



## Legislation Text

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**File #:** 21-2086, **Version:** 1

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**STRATEGIC PRIORITY:** Economic and Neighborhood Vitality  
**AGENDA DATE:** November 10, 2021  
**COUNCIL DISTRICT(S):** 7  
**DEPARTMENT:** Office of Economic Development  
**EXECUTIVE:** Dr. Eric A. Johnson

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### **SUBJECT**

Authorize City nomination of Village Practice Management Company, LLC ("VillageMD") proposed project, with 10152 Lake June Road as the main qualified site, to receive designation as an Enterprise Zone Project under the Texas Enterprise Zone Act, as amended (Texas Government Code, Chapter 2303) to the Office of the Governor, Economic Development and Tourism division, through the Economic Development Bank - Financing: No cost consideration to the City

### **BACKGROUND**

Founded in 2013, Chicago-headquartered VillageMD is a for-profit primary care medical clinic system that collaborates with primary care physicians, physician groups, independent practice associations, and area healthcare systems to deliver a quick and convenient healthcare patient experience at a lower cost in the communities they serve. VillageMD facilities include free-standing clinics, Village Medical at Walgreens co-located clinics, as well as extended access via primary care in the home and virtual visits.

VillageMD has selected three initial City of Dallas clinic sites that are within existing Walgreens stores at the following locations: 10152 Lake June Road, 5001 Ross Avenue, and 2401 W. Ledbetter Drive. An additional 14 sites for VillageMD clinics have been identified to create a potential future network of 17 primary care delivery facilities in underserved areas of Dallas by the end of 2024. Overall, a network of 29 VillageMD clinics are anticipated within Dallas, Tarrant and Collin Counties.

The proposed clinics will each have the following characteristics: 17 health professionals (physicians, advanced practice providers, medical assistants and support administrators) with approximately \$100,000.00 in average compensation, and approximately 3,000 square feet of renovated physician's office space co-located within Walgreen's pharmacies.

A total estimated capital expenditure of approximately \$19 million is anticipated being spent to build and fit-out the 15 primary care delivery locations within the City of Dallas by 2024.

In total, VillageMD anticipates hiring approximately 289 full time jobs within its City of Dallas clinics. Accordingly, to mitigate its extensive capital investment and workforce cost, VillageMD has approached the city for assistance in applying for state incentives.

VillageMD has requested, and Office of Economic Development staff recommends, City Council consideration of City of Dallas nomination of the company's upcoming capital investment community clinic projects as Texas Enterprise Zone (TEZ) projects. This nomination would allow VillageMD to receive a refund of the state portion of sales and use taxes paid as part of the capital investment. TEZ funds are paid solely by the State of Texas - the incentive does not involve any City of Dallas funding. The next application date is December 1, 2021.

For purpose of both the nomination and related application process with the Texas Enterprise Zone (TEZ) Program, the Walgreens location at 10152 Lake June Road will serve as the designated main qualified site for a new VillageMD clinic.

#### **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

[The Economic Development Committee was briefed by memorandum regarding this matter on November 1, 2021. <http://cityofdallas.legistar.com/gateway.aspx?M=F&ID=74aeb611-3b86-4909-a5b2-968011d81a66.pdf>](http://cityofdallas.legistar.com/gateway.aspx?M=F&ID=74aeb611-3b86-4909-a5b2-968011d81a66.pdf)

#### **FISCAL INFORMATION**

No cost consideration to the City.