

MINUTES

LANCASTER CITY COUNCIL SPECIAL MEETING DECEMBER 20, 2021

The City Council of the City of Lancaster, Texas, met in a called Special Meeting in the Council Chambers of City Hall on December 20, 2021, at 7:00 p.m. with a quorum present to-wit:

Councilmembers Present (City Hall & Zoom):

Mayor Clyde C. Hairston
Carol Strain-Burk
Deputy Mayor Pro-Tem Stanley M. Jaglowski
Marco Mejia
Keithsha C. Wheaton
Mayor Pro-Tem Racheal Hill
Betty Gooden-Davis

City Staff Present (City Hall & Zoom):

Opal Mauldin-Jones, City Manager
Carey Neal, Assistant City Manager
Dori Lee, Director of Human Resources
Fabrice Kabona, Deputy City Manager
Vicki Coleman, Director of Development Services
Bryce Reed, Communications and Public Relations Coordinator
Keturah Barnett, Assistant to the City Manager
Sorangel O. Arenas, City Secretary

Call to Order:

Mayor Hairston called the meeting to order at 7:03 p.m. on December 20, 2021.

Public Testimony/Citizen's Comments:

There were no speakers.

Action:

1. **Discuss and consider a resolution approving a Chapter 380 Economic Development Agreement by and between the City of Lancaster, Texas and Niagara Bottling, LLC.**

City Manager Mauldin-Jones shared this is a request for a Chapter 380 Economic Development Agreement by and between the City of Lancaster, Texas and Niagara Bottling, LLC. The company plans to build an approximately one million two hundred thousand (1,200,000) square foot facility located on a 70-acre tract of land located at 1535 East Belt Line Road. Construction of the building is expected to be completed no later than January 1, 2026, with an anticipated completion date in the third quarter of 2023. The company plans to invest a minimum of seventy million dollars (\$70,000,000) in the project including Business Personal Property (BPP) and Real Property for the project. The Niagara Bottling facility will result in the addition of a minimum of seventy (70) new jobs within three (3) years after completion.

This agreement allows for financial incentives as Business Personal Property (BPP) Tax. This agreement allows the City of Lancaster to make program payments to Developer for a portion of ad valorem taxes paid by the Developer to the City for Business Personal Property for a period not to exceed fifteen (15) years. The percent of the taxes paid that will be rebated depends on the investment by the Developer. If the minimum investment is over seventy million dollars (\$70,000,000), the rebate on City taxes paid for BPP will be fifty percent (50%) annually for a period of ten (10) years; If the minimum investment is over two hundred fifty million dollars (\$250,000,000), the rebate on City taxes paid for BPP will be sixty-five percent (65%) annually for a period of fifteen (15) years. Real Property Tax, this agreement allows the City of Lancaster to make program payments to Developer for up to fifty percent (50%) of ad valorem taxes paid by the Developer for City of Lancaster Real Property Taxes for a period of up to (8) years. The City shall reimburse fifty percent (50%) of the City's 1 percent (1%) sales tax collected on (i) all materials handling and operations equipment; and (2) all construction materials for the Facility for purchases that are sourced to the City of Lancaster in accordance with Texas sales tax law. Staff recommends approval of the resolution as presented.

MOTION: Councilmember Mejia made a motion, seconded by Councilmember Strain-Burk to approve item 1. The vote was cast 7 for, 0 against.

- 2. Discuss and consider a resolution ratifying a grant agreement in an amount not to exceed one million forty-three thousand, nine hundred twenty dollars (\$1,043,920), with Niagara Bottling, LLC from funds collected from the one-fourth (1/4) of one (1) percent additional sales and use tax for the promotion and development of new and expanded business enterprises, as authorized by state law.**

City Manager Mauldin-Jones shared this is a companion item to item 1. At the December 16, 2021, Lancaster Economic Development Corporation Special Meeting the grant agreement with Niagara Bottling, LLC. was approved. This action ratifies the recommendation of the Lancaster Economic Development Corporation (LEDC) to enter into a grant agreement with Niagara Bottling, LLC to promote new construction and job creation in the City of Lancaster. Lancaster Economic Development Corporation would grant two thousand dollars (\$2,000) per each Lancaster resident that is employed in a full-time equivalent employment position for at least two years for up to one hundred twenty-five employees. The maximum amount of this grant is an amount not to exceed two hundred fifty thousand dollars (\$250,000). There are two components of this grant. Up to one hundred fifty thousand dollars (\$150,000) is available to offset development costs including city fees, permit charges and job training expenses. An additional six hundred thirty-three thousand, nine hundred twenty dollars (\$633,920) is available for costs associated with construction of a four-lane divided roadway that serves the property and connects with Sunrise Road. The maximum amount of this grant shall not exceed seven hundred eighty-three, nine hundred twenty dollars (\$783,920). The grant provides funds to offset costs related to company participation in the Inland Port Transportation Management Association, in an amount not to exceed ten thousand dollars (\$10,000). The total grant amount will allow the company to be a member of the Inland Port Transportation Management Association for two years. The total incentive cost will not exceed one million forty-three thousand, nine hundred twenty dollars (\$1,043,920) over the term of the agreement. Adequate funds are available in the Lancaster

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Economic Development Corporation fund balance. The Lancaster Economic Development Corporation recommended approval of the item at their December 16, 2021 meeting. Staff concurs with the Lancaster Economic Development Corporation.

Mayor Hairston wished everyone a Happy Holiday and a Happy New Year.

Councilmember Mejia showed his appreciation to Niagara for investing and believing in Lancaster.

Deputy Mayor Pro-Tem Jaglowski, showed his excitement for the Niagara project. He also wished everyone Happy Holidays and a Happy New Year.

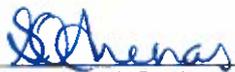
Mayor Hairston welcome Niagara to the city of Lancaster the 2019 All-America city and the Shining Star of Texas.

MOTION: Councilmember Mejia made a motion, seconded by Councilmember Strain-Burk to approve item 2. The vote was cast 7 for, 0 against.

The meeting was adjourned at 7:13 p.m.

ATTEST:

APPROVED:



Sorangel O. Arenas, City Secretary



Clyde C. Hairston, Mayor