

**MINUTES
CITY OF GAINESVILLE
CITY COUNCIL MEETING
200 South Rusk
Gainesville, Texas 76240
June 19, 2007
6:30 P.M.**

The City Council of the City of Gainesville, Texas met in regular session on June 19, 2007 at 6:30 p.m. with the following persons in attendance:

MEMBERS PRESENT: Mayor Glenn Loch
Council Members Charles Draper, Jim Goldsworthy, Carolyn Hendricks, Vince Rippey, Beverly Snuggs, Woody Williams

STAFF PRESENT: Mike Land, City Manager; Kay Lunnon, City Secretary; Bill Harris, City Attorney; Dan Parker, Finance Director; Lynette Pettigrew, Main Street Director; David Vinton, Airport Manager; John Noblitt, Planning Technician; Chris Cypert, Municipal Court Judge

VISITORS PRESENT: Andy Hogue, Kathy Floyd, Reverend Don Yeager, Frank McCowan, Annie B. McCowan, Andrea Byars, Steve Schmitz, Lisa Bellows, Jennifer Johnson, Kelli Steed

CALL TO ORDER

Mayor Loch called the meeting to order with a quorum of members present.

INVOCATION & PLEDGE OF ALLEGIANCE

Reverend Don Yeager, First United Methodist Church gave the invocation. Mayor Loch led the pledge to the flag.

PROCLAMATIONS

Mayor Loch read and presented a Proclamation to Andrea Byars for Booker T. Washington Alumni Association Days on June 28 through July 1, 2007.

CITIZEN COMMENTS

Frank McCowan spoke to Council about lapel badges he has produced advising people to wash their hands for health reasons.

GISD Board President, Lisa Bellows, expressed her appreciation for the City's cooperation with the GISD on the waterline to the new high school location. She said the District plans to meet with the City to update them on their progress with the new school. Bellows expressed her pride in the City's leadership and the response of City workers to the flooding disaster, citing the tireless efforts of City staff and employees working to help the citizens of Gainesville. Bellows said the District is mindful of what the City is going through and extended her offer of support on behalf of the GISD Board if needed during recovery from the flood.

CONSENT AGENDA

Council reviewed the Minutes of the June 5, 2007 Regular City Council Meeting and approved them as written.

With no further discussion, Councilmember Goldsworthy **moved for approval of the Consent Agenda**, and was seconded by Councilmember Snuggs. The motion carried unanimously.

Ayes: Draper, Goldsworthy, Hendricks, Loch, Rippey, Snuggs, Williams.

Nays: None.

RESOLUTION FOR MUNICIPAL ATTORNEY SERVICES AGREEMENT TABLED

CONSIDERATION OF A RESOLUTION AUTHORIZING THE MAYOR, FOR AND ON BEHALF OF THE CITY OF GAINESVILLE, TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH BELVIN HARRIS FOR MUNICIPAL ATTORNEY SERVICES; SAID AGREEMENT FOR THE CONSIDERATION AND TERMS AND CONDITIONS STATED THEREIN IN A FORM ACCEPTABLE TO BOTH PARTIES.

After a brief discussion Council tabled consideration of this agreement and moved consideration of the agreement to the next regular Council meeting. Snuggs and Williams requested a report of all attorney services performed and expenditures paid by the City for the past several years. The report is to be provided at the next meeting.

Councilmember Snuggs **moved to table the item for consideration at the next regular council meeting**, and was seconded by Councilmember Williams. The motion carried unanimously.

Ayes: Draper, Goldsworthy, Hendricks, Loch, Rippey, Snuggs, Williams.

Nays: None.

RESOLUTION FOR MUNICIPAL COURT ATTORNEY SERVICES TABLED

CONSIDERATION OF A RESOLUTION AUTHORIZING THE MAYOR, FOR AND ON BEHALF OF THE CITY OF GAINESVILLE, TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH PATRICIA ADAMS FOR MUNICIPAL COURT ATTORNEY SERVICES; SAID AGREEMENT FOR THE CONSIDERATION AND TERMS AND CONDITIONS STATED THEREIN IN A FORM ACCEPTABLE TO BOTH PARTIES.

City Manager Mike Land said the present attorney, Patricia Adams, has never exceeded the monthly retainer amount, and that the Municipal Court Judge is pleased with the service provided by Adams and recommends renewal of the agreement. Council tabled consideration of the agreement until the next regular Council meeting and requested a report of all attorney services performed and expenditures paid by the City for the past several years. The report is to be provided at the next meeting.

Councilmember Draper **moved to table the item until the next regular council meeting**, and was seconded by Councilmember Williams. The motion carried unanimously.

Ayes: Draper, Goldsworthy, Hendricks, Loch, Rippey, Snuggs, Williams.

Nays: None.

RESOLUTION NO. 06-19-2007 – AUTHORIZE USE OF TXDOT/AV NPE FUNDS FOR MUNICIPAL AIRPORT PROJECTS

A RESOLUTION AUTHORIZING PROJECT PARTICIPATION IN FEDERAL NON PRIMARY ENTITLEMENT FUNDS THROUGH THE TEXAS DEPARTMENT OF TRANSPORTATION FOR IMPROVEMENTS TO THE GAINESVILLE MUNICIPAL AIRPORT AND AUTHORIZING THE MAYOR TO EXECUTE AN AIRPORT PROJECT PARTICIPATION AGREEMENT.

Land stated the City is eligible to use the TXDOT/AV Federal non-primary entitlement funds that have been “banked” for the years 2004 through 2007 for projects at the Municipal Airport. The Airport plans to utilize the funds for several projects that include construction of a detention pond, taxiways for access to new T-hangers constructed by the private sector, and installation of an electronic security gate and security cameras. The NPE funds total about \$600,000 and require a 10% match by the City. The City has budgeted funds for the match amount.

Councilmember Draper **moved for approval**, and was seconded by Councilmember Goldsworthy. The motion carried unanimously.

Ayes: Draper, Goldsworthy, Hendricks, Loch, Rippy, Snuggs, Williams.

Nays: None.

RESOLUTION NO. 06-19-2007 A – APPROVING GEDC ACTIONS TO FUND NCTC TRAINING FOR ROTONICS

A RESOLUTION APPROVING ACTIONS OF THE GAINESVILLE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF GAINESVILLE WHICH APPROVED TRAINING FUNDS FOR THE NCTC ROTONICS PROGRAM AS AN ECONOMIC DEVELOPMENT PROJECT.

Kent Sharp, Executive Director of GEDC, said the GEDC Board approved the funding in the amount of \$2520 for Rotonics at their last meeting. The training will take place at North Central Texas College.

Councilmember Goldsworthy **moved for approval**, and was seconded by Councilmember Hendricks. The motion carried unanimously.

Ayes: Draper, Goldsworthy, Hendricks, Loch, Rippy, Snuggs, Williams.

Nays: None.

RESOLUTION NO. 06-19-2007 B – CONTRACT FOR COLLECTION OF DELINQUENT MUNICIPAL COURT FINES AND FEES

A RESOLUTION AUTHORIZING THE MAYOR, FOR AND ON BEHALF OF THE CITY OF GAINESVILLE, TO EXECUTE AN AGREEMENT WITH MCCREARY, VESELKA, BRAGG & ALLEN, P.C. FOR PROFESSIONAL SERVICES FOR THE COLLECTION OF DELINQUENT MUNICIPAL COURT FINES AND FEES.

Land said McCreary, Veselka, Bragg & Allen, has a good record in the state for collection of delinquent municipal court fines. The defendant pays the fees for collection services in addition to their fines, not the City. Land said State law has established the way the collection fees are paid. Approval of this contract was recommended.

Councilmember Snuggs **moved for approval**, and was seconded by Councilmember Draper. The motion was approved unanimously.

Ayes: Draper, Goldsworthy, Hendricks, Loch, Rippy, Snuggs, Williams.

Nays: None.

RESOLUTION NO. 06-19-2007 C – FINAL PAYMENT AND CLOSE OUT FOR O’NEAL STREET EXTENSION PROJECT

A RESOLUTION COMPLETING THE CONTRACT AND AUTHORIZING FINAL PAYMENT TO B.J. COMPANY CONTRACTORS, INC. FOR THE O’NEAL STREET EXTENSION PROJECT.

The resolution closes out the project and approves the final payment to the contractor, B. J. Company. Ron Sellman, Public Services Director, said the contract has been completed and the

new road is open. Unrelated to this contract, Sellman said he working with engineers to improve drainage in the area.

Councilmember Rippy **moved for approval**, and was seconded by Councilmember Goldsworthy. The motion was approved unanimously.

Ayes: Draper, Goldsworthy, Hendricks, Loch, Rippy, Snuggs, Williams.

Nays: None.

PUBLIC HEARING ON AN ORDINANCE TO DESIGNATE REINVESTMENT ZONE NO. 13 FOR COMMERCIAL TAX ABATEMENT

Mayor Loch opened the Public Hearing at 7:05 p.m. and called for comments and discussion regarding the reinvestment zone. No person came forward to speak either for or against the ordinance.

Councilmember Goldsworthy **moved to close the Public Hearing**, and was seconded by Councilmember Snuggs. The Public Hearing was closed at 7:06 p.m. by unanimous vote.

Ayes: Draper, Goldsworthy, Hendricks, Loch, Rippy, Snuggs, Williams.

Nays: None.

ORDINANCE NO. 1179-06-2007 - DESIGNATING REINVESTMENT ZONE NO. 13

FIRST READING OF AN ORDINANCE MAKING FINDINGS; DESIGNATING A CERTAIN AREA AS A REINVESTMENT ZONE FOR COMMERCIAL TAX ABATEMENT; ASSIGNING THE NAME "REINVESTMENT ZONE NUMBER 13 (THIRTEEN) OF THE CITY OF GAINESVILLE, TEXAS" TO SAID ZONE; DESCRIBING THE BOUNDARIES THEREOF; PROVIDING FOR ELIGIBILITY REQUIREMENTS FOR TAX ABATEMENT WITHIN SAID ZONE; PROVIDING TERMS FOR ABATEMENT WITHIN THE ZONE; PROVIDING REQUIREMENTS FOR TAX ABATEMENT AGREEMENTS; PROVIDING FOR SUSPENSION OF THE CITY CHARTER REQUIREMENT OF READING ON THREE SEPARATE OCCASIONS; PROVIDING AN EFFECTIVE DATE; PROVIDING FOR SEVERABILITY; PROVIDING FOR PUBLICATION; AND MAKING AN OPEN MEETING FINDING.

Land said designation of the reinvestment zone is in accordance with adopted Guidelines and Criteria for Tax Abatement. This ordinance designates 19.596 acres located at 3329 North I-35 as Reinvestment Zone No. 13 in the City of Gainesville, and provides eligibility requirements and terms for tax abatement within the zone.

Councilmember Goldsworthy **moved to suspend the Charter**, and was seconded by Councilmember Hendricks. The motion carried.

Ayes: Goldsworthy, Hendricks, Loch, Rippy, Snuggs, Williams.

Nays: None.

Abstain: Draper

Councilmember Goldsworthy **moved to adopt the ordinance**, and was seconded by Councilmember Snuggs. There was no further discussion. The motion carried.

Ayes: Goldsworthy, Hendricks, Loch, Rippy, Snuggs, Williams.

Nays: None.

Abstain: Draper

PUBLIC HEARING ON A RESOLUTION TO PROVIDE A TAX ABATEMENT FOR ALLIED PRODUCTION SOLUTIONS, L.P. IN REINVESTMENT ZONE NO. 13

Mayor Loch opened the Public Hearing at 7:10 p.m. and called for comment and discussion on the tax abatement consideration. No person came forward to speak either for or against the resolution.

Councilmember Snuggs **moved to close the Public Hearing**, and was seconded by Councilmember Goldsworthy. The Public Hearing was closed at 7:11 p.m. by unanimous vote.

Ayes: Draper, Goldsworthy, Hendricks, Loch, Rippy, Snuggs, Williams.

Nays: None.

RESOLUTION NO. 06-19-2007 D – APPROVING TAX ABATEMENT FOR ALLIED PRODUCTION SOLUTIONS, L.P.

A RESOLUTION MAKING FINDINGS; APPROVING AN AGREEMENT BY AND BETWEEN THE CITY OF GAINESVILLE, NORTH CENTRAL TEXAS COLLEGE, NORTH TEXAS MEDICAL CENTER, COUNTY OF COOKE, AND ALLIED PRODUCTION SOLUTIONS, L.P.; PROVIDING FOR AD VALOREM TAX ABATEMENT FOR SAID BUSINESS WITHIN REINVESTMENT ZONE NUMBER 13 (THIRTEEN) OF THE CITY OF GAINESVILLE, TEXAS; DESIGNATING A CERTAIN AREA AS A REINVESTMENT ZONE FOR COMMERCIAL (C) TAX ABATEMENT FOR ALLIED PRODUCTION SOLUTIONS, L. P. LOCATED AT 3329 NORTH I-35; DESCRIBING THE BOUNDARIES THEREOF; AUTHORIZING THE MAYOR TO EXECUTE SAID AGREEMENT FOR AND ON BEHALF OF THE CITY, FOR THE CONSIDERATION AND ON THE TERMS AND CONDITIONS STATED THEREIN.

This resolution is to approve the agreement for tax abatement between the entities and Allied Production Solutions, L.P. Land stated that Allied will invest over \$10,000,000 in improvements to the premises and will build steel storage tanks and separation and treatment equipment for the oil and gas industry. Based on City Guidelines and Criteria for Tax Abatement and the level of investment by Allied, the company qualifies for a six year / 70% tax abatement. Completion of all improvements is planned for the end of 2008 with approximately 150 full time employees. This location will be the corporate headquarters for Allied Production Solutions, which has three other facilities.

Land noted amendments to the agreement. Referencing the Agreement, Page 4 of 13, Items 10.1 and 10.2, Employment and Payroll, regarding base line data for the number of employees and annual salaries, Land inserted under 10.1 that Allied currently has nine (9) full-time equivalent (FTE) employees, and will be adding 136 new full time positions. Under Item 10.2, he said Allied confirmed that the average annual salary of the new positions created will be \$47,500. On Page 5, Item 13.1, Payment of Taxes after Default, Land said the delinquent tax attorney suggested language amendments as follows:..., it shall pay such recaptured taxes plus **penalties and** interest at the rate provided for delinquent taxes in accordance with V.T.C.A., Tax code, Section 33.01 as amended, **and shall be secured by tax liens and collected as provided in the Property Tax Code**. Steve Schmitz, Allied Vice President, confirmed that with approval of the agreement, and if construction begins in the next sixty days, the new facility should be up and running the first quarter of 2008 with 75 employees, and totally built out by the end of 2008.

