upgrading aging housing stocks** in key locations
  - **Concentrating redevelopment efforts** at key intersections
  - Expanding middle income **housing opportunities in and around Garland Square**
- In sum, it will mean:
  - Continuing to provide services throughout the city as always, AND
  - Doing additive work in a few strategic locations

Strategic Framework: Citywide and Additive







Citywide Analysis →

All the blocks and neighborhoods across Garland were evaluated

Citywide Neighborhood Typology

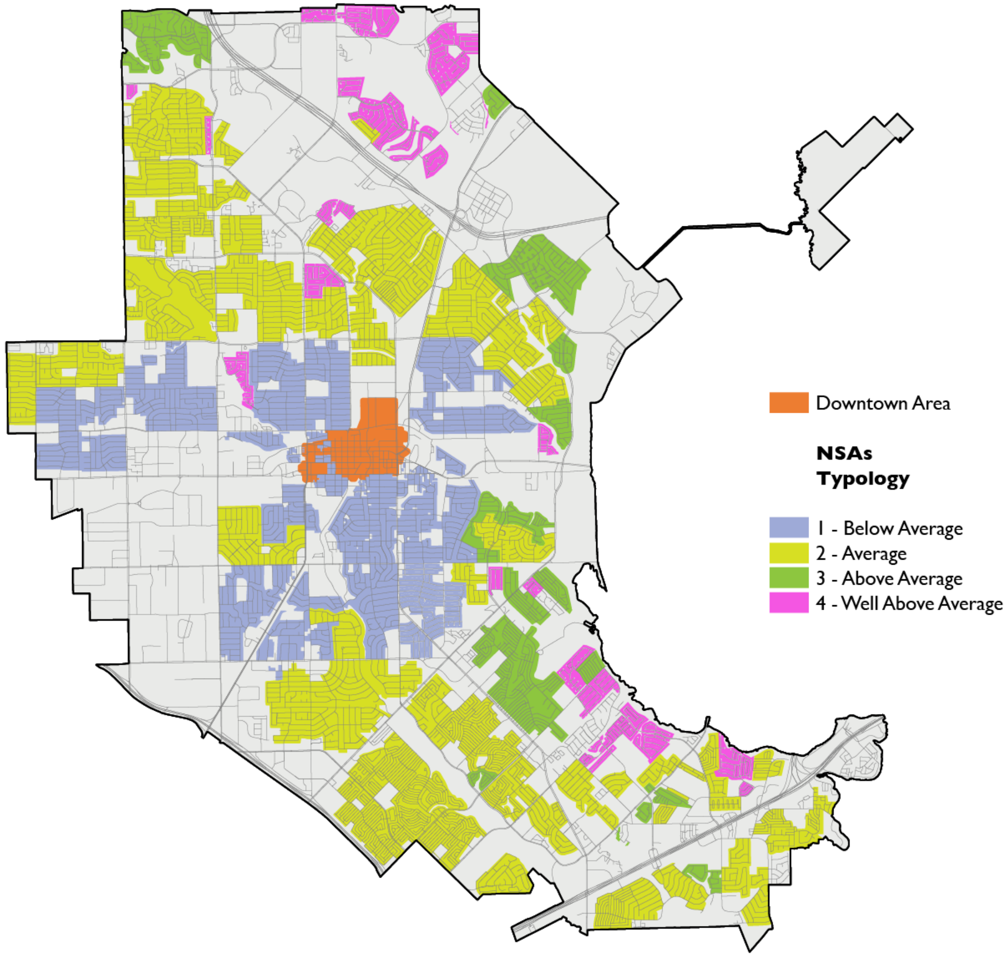
Different parts of Garland represent different opportunities and challenges than others, although core services are needed citywide

+

Additive Strategies in Key Areas

Some corridors, and some intersections, and some blocks are strategically critical

Strategic Framework: Actions to Take Citywide

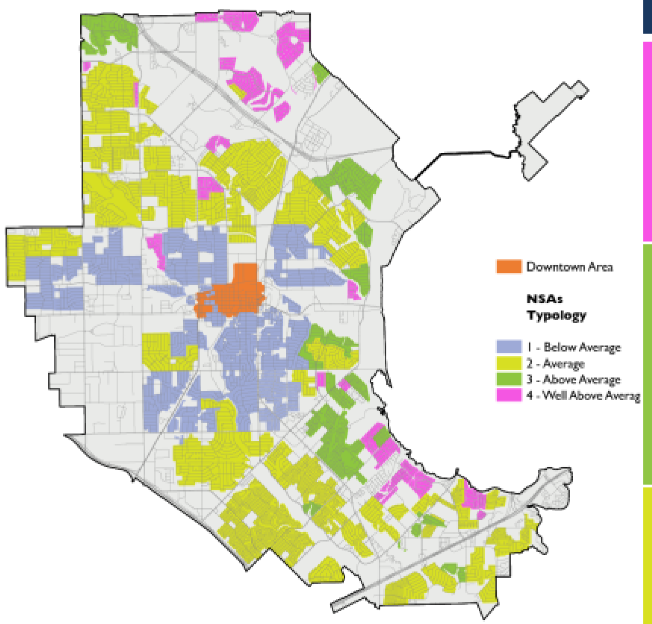


Citywide

***Continued Actions Citywide* include**

- **Capital improvements** (infrastructure maintenance/improvements)
- **Partnership for new development/redevelopment** as projects come forward
- **Destination and brand management** (sustain/beautify high profile visitor destinations and connections; create positive Garland Vibe)
- **Code enforcement efforts**
- **Assistance to low-income households** with repair or emergency needs
- **Neighborhood Vitality** grants and other neighborhood leadership education/support

Strategic Framework: SF Neighborhood Typologies



Differences by Typology

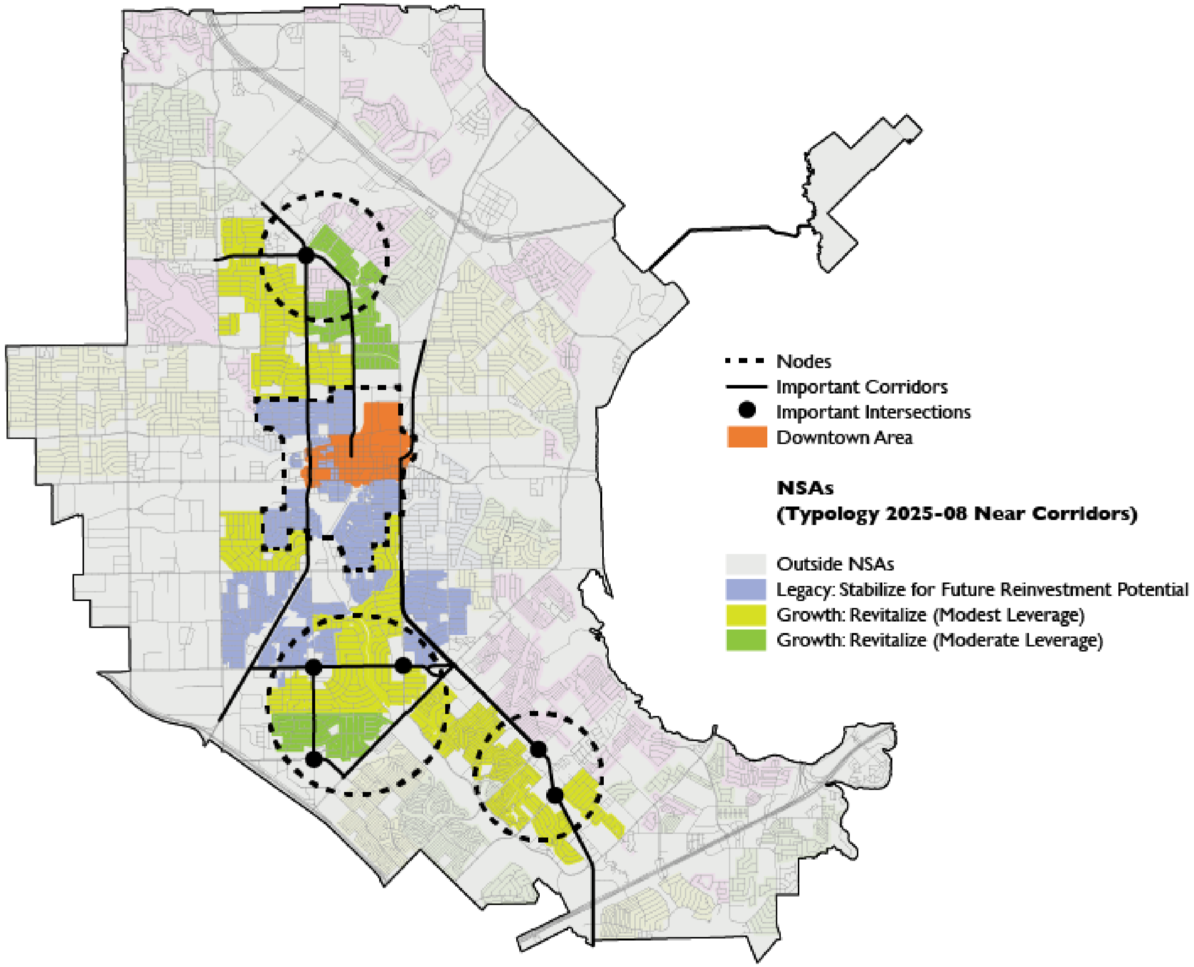
Typology Category	Goal	Example Activities
Regionally Competitive	Maintain	• Continue CIP projects, general City programs and services • Complaint-based code enforcement • Income-based household assistance • SF Infill, as requested
Growth: Moderate	Strengthen	• Continue CIP projects, general City programs and services • Proactive code enforcement • Capacity building • Income-based household assistance • New SF Rehab program(s) in concentrated geographies
Growth: Modest	Revitalize	• Continue CIP projects, general City programs and services • Proactive code enforcement • Capacity building • Income-based household assistance • New SF Rehab program(s) in concentrated geographies
Legacy	Stabilize	• Continue CIP projects, general City programs and services • Proactive code enforcement • Rental code enforcement • Policing • Income-based household assistance • Retooled HIIP in concentrated geographies

Strategic Framework: Additive Interventions

Because the City will not have the resources required to work intensively citywide, a smaller geography is recommended for strategic, intensive interventions.

- **Continued investments in Garland Square and the Downtown area**
  - Continued support of existing and new businesses
  - Middle to high density market rate or mixed-income housing projects around the edges of Garland Square
  - As recommended in the Downtown Study and in Garland Forward

- **Tightly Coordinated and Curated**
  - Beautification of key corridors
  - Redevelopment of key intersections
  - Revitalization of key “growth” neighborhoods
  - Stabilization of key “legacy” blocks



Additive (Focused Area)

Intervention Framework: Downtown Focus Areas

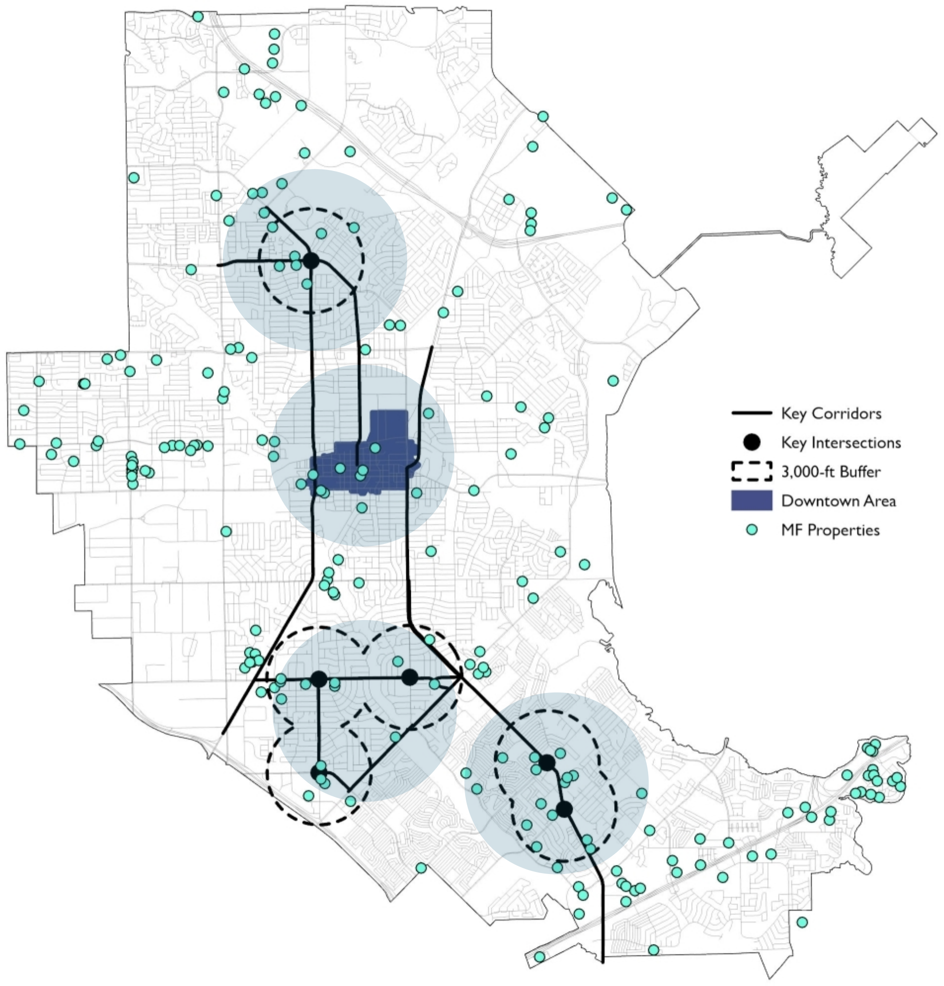
Garland Square & Surrounding Downtown Area			
Subgeography	**Objective**	**Proposed Activities**	**Guidance and Funding**
Downtown	Build on and leverage Garland Square's many marketable strengths as a cultural destination	• Continue to program Garland Square with events and activities • Incentivize new market-rate MF – various forms • Master plan with focus on open/green space, tree canopy, streetscaping, and walkable connectivity throughout	• Comprehensive Plan Guidance • Downtown Study Recommendations • 2025 Bond Program • TIF • 380 Agreements

Intervention Framework: Intersections and Corridors

Key Intersections & Corridors			
Subgeography	**Objective**	**Proposed Activities**	**Guidance and Funding**
Key Nodes	Redevelop into vibrant mixed-use centers	• When basically sound: incentivize upgrades • When fallow/soft: incentivize redevelopment	• Comprehensive Plan Guidance • Housing Strategy • Infrastructure Bond
Key Corridors	Refresh to become attractive entryways into Garland that signal pride	• Screening • Trees / Landscaping • Fences • Public Art	• Comprehensive Plan Guidance • 2025 Bond Program • Neighborhood Vitality Projects

Intervention Framework: Existing Multifamily in Key Locations

- Multifamily housing plays a vital role in Garland and in its housing market
- 116 out of 185 multifamily properties are 35 years+ (16,000 of the 28,000 units)
- Many are long overdue for upgrades
- Key properties at/near intersections and along certain corridors require attention now and in the coming years
- Older apartment buildings constitute $1B problem and Garland doesn't have $1B, so prioritization is needed
- Older units are naturally occurring affordable rental housing and should be preserved and, when possible, improved



Intervention Framework: Existing Multifamily in Key Locations

Existing Multifamily Near Key Nodes/Corridors

Subgeography	Objective	Proposed Activities	Guidance and Funding
Existing Multifamily (Group A)	Extend useful life of property while preserving affordability when possible	• Partner with the private and nonprofit sectors to rehabilitate existing multifamily units, prioritizing health, safety & exterior appearance • i.e. Major systems updates, exterior updates	• Housing Strategy • LIHTC (4%)
Existing Multifamily (Group B)	Upgrade to raise the quality of the supply of market rate rental housing in Garland	• Partner with the private sector to upgrade existing multifamily units, prioritizing finishes and amenities • i.e. Common spaces, flooring, kitchen & bath updates in units	• Housing Strategy • TBD

Intervention Framework: Adding Multifamily in Key Locations

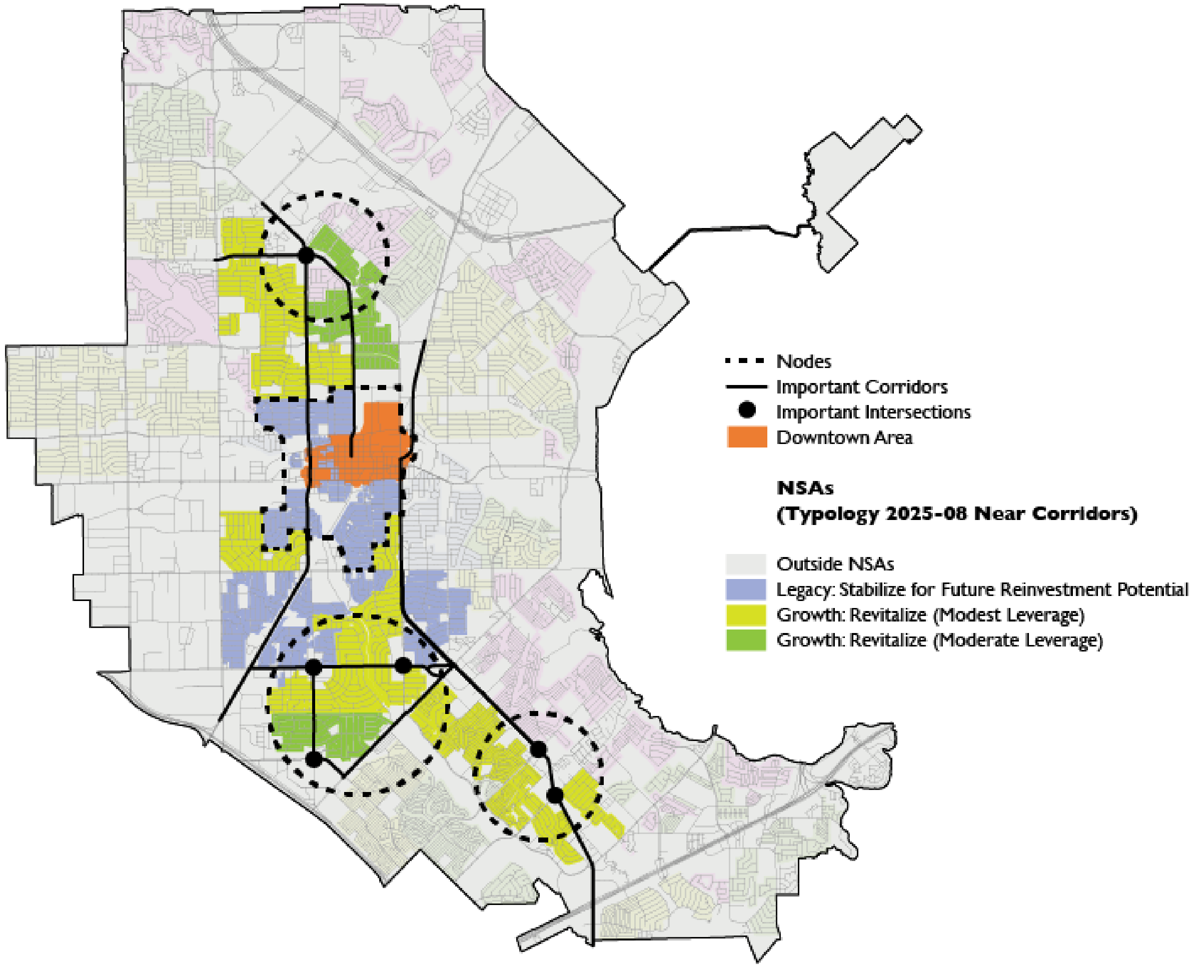
- Garland is too built out for a substantial volume of new SF units
- Redevelopment at key intersections with new, higher density market-rate multifamily will be required to attract new households
- Recent multifamily is commanding regionally competitive rents, suggesting more at market rate / mixed-income can assist in moving the needle to rebalance the housing market
- Incentives will still be required to close financial gaps for new development

New Infill Multifamily at Key Nodes/Corridors

Subgeography	Objective	Proposed Activities	Guidance and Funding
Key Intersections	Infill Multifamily to support desired commercial amenities	• Incentivize new market-rate MF in various forms in underperforming retail centers	• PFC • ED Bonds

Intervention Framework: Existing Single Family in Key Locations

- Single family housing plays a dominant role in Garland and in its housing market
- There are about 62,000 single family homes in Garland
- 54% were built before 1980
- In surrounding competition, SF homes are newer and larger on average in a market where that is preferred, reducing demand, price, and value for Garland homes, and leading to disinvestment that now requires attention
- Thousands of homes in Garland need tens of thousands of dollars in upgrades, and *those improvements will not occur without significant public incentives*
- Some parts of Garland – LEGACY AREAS – are ready to be stabilized while others – GROWTH AREAS – are well positioned for revitalization investments
- The locations of blocks with LEGACY and with GROWTH area attributes provide a geographic



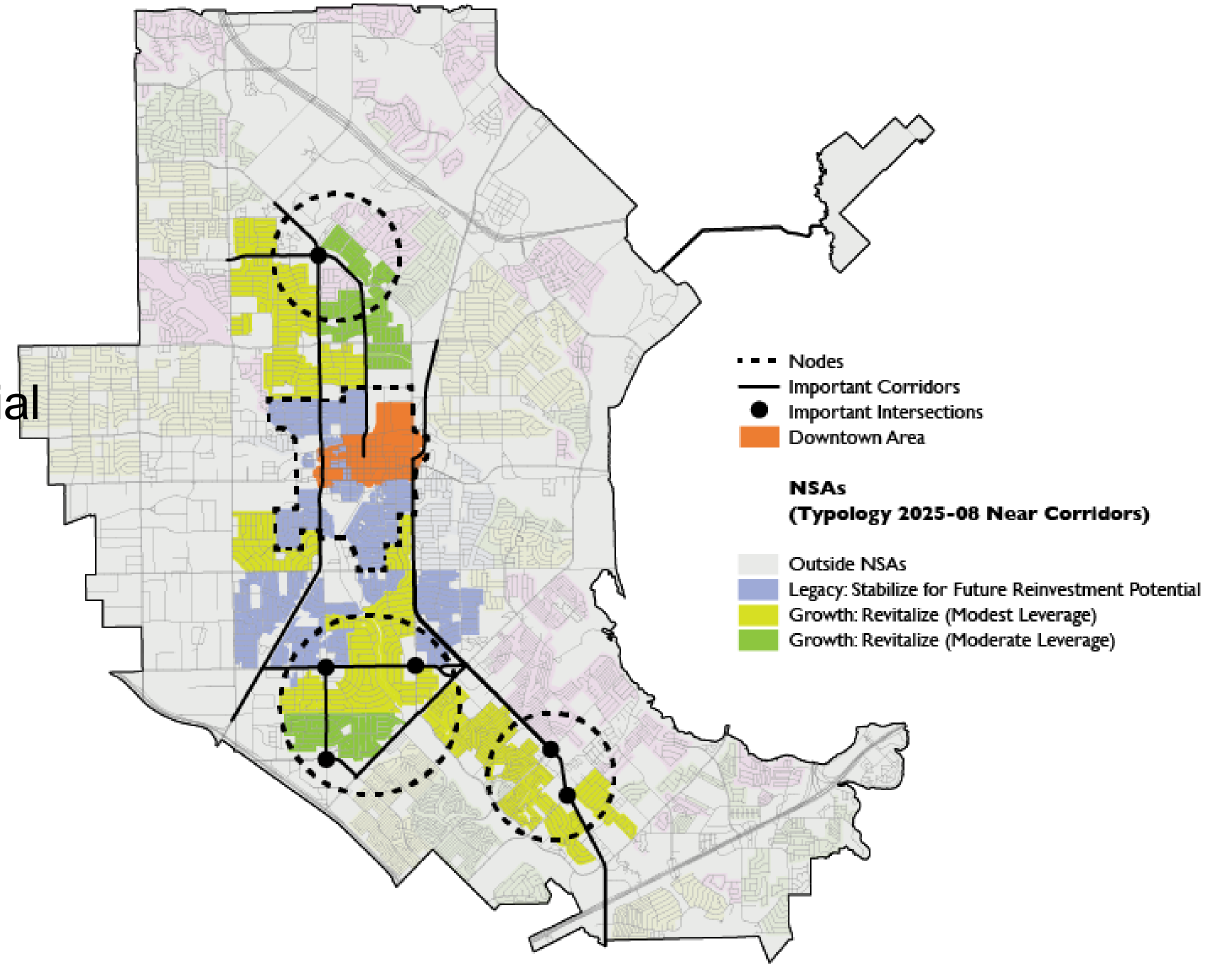
Intervention Framework: Existing Single Family in Key Locations

LEGACY – **Stabilize** for reinvestment potential

Modest

Moderate

GROWTH – Intervene to **Revitalize**



Intervention Framework: Single Family LEGACY Areas

Existing Single Family LEGACY Areas - Near Key Nodes/Corridors			
Subgeography	**Objective**	**Proposed Activities**	**Guidance and Funding**
Legacy	Stabilize blocks vulnerable to decline that are being undermined by disinvestment	• Proactive code enforcement • O-O Exterior / Major System Upgrades (ex. Plumbing, Electrical) / Weatherization • Conditional Rental Rehab • Proactive policing • Proactive investment in infrastructure, parks, public ROW	• **Retooled HIIP** • “Where the Heart” is • **Delivery vehicle TBD**

- In **Legacy NSAs**, where older and smaller homes are concentrated, the primary work in the near-term is stabilizing these blocks and addressing the problems that drive negative perceptions.
- Garland should not expect much ***leverage*** in these areas. i.e. for every $1.00 of public investment, there **may** be $0.20 - $0.50 of private investment.
- Resources into Legacy areas must be significant and patient. *Garland should have no expectation of direct ROI for many years.*

Intervention Framework: Single Family GROWTH Areas

Existing Single Family GROWTH Near Key Nodes/Corridors

Subgeography	Objective	Proposed Activities	Guidance and Funding

Growth Modest
Growth Moderate
	Revitalize middle tier Garland neighborhoods that are both vulnerable to decline and positioned for reinvestment.	• Proactive code enforcement
		• O-O Exterior and Interior (Marketability Upgrades)
		  • Modest
		  • Substantial
		• SF Development / Infill or Rehab
			• **New SF Incentives**
			  • Bounded 380
			  • Where the Heart Is
			• **Delivery vehicle TBD**

- Growth NSAs offer the best near-term opportunity to drive positive home-owner decisions, reinvestment, demand, and increased valuation, and do so on a leveraged basis
- Modest-strength Growth Areas should see a 1:1.50 leverage ratio, while somewhat stronger Moderate-strength Growth Areas should generate leverage ratios of between 2 and 3.

Single Family Incentive Programs: Spectrum of Impact

Submarket Condition	Legacy Submarkets	Growth Submarkets	Regionally Competitive Submarkets
Objective	Stabilize to create conditions where future revitalization efforts might take hold	Revitalize to become competitive in the future for strong households with options	Maintain capacity to compete successfully for strong households with options
Problem to Solve	Disorder, lack of predictability, disinvestment	Lack of sufficient resident confidence to invest time, energy and money	NA
Key	Control public property and establish a standards "floor" for property and behavior (condition and care)	Locate and leverage strengths with the aim of retaining good actors	NA
Programming	Focus on health and safety, building envelope integrity, basic maintenance and upkeep	Focus on improving homes' marketability in concert with building resident capacity for neighborhood self-management	Continue programs and services as usual
Leverage	Zero	1:1.5 - 1:3	Considerable
Notes	Hinges on disrupting concentrations of poverty and dysfunction, building trust, and balancing ground floor market realities with improvement aims	Requires discipline to address market gaps and not be distracted with affordability issues	Difficult to prove investments would not have occurred otherwise

Intervention Framework: Single Family Incentive Programs

- The purpose of an incentive is to **use public resources to prompt private actions** considered important to the community, but which are also deemed not likely to otherwise occur

- Neighborhood improvement **incentives must be specifically fitted to neighborhood conditions**
  - Stronger submarkets need less of an incentive to act than do weaker submarkets; incentives go further leveraging private actions, both in time and money

- **In the weakest neighborhoods, the goal is not to try to incentivize what's not possible**. Instead, the aim is to spend and act in ways that bring about marketable stability; *then* it becomes possible for incentives to someday work.

- The **goal of a revitalization effort is to move the market** to a point in the future where positive market outcomes occur without help, and where such outcomes are durable and self fulfilling.

Intervention Framework: Single Family Incentive Programs

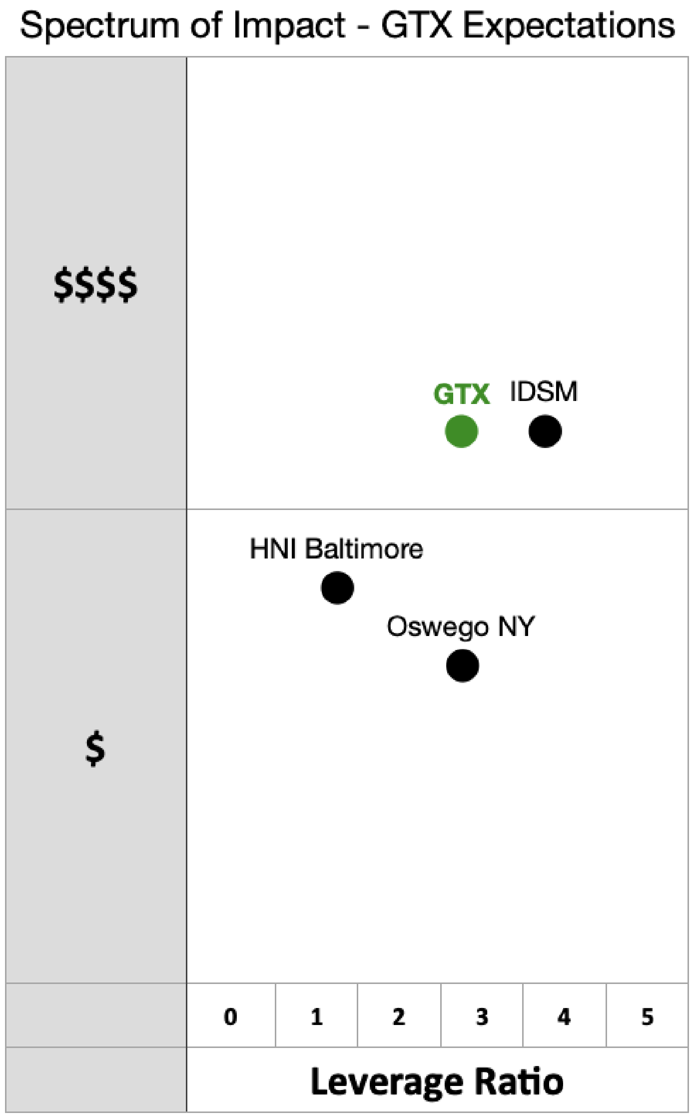
- Sometimes this means the goals can be achieved solely through exterior work. Other times it requires interior work, even additions. It all depends on the specifics on the ground.

- Sometimes this requires very little money/action; other times it can require substantial investment; block by block, and often house by house conditions will determine what is needed

- **Bounded 380s will likely be needed** for much of the recommended work.

- **Moving a submarket in a city in Garland's condition is never possible on the cheap**, either financially or otherwise.

Single Family Incentive Programs: Spectrum of Impact



- Housing in some markets has a higher cost basis than in others. The amount of money spent/house is not always a predictor of impact. **Impacts are often best predicted and produced along leverage ratio lines**, which reflect how many public $ are needed to drive how many private $ to obtain the result you want.

- **Impacts are also a function of who lives in a neighborhood, and their past performance as residents/neighbors**. Leverage ratio impacts will strongly correlate to community capacity for self-management

- The strongest leverage ratios in the country for this kind of work trace to pioneering *Healthy Neighborhoods* programs in Baltimore MD and Richmond VA, as well as in Des Moines, IA and Oswego NY.

Summary

- Though there are real challenges, the **Garland housing market is not weak**. And while there are many bright spots, **nor is it strong**. On balance this leaves the Garland housing market both vulnerable to decline and yet strong enough to be revitalized.

- Time, however, is not on Garland's side, and so neither status quo programming nor a hope of riding it out will suffice.

- It is not an exaggeration to say that Garland's future is in its housing hands, and so Garland is at a crossroads. It can manage a slow but inexorable decline to a soft landing, or, because the trajectory can still be reversed, tackle its housing challenges the way it has transformed Garland Square, and become a community of choice.

- It is estimated that the least expensive path to durably reposition the city's housing market in the very competitive Metroplex will cost between $4-$5M a year for 20 years on the single-family side of the coin, and another $4-$5M annually to address multifamily conditions. Some of both can be leveraged, provided the city commits to focusing its resources towards growing demand.

Next

Final Report: Garland Housing Strategy -- December 2025

GARLAND

CITY COUNCIL STAFF REPORT

5

Meeting Date:	November 3, 2025
Title:	Development Services Committee Report
Submitted by:	Letecia McNatt, Assistant to the City Manager
Strategic Focus Area:	Future-Focused City Organization Growing Economic Base

Issue / Summary

Mayor Pro Tem Lucht, Assistant City Manager Andy Hesser, and Staff will report on multiple pending items of the Development Services.

Background

Mayor Pro Tem Lucht, Assistant City Manager Andy Hesser, and Staff will report on multiple pending items of the Development Services Committee. These items were last discussed at the DSC Committee meeting on October 14, 2025.

Review Sign Ordinance: Referred by Councilmember Bass, with a second from Mayor Pro Tem Lucht, at the June 17, 2024 Work Session. An additional referral to review the sign ordinance was made by Councilmember Dutton, with a second from Mayor Pro Tem Lucht, at the May 5, 2025 Work Session.

Bounded Chapter 380 - Residential Improvements: Referred by Deputy Mayor Pro Tem Ott, with a second from Mayor Hedrick, at the September 16, 2024 Work Session.

Review SB840 Proposed Amendments: Referred by Councilmember Dutton, with unanimous support from the City Council, at the July 21, 2025 Work Session.

Evaluate Design Elements of Antennas: Referred by Councilmember Thomas, with a second from Mayor Pro Tem Lucht, on July 22, 2025.

Review Process for Designation of Outside Economic Development Tools (Foreign Trade Zones, PACE Program, etc.): Referred by Councilmember Bass, with a second from Mayor Pro Tem Lucht, on August 21, 2025.

Consideration / Recommendation

Council will hear and consider updates from the Development Services Committee.

Attachments

A. Signs_report_CC
B. Signs_ppt_CC
C. MF Standards_report_CC
D. MF Standards_Presentation

Planning Report

Development Services Committee
Report Out
Meeting: City Council
Date: November 3, 2025

GARLAND
TEXAS MADE HERE

STRATEGIC FOCUS AREA
Growing Economic Base; Customer-focused city services

BACKGROUND
Garland City Council has requested a review of Garland's ordinances pertaining to sign design regulations and processes with the goal of reducing unnecessary barriers to sign development.

Chapter 4, Article 5 contains the standards for all signs except for those in downtown, which are addressed in Chapter 7, Article 7.

Several presentations were made to the Development Services Committee summarizing the total of ten variance and waiver applications in the last five years. Seven of the ten applications involved sign size, two of which also involved height and location. Two other applications involved monument signs' setback distances from the right-of-way, and one other pertained to the use of a sign's neon lighting downtown. All were approved.

The committee then asked staff to focus on wall signs, as well as awning and canopy signs as similar parallel "attached" sign types to find possible issues and formulate some recommendations. After a comprehensive analysis of the sign regulations, staff has identified three items that can be improved and strengthened within the sign regulations. The items are generally related to size restrictions, waiver process, and user-friendliness of the information.

PREPARED BY:
Nabila Nur, AICP
Planning Director
Planning & Development
972-205-2449
nnur@garlandtx.gov

GARLAND

City Council Work Session

Development Services Report Out

November 3, 2025

Summary

Sign Regulations

Background

Garland City Council has requested a review of the GDC's sign ordinances.

A presentation was made to Development Services Committee on March 27, 2025, describing the ten sign-related variances and waivers from 2020 to 2024, most involving size and location. All applications were approved.

Intent

Sign regulations protect local aesthetic character and benefit economic development by guarding against physical and visual clutter while allowing attractive and useful commercial and cultural communication.

Stricter Downtown sign restrictions further enliven the mixed-use urban experience.

Today

Today we are reviewing current regulations regarding signs and suggesting actions to improve the GDC while decreasing the need for as many waivers and variances.

The focus is on Attached/Wall Signs: Those that are attached to, applied on, or supported by any part of a building that encloses usable space. (Some regulations include "awning signs.")

Issues and Recommendations

Sign Regulations

Issue: Size regulations may be unnecessarily restrictive

Approvals for waivers and variances are consistently unanimously approved, suggesting greater sizes may fit the intent of size limits.

Recommendation: Gently loosen size restrictions

- Increase allowable sign size near highways when higher on building;
- Increase Downtown sign size limit to match existing sign sizes;
- Reduce Downtown sign height threshold to provide flexibility to downtown’s short buildings.

Issue: Downtown waivers may be unnecessarily burdensome

Small businesses inheriting old, unique buildings downtown face a heavy burden for minor size changes.

Recommendation: Reduce number of signs subject to a Major Waiver.

Allow downtown signs to be constructed up to Chapter. 4 standards with a Minor Waiver for increased predictability and shorter process timelines.

Continue to require a Major Waiver for Downtown signs larger than Chapter. 4.

Issue: Regulations are difficult to navigate

Dimensional regulations are diffused and sometimes redundant, while the relationship between wall, awning, and canopy signs is overly complicated.

Recommendation: Condense regulations into a table format where possible.

A table format may make sign regulations easier to read and comprehend for property owners and designers.

Thank You

Questions?

Planning Report

Development Services Committee Report Out
Meeting: City Council
Date: November 3, 2025

STRATEGIC FOCUS AREA

Growing Economic Base; Vibrant neighborhoods and commercial centers

BACKGROUND

During the 89th Texas legislative session, Senate Bill 840 was passed, which inflicts substantial restrictions upon applicable cities regarding multifamily developments. Primarily, this bill deems multifamily and mixed uses an allowed use in commercially zoned areas, and limits the city's ability to regulate maximum height, setbacks, FAR, parking etc.

In order to address the new state law, City Council asked staff to look into updating and strengthening the multifamily standards within the Garland Development Code. Staff has developed a robust updated section for multifamily developments and presented it to the Development Services Committee. Through multiple meetings and brainstorming, several updates have been formulated. The updates include but are not limited to:

- Include a new subsection in Section 2.52 – Special Standards for Multifamily Developments or expand/revise Section 2.39 MF, Multifamily District
    - Increasing minimum height requirements to 40 feet (3-4 stories)
    - Increasing maximum height requirements to 60 feet (5-6 stories)
    - Restricting surface parking in the front yard and adding design standards for structured parking
    - Requiring eight feet wide sidewalks
    - Requiring horizontal and vertical building articulations and restricting unattractive rooflines
    - Adding site design criteria (block length, yard and build-to-lines)
    - Incorporating amenities list with a point system and requirement per size of development
    - Building flexibility/incentives for environmental sustainability, enhanced glazing, and unique/distinct development elements

- Update Section 4.39 to strengthen the perimeter screening requirements when adjacent to existing single-family developments
- Allow townhomes wherever multifamily is permitted in order to encourage a mix of housing options in those locations (update in the Land Use Matrix)
- Require applicant-paid construction signage to ensure community understanding on the state regulations
- Revise the definition of "Development" to include conversion projects and clarify the applicability section for Chapter 3 for water/wastewater capacity analysis

PREPARED BY:

Nabila Nur, AICP
Planning Director
Planning & Development
972-205-2449
nnur@garlandtx.gov

GARLAND

City Council Work Session

Development Services Report Out

November 3, 2025

Suggested Amendments

Senate Bill 840

- Include a new subsection in Section 2.52 – Special Standards for Multifamily Developments or expand/revise Section 2.39 MF, Multifamily District
  - Increasing minimum height requirements to 40 feet (3-4 stories)
  - Increasing maximum height requirements to 60 feet (5-6 stories)
  - Restricting surface parking in the front yard and adding design standards for structured parking
  - Requiring eight feet wide sidewalks
  - Requiring horizontal and vertical building articulations and restricting unattractive rooflines
  - Adding site design criteria (block length, yard and build-to-lines)
  - Incorporating amenities list and require per size of development

- Allow townhomes wherever multifamily is permitted in order to encourage a mix of housing options in those locations (update in the Land Use Matrix)

- Require applicant-paid construction signage to ensure community understanding on the state regulations

- Revise the definition of "Development" to include conversion projects and clarify the applicability section for Chapter 3 for water/wastewater capacity analysis

Additional Suggested Amendments

Senate Bill 840

- Amenities section
  - Updated amenities list
  - Point system incorporated for amenities
  - Amenity requirement with points broken further into development size
  - Consideration to update existing section 2.39 (I) for further consistency

(a) Swimming pool as outlined in Section 2.39(I) for size requirement; (20 points)

(b) Clubhouse as outlined in Section 2.39(I) for size requirement; (20 points)

(c) Dog Park; (5 points)

(d) Fitness center; (10 points)

(e) Business center; (5 points)

(f) Dining establishment; (10 points)

(g) Game and leisure room; (5 points)

(h) Shared grill or picnic area; (5 points)

(i) Personal services (such as, hair salon, therapeutic massage); (10 points)

(j) Multi-purpose gymnasium; (15 points)

(k) Meeting/conference rooms; (5 points)

(l) Convenience/sundries shop; (5 points)

(m) Child care center. (15 points)

(4) Amenities Required by Size of Development. The minimum number of amenities that must be provided on-site (or as may be approved off-site pursuant to Subsection (3) below) for a multifamily development are as follows:

(a) A development having up to, and including twenty dwelling units must receive at least 10 points as listed in Subsection (3) above

(b) A development having twenty-one dwelling units to seventy-five dwelling units must receive at least 20 points of the amenities as listed in Subsection (3) above;

(c) A development having seventy-six dwelling units to two hundred dwelling units must receive at least 30 points as listed in Subsection (3) above;

(d) A development having two hundred and one dwelling units to five hundred units must receive at least 50 points as listed in Subsection (3) above; and

(e) A development having five hundred and one or more dwelling units must receive at least 70 points as listed in Subsection (3) above.

Additional Suggested Amendments

Senate Bill 840

- Building/Architectural Design section
  - Updated with entryway standards
  - Flexibility incorporated through alternative compliance method with environmental sustainability, enhanced glazing, and unique/distinct development elements

(6) The Planning Director, through an alternative compliance process (as set forth in Chapter 4, Article 1, Division 2 of this GDC), is authorized to waive up to five (5) provisions of the Building/Architectural Design standards as set forth in this subsection if the proposed development incorporates one or more of the following. The Planning Director may approve the waiver upon a finding the proposed alternative is: (i) proportionally consistent with the purpose and intent of this GDC, as applicable; and (ii) promotes the public health, safety, morals, or general welfare:

(a) Environmental sustainability. Use of building materials, construction techniques, or other elements within the development that promote environmental sustainability for the overall project.

(b) Windows and Glazing. Windows constituting a minimum of 35% of each street-facing façade. Reflective or opaque glass shall not count toward this provision.

(c) Unique architectural features that may not comply with the technical standards outlined in this subsection, but can achieve a distinct desired identity for the development. These features may include unique building design elements, entryway features, signage, mural or other elements located at a key location within the development.

Additional Suggested Amendments

Senate Bill 840

- Setbacks with single-family residential adjacency
  - Confirmed with legal about applicability
  - Perimeter screening standards still apply, opportunity to strengthen if desired
  - Residential proximity slope can apply for height above 45 feet (within certain distance)

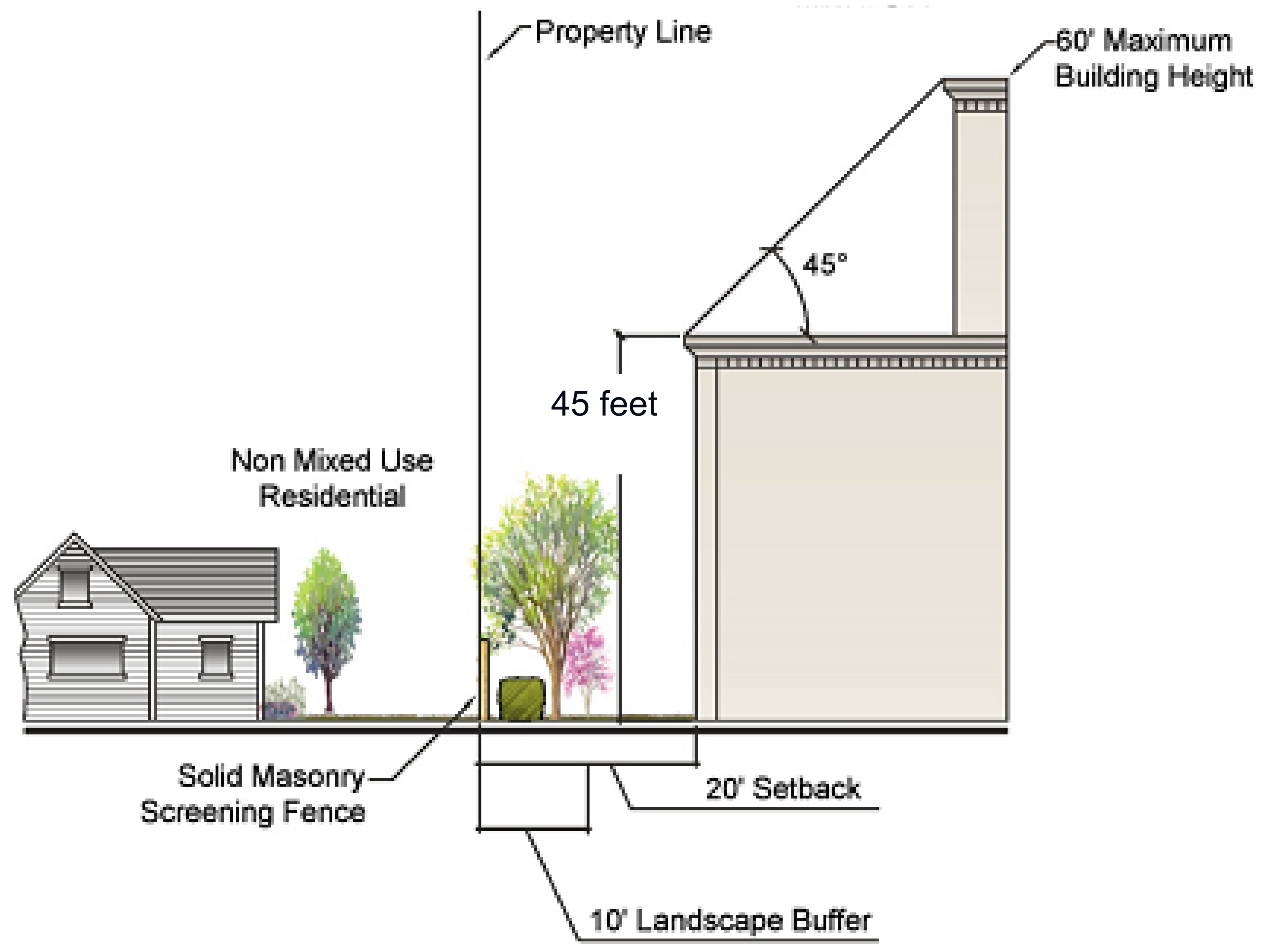
☐ § 4.39 **Perimeter Screening Between Nonresidential, Multifamily, Single-Family Development.**

(A) Nonresidential, Multifamily, and Senior Living Developments. Nonresidential, Multifamily, and Senior Living developments that are located adjacent to single-family (whether attached or detached) and two-family residential district boundary lines must provide screening in the form of one of the options listed below:

(1) Option 1 - Brick or Stone Masonry Wall. A minimum six-foot tall, and maximum eight-foot tall, masonry wall is required along all common property lines. The wall must be constructed of brick or stone, in accordance with the City's *Technical Standards*, or a simulated product with the appearance of hand-laid brick or stone with the same structural integrity of the City's standard screening wall details. In addition to the screening wall, one large canopy tree for every twenty-five linear feet, or portion thereof, is required and must be equally spaced for the entire length of the wall on the development's side of the wall. A masonry wall composed of color-intrinsic stucco or highly articulated (such as split-faced) masonry may be used in lieu of the brick or stone masonry wall, provided that the wall is offset at least one foot for at least twenty-five feet for every one hundred foot section of wall.

(2) Option 2 - Ornamental Metal Fence. A minimum five-foot tall ornamental metal fence with masonry columns, spaced with a maximum of fifty feet between the centers of each column, is required along all common property lines. A continuous row of evergreen high-level screening shrubs (see Table 4-3 in Division **7** of this Article 3) are required along all portions of the fence that are not opaque masonry. All landscaping must be located on the development's side of the fence.

(3) Option 3 - Earthen Berms. An earthen berm (see Section **4.33(L)**), or an undulating series of berms, with a living screen may be used provided that each berm is a minimum of six feet in height upon installation for at least eighty percent of the screening length, and provided that each berm and landscaping provides continuous, mostly opaque, screening within three hundred and sixty-five calendar days following installation. Large canopy trees are required for every fifty lineal feet, or portion thereof, of the berm screening (on top of, beside, or meandering in and out of berms). Up to twenty-five percent of the required large canopy trees may be substituted in accordance with Section **4.34(B)(3)(d)** in this Article 3.



Thank You

Questions?

GARLAND

CITY COUNCIL STAFF REPORT

6

Meeting Date: November 3, 2025

Title: Texas Municipal League (TML) Annual Conference Report

Submitted by: Letecia McNatt, Assistant to the City Manager

Strategic Focus Area:

Issue / Summary

Per Article II, Division 1, Section 6(E) of the City Council policies, Mayor Dylan Hedrick, Councilmember Kris Beard, and Councilmember Carissa Dutton will report back to the City Council on the Texas Municipal League (TML) Annual Conference.

Background

Mayor Dylan Hedrick, Councilmember Kris Beard, and Councilmember Carissa Dutton will report back to the City Council on the Texas Municipal League (TML) Annual Conference.

Consideration / Recommendation

N/A.

Attachments

None

GARLAND

CITY COUNCIL STAFF REPORT

7

Meeting Date: November 3, 2025

Title: Update on the DART City Manager's Working Group

Submitted by:

Strategic Focus Area: Sound Governance and Finances

Issue / Summary

Update on the DART City Manager's Working Group.

Background

Staff will provide the City Council with an update on discussions related to DART. The North Texas Commission recently convened a working group of city managers from six of the 13 DART member cities (Dallas, Garland, Irving, Plano, Richardson and Rowlett) to discuss DART's governance, funding, and service.

Consideration / Recommendation

Attachments

A. 11032025 DART Presentation

DART Updates

November 3, 2025

NTC City Manager Working Group

Context and Purpose
- North Texas Commission convened city managers from 6 member cities
- Focus: Governance, Funding, and Service models for DART's future
- Goal: Develop consensus recommendations by November 1

Governance Outcomes
- Core principles reaffirmed: No single city should hold a board majority; one seat for each member city
- Consensus on 20-member board structure (26.5 weighted votes)
- Dallas representation adjusted to 39.6% of weighted votes
- Garland, Irving, and Plano retain 2 seats and 2 votes each
- Model maintains equity while reflecting population tiers

City	Population 2025	% of Population	Board Seats	Votes	Vote %
Addison	17,837	0.7%	1	1	3.8%
Carrollton	136,543	5.2%	1	1.5	5.7%
Cockrell Hill	3,855	0.1%	1	1	3.8%
Dallas	1,385,989	52.4%	5	10.5	39.6%
Farmers Branch	40,246	1.5%	1	1	3.8%
Garland	251,932	9.5%	2	2	7.5%
Glenn Heights	19,883	0.8%	1	1	3.8%
Highland Park	8,793	0.3%	1	1	3.8%
Irving	266,162	10.1%	2	2	7.5%
Plano	299,262	11.3%	2	2	7.5%
Richardson	122,745	4.6%	1	1.5	5.7%
Rowlett	67,519	2.6%	1	1	3.8%
University Park	25,574	1.0%	1	1	3.8%
Total	**2,646,340**	**100%**	**20**	**26.5**	**100%**

NTC City Manager Working Group

Funding and Service Discussions

- Limited progress on consensus for funding reform
- Key challenge: balancing "donor" cities and systemwide equity
- Emerging framework for future consideration:
  - **Regional Premium:** Portion of the 1% sales tax funds systemwide bus and rail service
  - **A La Carte Services:** Cities may choose additional local transit options
  - **General Mobility Program:** Funds returned to cities for local transportation projects

Shared Values and Goals

- Drafted and refined joint principles; no consensus support

Next Steps

- Mayors and city managers from all 13 member cities to meet November 13

Cities Considering DART Exit

Plano – Special Meeting on Wednesday, November 5 at 5:00 pm

Irving – Meeting on Thursday, November 6 at 7:00 pm

Farmer's Branch – Meeting on Tuesday, November 4 at 6:00 pm

Highland Park – Meeting on Tuesday, November 4 at 8:00 am

Sales Tax Considerations

- Over $250 million in FY2024 contributions from these four cities
- About 30% of total FY2024 DART sales tax receipts ($850 million)

Legal Procedure Step-by-Step

1) **Trigger the Process**
    - City Council order or Petition signed by 8% of Registered voters
    - Withdraw elections can't occur more often than once in 1996 and each 6^{th} calendar year after (2026 next available **time).**
2) **Petition Review**
    - If a Petition, City Secretary reports on validity, Council makes a conclusive validity determination.
3) **Set the Election Date and Give Notice**
    - The election must be held on the first uniform election date at least 45 days after the order. The city must notify DART, TxDOT, and the Texas Comptroller when calling the election. Ballot language is prescribed by statute ("Shall the [authority] be continued in [unit of election]?").
4) **Result and Effective Date**
    - If a majority vote "Against" continuation, DART ceases in the City the day after canvass and financial obligations stop accruing.
5) **Immediate Operational Effects**
    - Title to all DART-Owned real estate and improvements located in the City (except ROW) vest to City, if City claims them by resolution.
6) **Sales Tax Does not end immediately**
    - The city's 1% DART sales tax continues to be collected until the Comptroller has remitted enough post-withdrawal revenue to DART to fully satisfy the city's "total financial obligation." Only then does the Comptroller stop collecting the tax in the city.
7) **Certification**
    - DART's executive committee must certify the city's total financial obligation to the city and to the Comptroller.

Total Financial Obligation Components

- Must Settle Total Financial Obligation (TFO)
- TFO Includes:

  City's Share (allocated based on population) of DART Outstanding Debt & Obligations (bonds, contracts, reserve funds requirements and other obligations)

  + City Specific Obligations/Contracts

  + Cost of DART facilities that transfer to City

  - City Share of unencumbered assets (blended allocation based on population and sales tax contribution)

  = Total Financial Obligation Owed

- Sales Tax Collection continues until TFO is satisfied

DARTS Calculation for Withdrawal for Garland

Description	Amount
Total Obligations Calculated by DART	$9,766,711,212
Garlands Allocation by 2020 Census Population	9.78%
Garlands share of Systemwide Obligations	$955,594,806
Specific Obligations tied to Garland	$8,631,002
Less Assets allocated to Garland based on Sales Taxes from inception (7.33%)	$(54,757,828)
Net Obligations	$909,467,979
Sales Tax Collected 2024	$42,983,299
Repayment of Obligation	15.2 Years
Repayment with Time Value of Money at 3%	19.3 Years

Notes:
1) Total Obligations does not include full cost of Silver Line (Ballpark $2 billion cost).
2) Total Obligations based on DARTS 20-year Business Plan and is 3 times higher than total liabilities reported in 2024 financial statements.
3) DART Owned Land and Improvements in Garland estimated to be $50 million range.

Projected Financial Obligation of DART Service Area Cities

City	Net Obligation	FYE 2024 Sales Tax	Repayment in Years	Yrs Time Value
Addison	$54,687,663	$16,721,354	3.0	3.2
Carrollton	479,786,431	47,657,474	8.3	9.5
Cockrell Hill	14,064,323	602,656	16.4	21.1
Dallas	5,207,729,080	423,239,148	9.9	11.6
Farmers Branch	136,424,791	23,509,256	5.1	5.6
Garland	909,467,979	42,983,299	15.2	19.3
Glenn Heights	59,120,991	1,230,179	27.0	40.0
Highland Park	30,817,867	8,440,615	3.3	3.6
Irving	1,075,291,290	103,130,123	8.6	9.9
Plano	1,049,001,927	115,971,060	7.6	8.6
Richardson	461,452,557	51,970,249	7.5	8.4
Rowlett	229,983,566	9,477,525	16.9	21.8
University Park	91,721,650	6,850,695	10.6	12.6
TOTAL	**$9,799,550,114**	**851,783,633**	**N/A**	**N/A**

Considerations: What we don't know

- Timing and financial impact of withdrawal?
- Will DART find a funding compromise with member cities prior to May 2026 election?
- What will DART look like after May 2026 elections?
- What would the City do to meet mobility needs during withdrawal?
- What transit options could the City pursue after withdrawal?

Questions, Discussion, Direction

GARLAND

CITY COUNCIL STAFF REPORT

8

Meeting Date: November 3, 2025

Title: TIF # 2 Proposed Term and Boundary Amendment

Submitted by: Matthew Watson, Managing Director-Financial Services

Strategic Focus Area: Future-Focused City Organization

Issue / Summary

On October 15, 2025, the TIF #2 Board heard a recommendation from City staff and consultant David Pettit to adjust the TIF boundaries and extend its term to ensure continued reinvestment in the corridor. The Board voted to advance this recommendation to the City Council for consideration. Staff will provide an overview of the TIF's current financial status, recent growth trends, and projected outcomes associated with reinvesting a portion of the increment into public safety programs that directly support economic development within the zone, and will seek Council direction on next steps.

Background

City Council Ordinance No. 5867, adopted on December 21, 2004, established Tax Increment Financing Reinvestment Zone Number Two (TIF #2) to facilitate economic development along the Interstate Highway 30 corridor, in accordance with Chapter 311 of the Texas Tax Code. The original Project and Financing Plan envisioned the transformation of the Harbor Point area, anchored by the development of the Bass Pro Shops Outdoor World, and included funding for public infrastructure improvements and economic development incentives to attract private investment. Following the Great Recession of 2008, TIF #2 did not achieve its original revenue projections and, as a result, has not had sufficient funds to initiate additional major projects over the past two decades. However, in recent years, the zone has experienced renewed growth in property values and commercial activity, resulting in projected incremental tax revenue exceeding $2.3 million in FY 2025-26.

TIF #2 is currently scheduled to expire on December 31, 2025. Recognizing the zone's revitalized momentum and its ongoing importance to the City's economic base, the City Council adopted the FY 2025-26 Budget with the intent of pursuing a term extension for the TIF. The proposed extension would allow for the continued use of 50% of the tax increment to support public safety initiatives within the I-30 corridor not only to maintain a safe environment but to directly enhance the economic vitality of the area.

Investment in public safety is essential to sustaining and attracting commercial activity within the corridor. A visible, proactive, and well-resourced public safety presence supports business retention and recruitment by increasing consumer confidence, reducing crime-related deterrents to investment, and fostering a welcoming environment for visitors and shoppers. These outcomes align with the original intent of the TIF: to stimulate private development, generate economic growth, and strengthen the City's overall fiscal position.

On October 15, 2025, the TIF #2 Board heard a recommendation from City staff and consultant David Pettit to adjust the TIF boundaries and extend its term to ensure continued reinvestment in the corridor. The Board voted to advance this recommendation to the City Council for consideration. Staff will provide an overview of the TIF's current financial status, recent growth trends, and projected outcomes associated with reinvesting a

portion of the increment into public safety programs that directly support economic development within the zone, and will seek Council direction on next steps.

Consideration / Recommendation

Unless otherwise directed by City Council, this item and a public hearing will be placed for formal consideration on the November 18, 2025 regular meeting.

Attachments

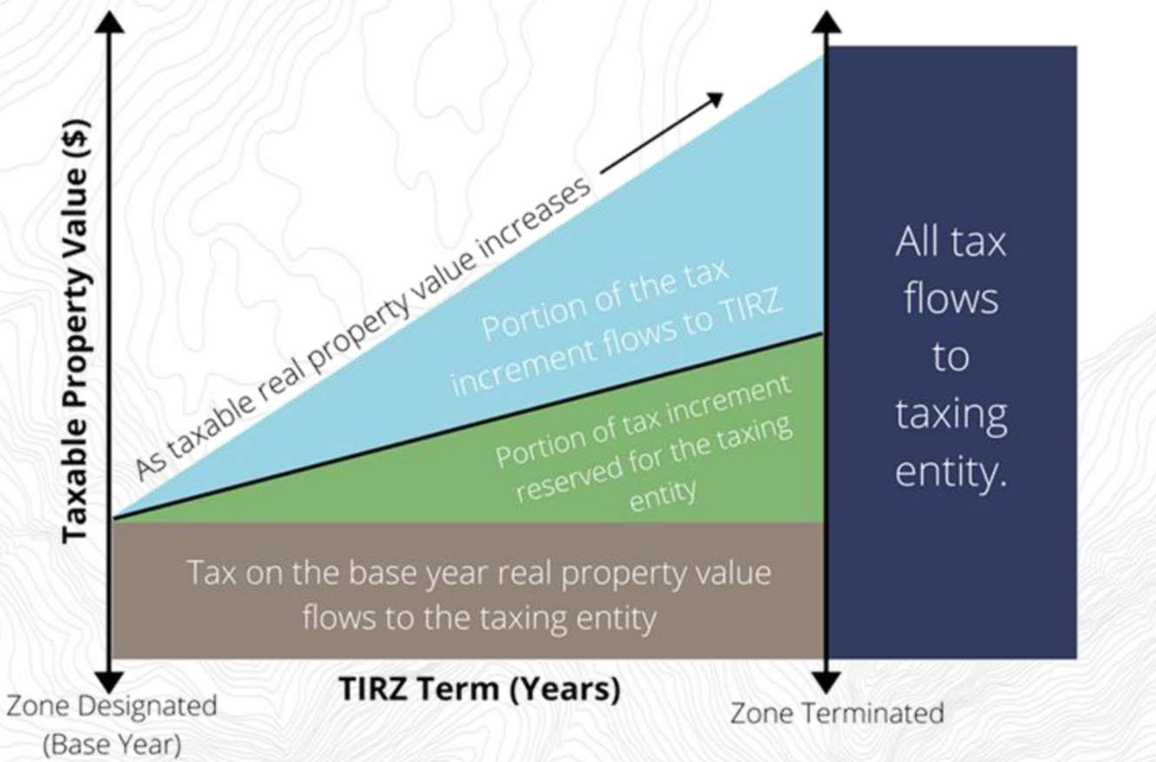
A. TIF #2 Presentation

Proposed Amendment
Tax Increment Reinvestment Zone #2

November 3, 2025

Tax Increment Reinvestment Zone (TIRZ)

- Not a new tax on development
  - Redirects a portion of tax generated from new development within TIRZ



TIF Revenues

Two ways to create a new tax revenue

- New Construction/Investment
- Annual Appreciation of Real Property

3

TIF CREATION/AMDENDMENT PROCESS

Chapter 311 outlines the various procedures for creating and amending a TIRZ.

Two main documents:

1. Creation ordinance; and
2. TIRZ Project and Financing Plan

Creation ordinance establishes five key elements:

- Boundary
- Term
- City Participation
- TIRZ Board
- Preliminary Project and Financing Plan

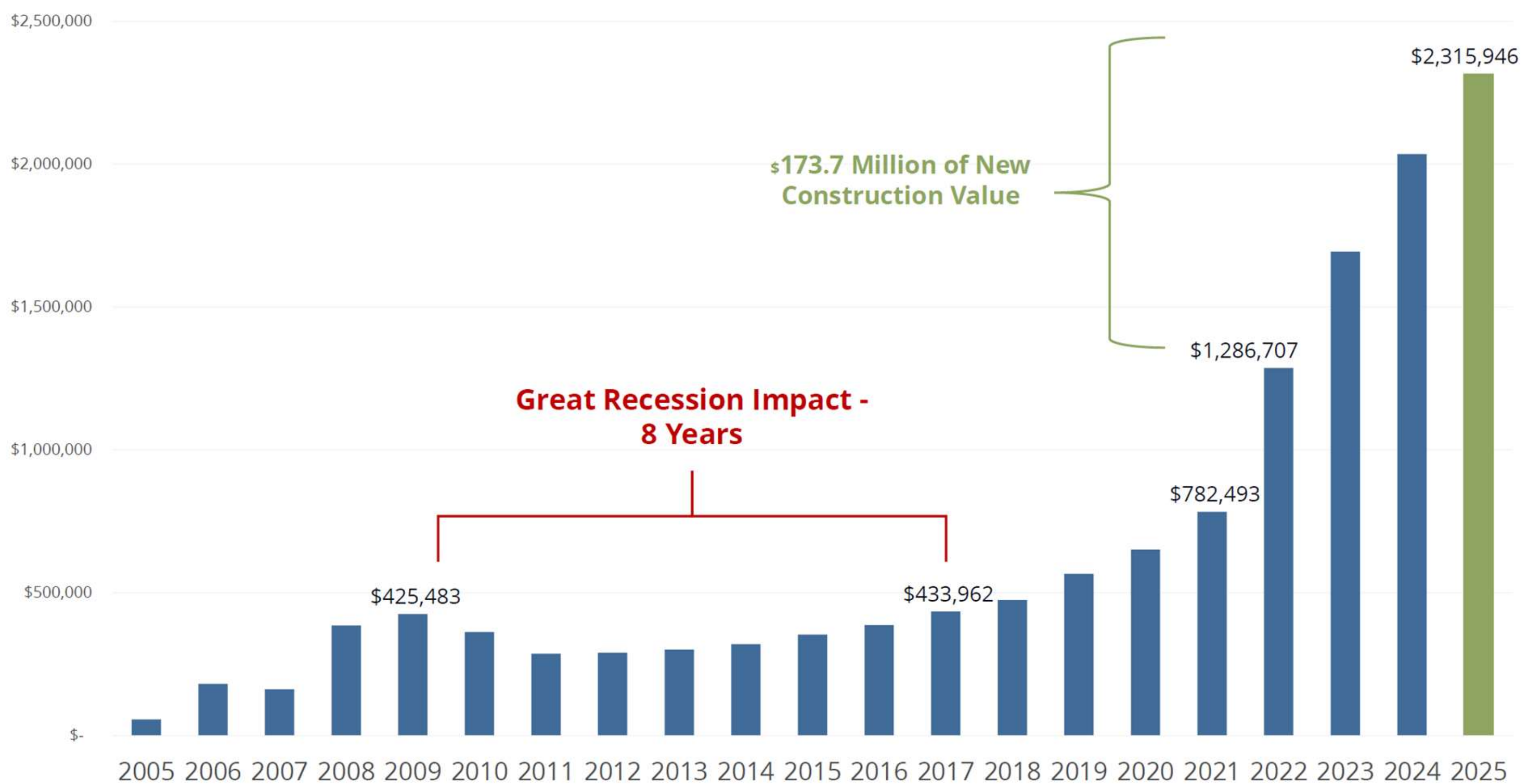
Upon TIRZ creation the Final Project and Financing Plan is approved by the TIRZ Board and then the City Council by separate ordinance

History of TIF #2

HS1

- **Current TIF set to Expire December 31, 2025**
- Established to facilitate Economic Development along I-30 corridor specifically at the Harbor Point Development (Bass Pro Shop development).
- City of Garland Participates at 100% of increment beginning in 2005 & County at 55% in 2007.
- Project and Financing Plan includes funding a portion of debt service associated with land acquisition for Bass Pro Shop facility + ED incentive for Bass Pro Shop facility. TIF Did not perform to cover full debt service ($40 million plus). All debt service has been paid from portion of TIF and I&S Tax Rate as of 2025.
- Pettit & Ayala Consulting hired to evaluate future expansion of zone and extension of termination date summer of 2025.
- City Council briefed at Saturday Budget Work Session on Proposed Amendments to include a 20-year extension of term of TIF and 50% of future revenues or approximately $1 million in FY 2026 to be transfer to General Fund to Support Public Safety Initiatives in Zone.
- October 15, 2025 TIF #2 Board briefed on Proposed Amendments with Vote of 5 Approved, 1 Not Approve, and 3 absent.

Historical Revenues

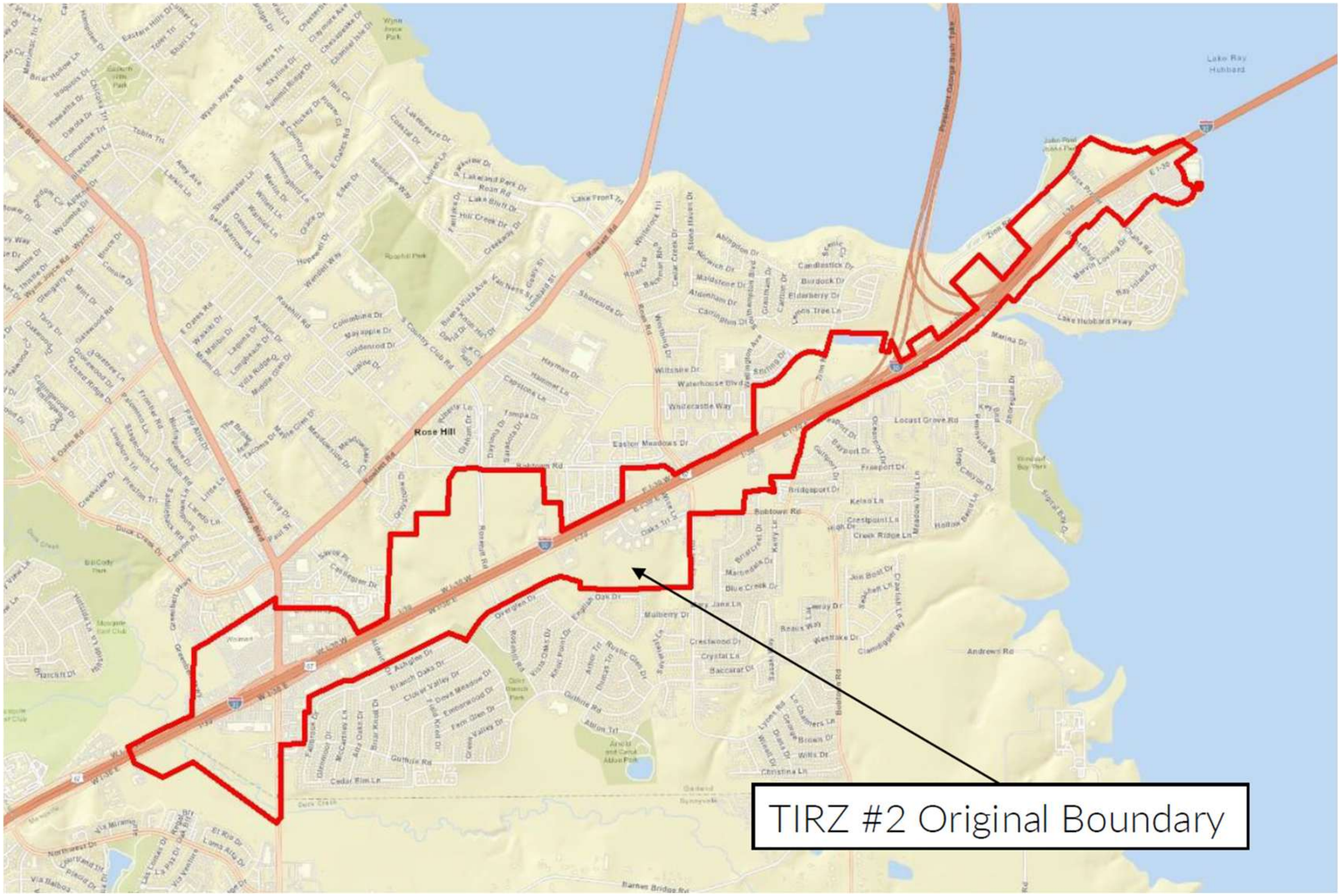


6

Proposed Amendments Recommended by TIF #2 Board

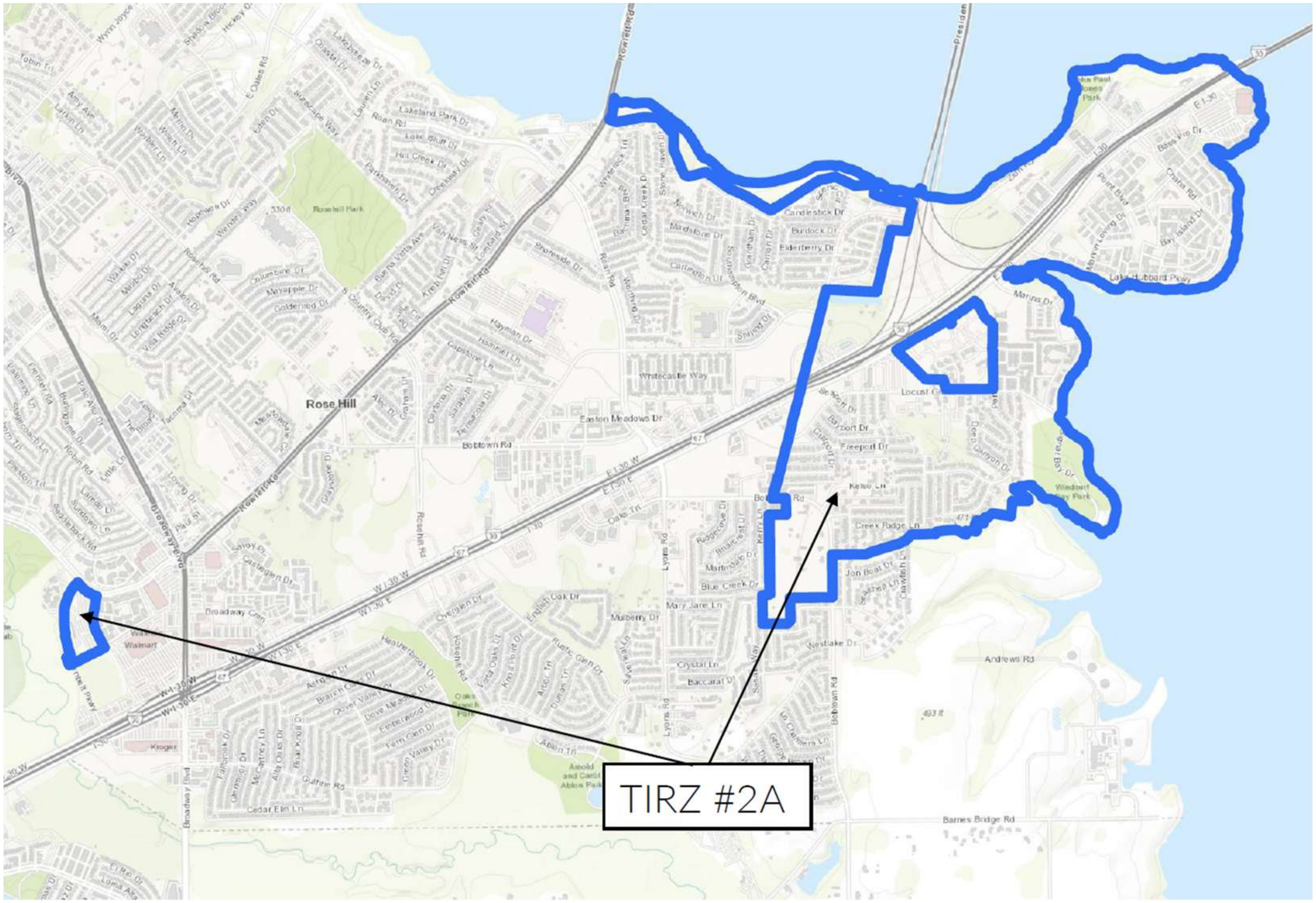
- Amend the term of TIF #2, expiring December 31, 2025, to December 31, 2045.
- Amend boundary to capture additional activity and benefit for the TIF (TIF #2A).
- Amend the Project and Financing Plan to reflect 100% capture annual 50% distribution granted to the City's General Fund to Support Public Safety operations.
- Remaining 50% in the TIF to be used for Economic Development support along I-30 and Harbor Point and throughout the zone.

Proposed TIF # 2 Boundaries

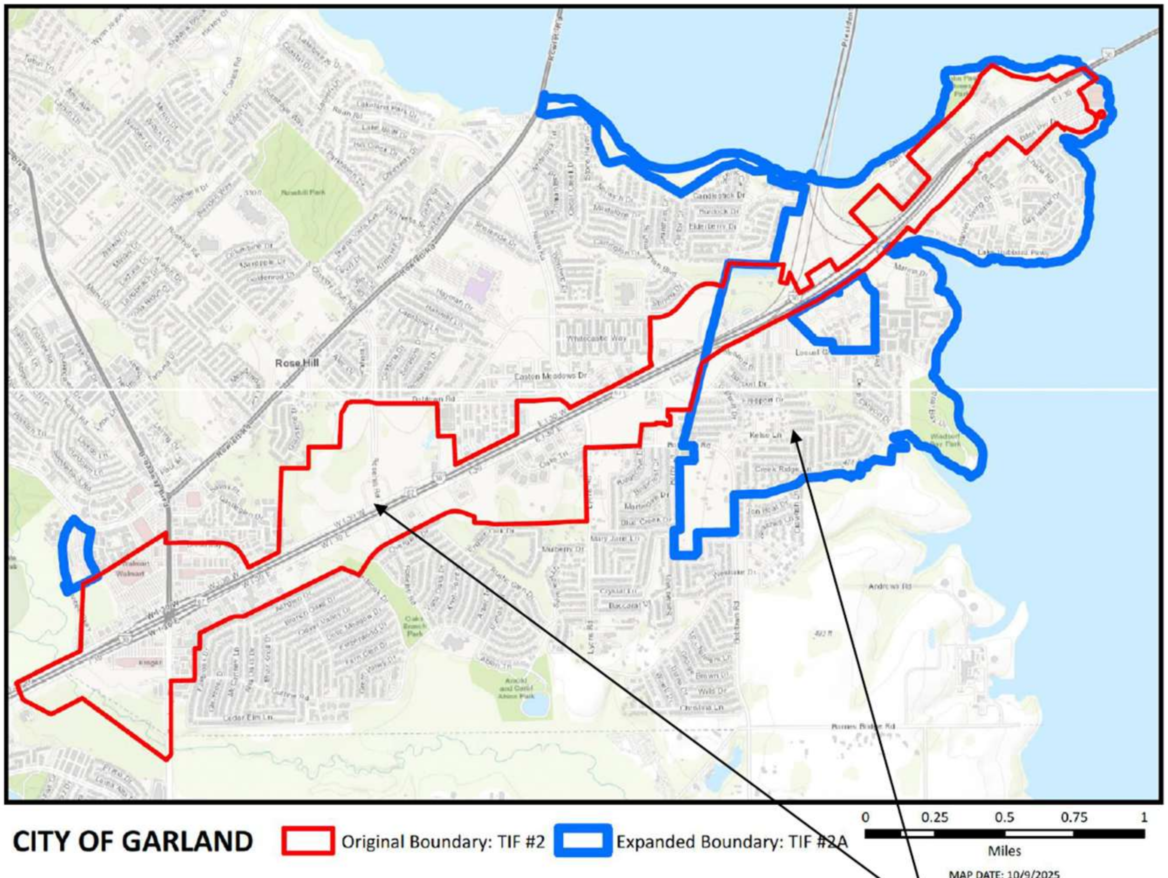


8

Proposed TIF # 2 Boundaries



Proposed TIF # 2 Boundaries



TIRZ #2 and 2A Expiring 12/31/45

Amended TIF #2 and 2A – Anticipated Revenue

Revenue Summary
2005-2046

Taxing Jurisdictions	Total Taxes Generated	Participation
City of Garland	$124,664,136	$124,685,000
Garland ISD	$188,755,735	$0
Dallas County	$37,620,794	$1,890,458
College District	$18,966,278	$0
Hospital	$38,078,043	$0
Total	**$408,084,987**	**$126,575,458**

Notes:
- Original TIF Revenue (Year 1 -20) = $14,030,568
- Projected Years 21-40 = $112,544,890

11

Amended TIF #2 – Project Cost

- Purpose of the amendment is to fund the TIF at 100% of the City's tax increment and disburse from the TIRZ fund:
  - 50% for Economic Grants for Projects in the TIF; and
  - 50% for Public Safety Initiatives in the TIF.

- 50% transferred annually to the General Fund to Support Public Safety Initiatives as Adopted in the FY 2025-26 Budget.

Proposed Next Steps

What is Proposed	Date
City Council briefed on TIF #2 recommendation	**November 3rd, 2025**
Consultant to submit amended creation ordinance, public notice, and preliminary Project Plan to staff for legal review	November 11, 2025
City Review and Send comments back to Consultant	November 18, 2025
Notice of TIF Publication to Newspaper	November 24, 2025
All Documents ready for public Hearing	November 25, 2025
City Council – Consider Amended Creation Ordinance and Public Hearing	**December 2, 2025**
TIF #2 Board Meeting – Recommend approval of the amended Project Plan with allocation of 50% of TIF Funds to City General Fund	TBD
City Council – Consider Amended Project Plan Ordinance and Allocation	**TBD**

Notes:
City Council must approve Amended Creation Ordinance before January 1, 2026, or TIF will expire.

Thank You

Questions?