

MINUTES OF SPECIAL MEETING OF THE CITY COMMISSION OF THE CITY OF
LUFKIN, TEXAS, HELD ON THE 27TH DAY OF JUNE, 1989, AT 5:00 P.M.

On the 27th day of June, 1989, the City Commission of the City of Lufkin, Texas, convened in regular meeting in the Council Chambers of City Hall with the following members thereof, to wit:

Louis A. Bronaugh	Mayor
Percy Simond	Commissioner, Ward No. 1
Don Boyd	Commissioner, Ward No. 2
Danny Roper	Commissioner, Ward No. 3
Bob Bowman	Commissioner, Ward No. 4
Jack Gorden	Commissioner, Ward No. 5
Paul Mayberry	Commissioner, Ward No. 6
Harvey Westerholm	City Manager
Brian Boudreaux	Assistant City Manager
Ron Wesch	Public Works Director
Atha Stokes	City Secretary

being present when the following business was transacted.

1. Meeting was opened with prayer by City Manager Harvey Westerholm.

2. PUBLIC HEARING - ENTERPRISE ZONE

Mayor Bronaugh officially opened Public Hearing for discussion of Enterprise Zones for the City of Lufkin.

Mayor Bronaugh stated that the Enterprise Zone had been brought to the attention of the City Commission by Commissioner Jack Gorden in his capacity as a member of the Economic Development Council of the Chamber of Commerce.

Assistant City Manager Brian Boudreaux stated that the purpose of the Texas Enterprise Zone Program is to provide geographic areas of pervasive poverty with special incentives and regulatory relief designed to stimulate job creation and capital improvement. Existing or new business within these areas may qualify to receive incentives when they have an employment base of 25% residents of the Zone, or 25% of the work force must be economically disadvantaged.

Mr. Boudreaux stated that the benefits to the City are:

1. To attract business to the City which should eventually boost the sales/property tax bases and create jobs.
2. The creation of an Enterprise Zone should enhance the likelihood of receiving grants for projects located within the zone.
3. The creation of an Enterprise Zone may help prevent the decline of neighborhoods and may present further deterioration of vacant commercial buildings.

Mr. Boudreaux stated that proposed benefits to companies offered by the City would be:

1. Tax abatements
2. Waiving of building permit fees
3. Waiving of water and sewer tap fees
4. Waiving of electrical and plumbing permit fees
5. Waiving of all inspection fees (All permits and inspections will still be required, only the fees will be waived.)

Benefits offered by the State:

1. Refund of State sales tax
2. Tax exempt bonds
3. Taxable bonds
4. Rural industrial loan fund
5. Export financing
6. Grants (Possible preference for community development funds;

TEXCAP funds; Interim financing fund; UDAG.)
7. Training through JTPA and Industrial Start-Up Training programs

Mr. Boudreaux stated that benefits to the residents of the Zone were: (1) The possibility of a company hiring 25% of its work force from residents within the Zone, and (2) the possibility of rehabilitating vacant commercial buildings, and occupying buildings before they deteriorate, and therefore slow the deterioration of neighborhoods.

Mr. Boudreaux stated that there is no foreseeable negative impact on residents or property values located within the Zone.

Mr. Boudreaux stated that health, safety and welfare requirements will not be waived or relaxed from present standards. Zoning requirements and zone change procedures will not be altered.

Mr. Boudreaux presented nine (9) proposed areas for an Enterprise Zone. A map for each option was included.

The following residents were present:

Mr. and Mrs. Ed Wagoner - 103 Markus
Zerilda Renfrow - 808 Jefferson
Lacy and Rita Breckenridge - 619 Jefferson
Lillian Steed - 815 Jefferson
Charles and Polly Young - 703 Jefferson
Walter Meyer - Rt. 10, Box 9875

In response to question, Mr. Boudreaux stated that the Jefferson Street area had been included in the newspaper advertisement for the Public Hearing, but was not included in any of the proposed options because the area did not qualify.

In response to question, City Planner Nick Finan stated that the staff would recommend Option 2 or Option 4 for consideration as an Enterprise Zone for the City of Lufkin. Mr. Finan stated that Option 2 is a viable option with 12.2% unemployment, 24.6% below poverty and includes an area of 7.49 square miles.

Option 4 is a viable option with 11.59% unemployment, 26.39% below the poverty level and includes an area of 7.91 square miles.

Mr. Finan stated that once an Enterprise Zone is established it can be enlarged but it would require another Public Hearing to do so.

Mayor Bronaugh opened the meeting for public comment.

Walter Meyer asked if citizens would have the opportunity to review "packages" offered to businesses applying for the Enterprise Zone.

Mr. Boudreaux stated that all Public Hearings for Reinvestment Zones/Tax Abatements are advertised in the newspaper and the public is welcome.

Lacy Breckenridge asked:

- 1.) What type of industries the City was trying to attract.
(Mr. Boudreaux stated that once the Zone is created each company will have to apply to the City or State for benefits. The City Commission can encourage or discourage the type of business coming into town.)
- 2.) If the City did not attract any new businesses with the Enterprise Zone would the existing businesses receive the benefits, and how would that affect the tax base. (Commissioner Jack Gorden stated that the Enterprise Zone will not lower the general tax base in existence right now, but could afford the opportunity to possibly abate the taxes on some improvements on either existing property or new construction.)

- 3.) If he has property in one of these Zones and wants to sell it, would the fact that the property is in the Enterprise Zone affect a bank loan. (No, if the area became revitalized it could possibly made the property more valuable.)

In response to question by Ed Wagoner, Mr. Finan stated that if the City Commission passes the Resolution tonight, the City will then make an application to the Department of Commerce.

Charles Young stated that he would like to commend Assistant City Manager Brian Boudreaux and City Planner Nick Finan on the presentation of the Enterprise Zone Program.

Commissioner Percy Simond stated that the presentation was very professional and he also commended Mr. Boudreaux and Mr. Finan for their hard work.

Mayor Bronaugh closed Public Hearing.

3. RESOLUTION - APPROVED - ENTERPRISE ZONE

Mayor Bronaugh stated that the staff has recommended Option 2 and Option 4 as possible areas for the Enterprise Zone. In response to question by Mayor Bronaugh, Mr. Finan stated that he would recommend Option 4 because it includes more area, and there are some neighborhoods in North Lufkin that would benefit from the Zone.

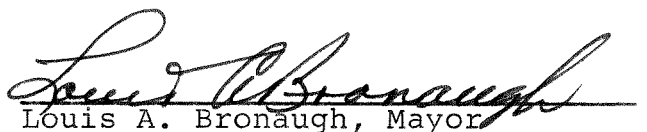
Motion was made by Commissioner Bob Bowman and seconded by Commissioner Don Boyd to accept Option 4 as the Enterprise Zone. A unanimous affirmative vote was recorded.

Motion was made by Commissioner Bob Bowman and seconded by Commissioner Don Boyd approving Resolution establishing an Enterprise Zone for the City of Lufkin. A unanimous affirmative vote was recorded.

4. CITY COMMISSION MEETING - JULY 5TH

Mayor Bronaugh stated that he would remind members of the City Commission that the next regularly scheduled meeting date falls on a holiday, and the meeting has been rescheduled for Wednesday, July 5th.

5. There being no further business for consideration, meeting adjourned at 6:03 p.m.


Louis A. Bronaugh, Mayor

ATTEST:


Atha Stokes, City Secretary