



Notice is hereby given of a Regular Meeting of the Nacogdoches City Council to be held **September 15, 2015, beginning at 5:30 p.m.** in the Council Chambers of City Hall, 202 E. Pilar Street, Nacogdoches, Texas, for the purpose of considering the following agenda items. All agenda items are subject to action.

PLEASE LIMIT PRESENTATIONS TO THREE MINUTES
(UNLESS PRIOR APPROVAL IS OBTAINED)

1. Call to order.
2. **PRESENTATIONS AND RECOGNITIONS:**
 - A. None
3. Items to be removed from Consent Agenda.
4. **CONSENT AGENDA:** Items included under the Consent Agenda require little or no deliberation by the Council. Approval of the Consent Agenda authorizes the City Manager or his designee to proceed with conclusion of each in accordance with staff recommendations as reflected in the minutes of this meeting.
 - A. Consider approval of minutes from regular session of September 8, 2015. (City Secretary)

REGULAR AGENDA:

5. **PUBLIC HEARING:** Consider annexation of approximately 35 acres west of current city limits at 3805 NW Stallings Drive. (Director of Municipal Services)

For the convenience of the audience, the Council may conduct Executive Session deliberation in the first floor conference room, Room 112, of City Hall. Re-opening of the open session for action, if any, on Executive Session items will be in City Council Chambers. Regular Session agenda items appropriate for Executive Session consideration may be moved into Executive Session for deliberation, but not action, upon proper announcement at the meeting by the presiding officer.

6. **EXECUTIVE SESSION:**
 - A. Deliberation regarding Economic Development negotiations under Local Government Code Section 551.087 as follows:
 1. Discuss or deliberate regarding commercial or financial information the City received from business projects the City body seeks to have locate in the City of Nacogdoches and with which the City is conducting economic development negotiations; and
 2. Deliberate the offer of a financial or other incentive to business prospects described by Subdivision 1 above.
7. Open for action, if any, on Item 6-A-1.
8. Open for action, if any, on Item 6-A-2.

9. Adjourn.


Lila Fuller, City Secretary



This agenda is posted as required under G. C. Section 551.041. For more information or a copy of the Open Meetings Act, please contact the Attorney General of Texas at 1-800-252-8011; the City Secretary at 936/559-2504 or visit the City of Nacogdoches web site at www.ci.nacogdoches.tx.us.

The Nacogdoches City Council Chambers are wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's office at (936) 559-2504 or FAX (936) 559-2912 for further information.

CERTIFICATION

I certify that the notice of meeting was posted in the directory outside of City Hall, 202 E. Pilar Street, Nacogdoches, Texas on Friday, September 10, 2015 at 5:00 p.m.

Lila Fuller, City Secretary

I certify that the attached notice and agenda of items to be considered by the City Council was removed by me from the directory outside of City Hall on the ____ day of September 2015.

Name: _____ Title: _____

MINUTES
Regular Session
Nacogdoches City Council
September 8, 2015 – 5:30 p.m.
City Council Room – City Hall
202 E. Pilar Street

DRAFT

Regular Session:

Those Present:

Mayor Roger Van Horn; Council members Shelley Brophy, Roy Boldon, Mike Keller and David Norton; City Attorney Rob Atherton and City Secretary Lila Fuller.

1. Call to Order.

Mayor Van Horn at 5:30 p.m. A quorum was established.

2. PRESENTATIONS AND RECOGNITIONS:

A. None.

3. Items to be removed from Consent Agenda.

None.

4. CONSENT AGENDA: Items included under the Consent Agenda require little or no deliberation by the Council. Approval of the Consent Agenda authorizes the City Manager or his designee to proceed with conclusion of each in accordance with staff recommendations as reflected in the minutes of this meeting.

A. Consider approval of minutes from the regular session of August 18, 2015.

Approved as presented.

B. Consider contract award to Hydrex Environmental for landfill expansion study.

Approved as presented.

Council member Norton moved to approve the consent agenda as presented. The motion was seconded by Council member Keller and unanimously passed.

REGULAR AGENDA:

5. Consider adopting FY 2015-2016 budget.

Pam Curbow, director of finance, gave highlights of the FY 2015-2016 budget, stating the budget was based on a proposed tax rate of \$0.5681 per \$100 valuation which would generate additional revenue of \$150,341. She reviewed the budget by fund, stating the City was able to fully fund depreciation this year.

There being no questions by the Council, Council member Norton moved to adopt the 2015-2016 annual budget for the City of Nacogdoches as presented. The motion was seconded by Council member Keller and unanimously passed. (Ordinance No. 1700-9-15)

Council member Boldon moved to ratify the property tax rate increase of \$150,341, reflected in the budget for the City of Nacogdoches for fiscal year 2015-2016. The motion was seconded by Council member Brophy and unanimously passed.

Minutes unofficial until approved by City Council

6. Consider ratification of 2015-2016 tax rate.

Pam Curbow, director of finance, revised the property tax rate as follows:

- Proposed Tax Rate - \$0.5681/\$100
- O&M \$0.497725
 - Debt \$0.070375

Council member Keller moved that the property tax rate be increased by the adoption of a tax rate of \$0.5681 per \$100 valuation, which is effectively a 0.74 percent increase in the tax rate. The motion was seconded by Council member Boldon and unanimously passed. (Ordinance No. 1701-9-15)

7. Consider entering into a Chapter 380 Economic Development Agreement between the City of Nacogdoches and Fredonia Hospitality, LLC.

Rob Atherton, city attorney, appeared and stated the City had been requested by Fredonia Hospitality, LLC (Richard DeWitt) for consideration of a City investment of hotel/motel tax for reopening of Fredonia Hotel and Convention Center. He reviewed the 380 agreement, which included reimbursement of hotel tax to Fredonia Hospitality, LLC in the amount of \$1,500,000 over a 10-year period to help mitigate start up costs and risks associated with reopening the convention center and hotel. Fredonia Hospitality, LLC commits to investing at least \$9,000,000 and employ at least 40 individuals. No City investment from the General Fund is included in the agreement.

Mr. Atherton briefly discussed Mr. DeWitt’s pursuit of State tax incentives through legislation authorized by Representative Travis Clardy to allow investment of State tax money, which may require significant city involvement. He stated any participation in State tax incentives would be submitted for Council approval in the future.

Mayor Van Horn thanked Representative Clardy who was in attendance, and all of those in the community involved in getting this project developed thus far.

Larissa Philpot, city planner, briefly reviewed the economic analysis provided by NEDCO which indicating a benefit of over \$2 million over the 10-year period.

Council member Brophy moved to enter into a 380 Economic Development Agreement with Fredonia Hospitality, LLC as presented. The motion was seconded by Council member Norton and unanimously passed.

8. Consider approval of 380 Economic Development Agreement between the City of Nacogdoches and Eastern Fuel, LLC.

Steve Bartlett, city engineer, stated the City was proposing a 380 economic development agreement with Dr. J.T. Roberts for a travel center, fuel station, convenience store and Denny’s restaurant, to be located on the southeast corner of N. Stallings and US 59. He stated the facility would employ 100 people (50 full-time equivalent) with an annual payroll of \$700,000. He stated Dr. Roberts had other similar properties in Henderson and Carthage.

Mr. Bartlett reviewed the terms of the 380 agreement that would provide a 5-year ad valorem tax rebate in consecutive years as follows:

YEAR	% Prop. Tax Abatement	Abatement Amount	Prop. Tax Retained by City
1	100%	\$33,270	\$0
2	100%	\$32,819	\$0
3	75%	\$24,665	\$8,221
4	50%	\$16,483	\$16,483
5	25%	\$8,264	\$24,792

Tax projections taken from a report prepared for NEDCO by Impact Data Source 4/1/15

Bartlett further stated the agreement also contained a sales tax situs clause, requiring Eastern Fuel, LLC to utilize a separated construction contract, and thus diverting all possible construction materials sales tax to Nacogdoches.

Council member Keller moved to approve the 380 Economic Development Agreement with Eastern Fuel, LLC as presented. The motion was seconded by Council member Boldon and unanimously passed.

9. PUBLIC HEARING: Consider annexation of approximately 35 acres west of current city limits at 3805 NW Stallings Drive.

Larissa Philpot, city planner, stated this was the first of two hearings to receive public comment on annexation of 35 acres located west of the current city limits at 3805 NW Stallings Drive, better known as the Exposition Center arena and barns owned by Nacogdoches County. She stated the next public hearing would be held on September 15, with final consideration of the annexation held on October 6.

Mayor Van Horn opened the public hearing.

There being no one else present, the public hearing was closed.

No action necessary.

10. Consider recommendation to fill a vacancy on the Nacogdoches Convention and Visitors Bureau Board of Directors.

Council member Brophy, representing the Interview Committee consisting of herself, the city manager and the HR director, moved to appoint Shirley Luna to fill the unexpired term of Robin Land on the Nacogdoches Convention and Visitors Bureau Board of Directors. The motion was seconded by Council member Boldon and passed by the following vote:

AYES: Mayor Van Horn; Council members Brophy, Boldon and Keller
NOES: Council member Norton

11. EXECUTIVE SESSION:

- A. Deliberation regarding Economic Development negotiations under Local Government Code Section 551.087 as follows:
1. Discuss or deliberate regarding commercial or financial information that the City has received from a business projects that the City body seeks to have locate in the City of Nacogdoches and with which the City is conducting economic development negotiations; and
 2. Deliberate the offer of a financial or other incentive to business prospects described by Subdivision 1 above.

No Executive Session was held.

12. Open for action, if any, on Item 11-A-1.

No action taken.

13. Open for action, if any, on Item 11-A-2.

No action taken.

14. Adjourn.

Mayor Van Horn adjourned meeting at 6:05 p.m.

Mayor Roger Van Horn
City Council
City of Nacogdoches

ATTEST:

Lila Fuller, City Secretary

ITEM NO. 5

**CITY OF NACOGDOCHES
AGENDA INFORMATION SHEET:**

PROJECT: **Public Hearing:** Consider the annexation of approximately 35 acres located west of the current city limits at 3805 NW Stallings Drive.

MEETING DATE: **September 15, 2015**

DESCRIPTION: This is the second public hearing for the proposed annexation.

This annexation includes the Exposition Center building and associated barns and land. No new infrastructure is anticipated to be required, as the property is already serviced by City utilities.

The property will be zoned Agricultural immediately upon annexation. Staff will then present rezoning requests appropriate to the current and future needs of the properties.

COST: There is no anticipated cost to this annexation.

BUDGET AMENDMENT REQUIRED?: No

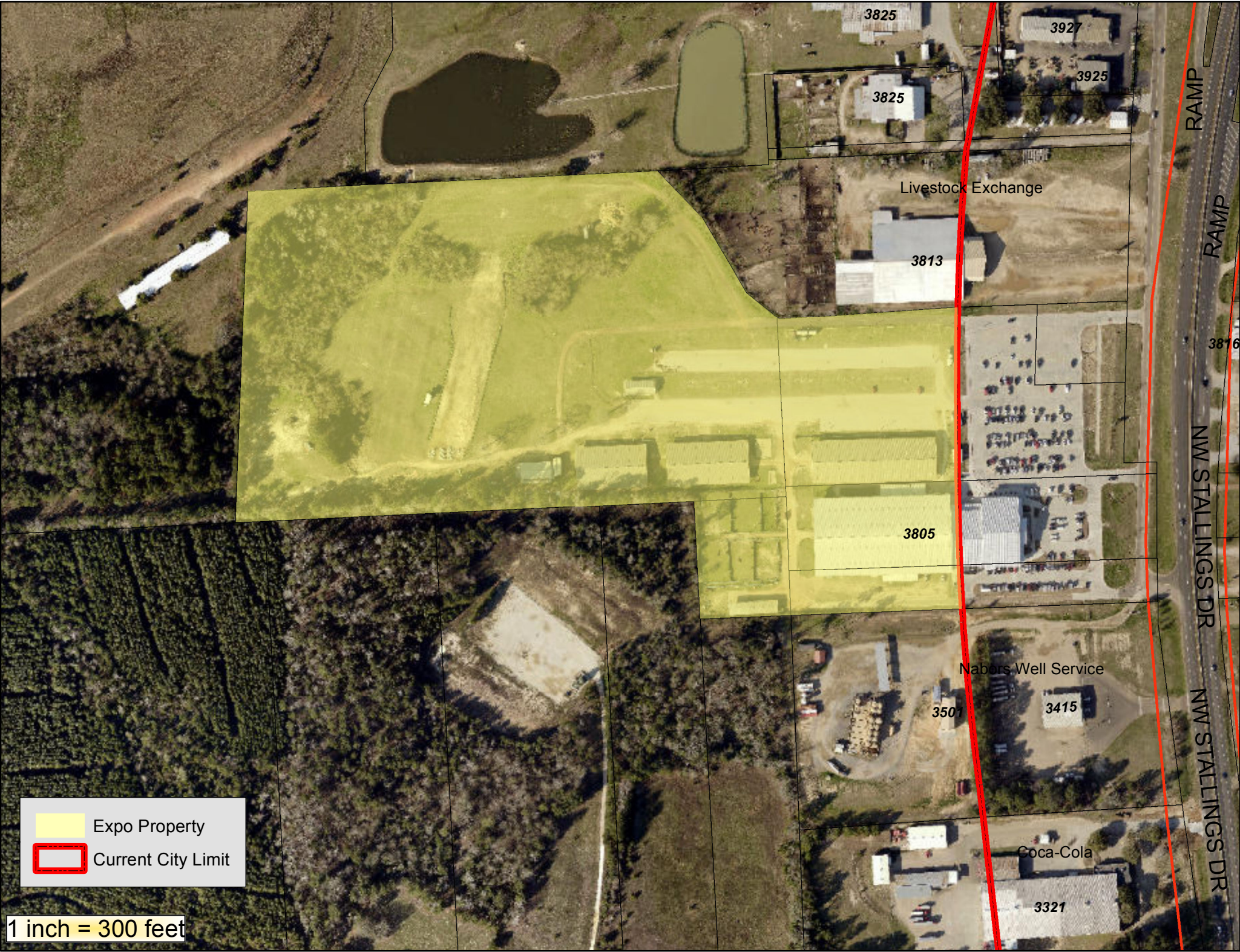
FUNDING:	Acct. Name & No.	FUNDING FROM CURRENT BUDGET		Requested
		Adopted Budget	Balance	
		N/A		



SCHEDULE: Second Public Hearing September 15, 2015
Final adoption of annexation October 6, 2015

RECOMMENDED ACTION: No action necessary.

CITY CONTACT: Larissa Philpot, City Planner; 559-2572, philpotl@ci.nacogdoches.tx.us

ATTACHMENTS: The service plan and property description are available on file in the City Planning office.



 Expo Property
 Current City Limit

1 inch = 300 feet

3825

3927

3925

3825

Livestock Exchange

3813

RAMP

RAMP

3816

NW STALLINGS DR

3805

Nabors Well Service

3507

3415

NW STALLINGS DR

Coca-Cola

3321

CITY OF NACOGDOCHES AGENDA INFORMATION SHEET:

PROJECT:

EXECUTIVE SESSION:

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MEETING DATE: September 15, 2015

**Presentation will be made at
Tuesday's meeting**