MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF LUFKIN, TEXAS HELD ON THE 20th DAY OF NOVEMBER, 2007.

On the 20th day of November, the City Council of the City of Lufkin, Texas convened in a Regular Meeting in the Council Chambers of City Hall with the following members, thereof to wit:

Jack Gorden, Jr.	Mayor
Rose Faine Boyd	Mayor Pro Tem
R. L. Kuykendall	Councilmember, Ward No. 1
Lynn Torres	Councilmember, Ward No. 3
Don Langston	Councilmember, Ward No. 4
Rufus Duncan	Councilmember, Ward No. 5
Phil Medford	Councilmember, Ward No. 6
Paul L. Parker	City Manager
Keith Wright	Assistant City Manager
Bob Flournoy	City Attorney
Renee Thompson	City Secretary
Larry Brazil	Police Chief
Scott Marcotte	Assistant Police Chief
Pete Prewitt	Fire Chief
Doug Wood	Finance Director
Steve Floyd	Solid Waste & Recycling Director
Barbara Thompson	Main Street Director
Lynn Winthrop	Recycling Coordinator
Dorothy Wilson	Planning Director
Scott Rayburn	City Planner
Jim Wehmeier	Economic Development Director
J. B. Smith	Patrolman- Police Department
Bill Cameron	City Webmaster

being present when the following business was transacted:

1. The meeting was opened with prayer by Pastor Billy Dunn, Chaplain at Lufkin State School.

2. Mayor Jack Gorden welcomed visitors present. Councilmember Lynn Torres recognized LHS students who were present satisfying their government class requirement.

3. **APPROVAL OF MINUTES**

Minutes of the Regular Meeting of November 5th, 2007 were approved on a motion by Councilmember Rose Faine Boyd, and seconded by Councilmember Lynn Torres. A unanimous affirmative vote was recorded.

TABLED BUSINESS:

4. **FIRST READING OF AN ORDINANCE AMENDING THE SUBDIVISION ORDINANCE OF THE CITY OF LUFKIN, TEXAS, - APPROVED - BEING ORDINANCE #3693 OF THE CITY OF LUFKIN AS HERETOFORE AMENDED TO ADD A DEFINITION FOR FLAG LOT AND UNDER CHAPTER III, SUBDIVISION DESIGN STANDARDS, SECTION 3.5 LOTS, PROVIDE AN ADDITION OF 3.5F. FLAG LOTS; AND PROVIDING AN EFFECTIVE DATE.**

Mayor Jack Gorden stated that the next item for consideration was to conduct a Public Hearing and consider on First Reading an Ordinance amending the Subdivision Ordinance of the City of Lufkin, Texas, being Ordinance #3693 of the City of Lufkin as heretofore amended to add a definition for Flag Lot and under Chapter III, Subdivision Design Standards, Section 3.5 Lots, provide an addition of 3.5F. Flag Lots; and providing an effective date.

City Manager Paul Parker stated that Staff had recently held a Public Hearing, as the City Council had previously requested, and had received public input from people who had an interest in the Flag Lot Ordinance. City Manager Parker explained that a flag lot was a panhandle shaped lot similar to the state of Oklahoma, with a "flag" or small portion extending to the road and the remainder of the lot, or developable portion, being offset from the road by quite some distance. City Manager Parker added that Staff had met and made some modifications and changes to the Ordinance. City Manager Parker stated that on October 1, 2007 Staff held a Public Hearing and received additional input from citizens and had also held numerous meetings with individuals concerning the proposed Ordinance. City Manager Parker stated that the majority of input that citizens requested was incorporated into the Ordinance. City Manager Parker added that the proposed amendment to the City of Lufkin Subdivision Ordinance addressed numerous issues that Staff had encountered with the use of flag lots. City Manager Parker explained that normally the lots were platted with significant street frontage but occasionally there were circumstances that prevented a lot from having adequate frontage on a public street. City Manager Parker stated that the uncommon circumstance lead to utilization of lots that resembled the state of Oklahoma or flag portions with a minimum of twenty-five feet (25') of street frontage. City Manager Parker added that flag lots had been used in some situations to result in additional lots on property. City Manager Parker explained that the problems had occurred whenever there were numerous lots and driveways being platted next to each other. City Manager Parker stated that this was what had lead to Staff and Council reviewing the Ordinance. City Manager Parker added that Staff was open to any questions or comments from the Council.

Mayor Gorden stated that it appeared that significant changes had been incorporated into the Ordinance based on the meetings with the professionals that dealt with flag lots. Mayor Gorden then inquired if there was anyone present who wanted to speak concerning the Ordinance.

Speaking on the proposed ordinance was Mr. Mike Parker.
Assistant City Manager Keith Wright requested that the Council consider a change in the Ordinance. Mr. Wright recommended that the first sentence in number five (#5) be changed to state that "Driveway construction plans may be requested by the City Engineer to demonstrate adequate ingress and egress (for emergency vehicles) in a proposed development with a flag lot."

Councilmember Don Langston stated that he wanted to reiterate Mr. Parker's comment concerning the thirty foot (30') width being maintained. Councilmember Langston added that this was in the original document but did not find it in the revised document.

Mr. Wright stated that on the first page under General Provisions, twenty-nine a (29a) Lot, Flag it was stated that the stem or strip must be wide enough to meet the subdivision requirement for frontage on a street (30' minimum). Mr. Wright added that he took that to mean thirty foot (30') strip all the way as the minimum width.

Councilmember Langston questioned the requirements of the width of the stem be based on the term "frontage". Councilmember Langston was concerned that the thirty foot (30') width would not apply to the entire stem, but only to the frontage area. Mr. Wight suggested that the wording of the Ordinance be changed so that the requirement would be a minimum of thirty foot (30') frontage and that the thirty feet (30') be maintained along the entire length of the stem.

Councilmember Langston then suggested that a maximum length standard also be established in the Ordinance due to visibility for emergency vehicles. Mr. Wright stated that he was concerned there were still many pieces of developable land located in Lufkin. Mr. Wright explained that establishing a maximum length standard would limit Staff's flexibility to provide access from those lots back to the public street.

Councilmember Langston then commended Mike Parker for his suggestions. Councilmember Langston explained that Ordinances were subject to interpretation and the more concrete the Ordinances were the less subject they were to misinterpretation. Councilmember Langston added that Mr. Parker's effort was appreciated.

Mayor Gorden added that there was a lot of involvement from the entire community that dealt with the Ordinance and that all of the input was important.

Mr. Wright then reiterated the changes to be made in the Ordinance. Mr. Wright stated that on the first (1^{st}) page of the Ordinance under 29a Flag Lot – the stem or strip must be wide enough to meet the subdivision requirement for frontage on a street and must maintain along its entire length a minimum of thirty feet (30'). Mr. Wright added that on the second (2^{nd}) page under item number five (5.) – driveway construction plans may be requested by the City Engineer to demonstrate adequate ingress and egress.

Councilmember Rufus Duncan moved to approve the First Reading of the Ordinance with the recommended changes, amending the Subdivision Ordinance of the City of Lufkin, Texas, being Ordinance #3693 of the City of Lufkin as heretofore amended to add a definition for Flag Lot and under Chapter III, Subdivision Design Standards, Section 3.5 Lots, provide an addition of 3.5F. Flag Lots; and providing an effective date. Councilmember Don Langston seconded the motion. A unanimous affirmative vote was recorded.

NEW BUSINESS:

5. **FIRST READING OF AN ORDINANCE AMENDING THE ZONING ORDINANCE AND THE FUTURE LAND USE PLAN OF THE 2001 COMPREHENSIVE PLAN OF THE CITY OF LUFKIN, TEXAS, - APPROVED - BY CHANGING THE ZONING AND FUTURE LAND USE PLAN DESIGNATION ON LAND DESCRIBED AS TRACT 40.0.69 OF THE A. BARELA SURVEY, ABSTRACT 49 TO A "COMMERCIAL" ZONING DISTRICT AND THE FUTURE LAND USE PLAN OF THE 2001 COMPREHENSIVE PLAN TO THE CLASSIFICATION OF "COMMERCIAL".**

Mayor Jack Gorden stated that the next item for consideration was the First Reading of an Ordinance amending the Zoning Ordinance and the Future Land Use Plan of the 2001 Comprehensive Plan of the City of Lufkin, Texas, by changing the Zoning and Future Land Use Plan designation on land described as Tract 40.0.69 of the A. Barela Survey, Abstract 49 to a "Commercial" Zoning District and the Future Land Use Plan of the 2001 Comprehensive Plan to the classification of "Commercial".

Mayor Gorden opened the Public Hearing at 5:23 p.m.

City Manager Parker stated that this was a request from Mr. David Overdorf for a zone change on property located near North Medford Drive and Davisville Road and a request to amend the Future Land Use Map to change the designation from "Agricultural" to "Commercial" as well as approval of a site plan for the property to be used as a Bed and Breakfast. City Manager Parker furthered that as Council was aware, this property was recently annexed by the City and owned by Mr. Larry Choate at the time of annexation. City Manager Parker continued that the property was zoned "Agricultural" when annexed and that Mr. Overdorf intends to utilize this property as a Bed and Breakfast by using the existing residence as the residential quarters and the multiple outbuildings and land for outdoor activities. City Manager Parker stated that all three (3) issues including the zone change, Future Land Use Map Designation change and the site plan approval for use as a Bed and Breakfast were recommended by Staff for Council approval.

Speaking on the proposed ordinance was Mr. David Overdorf, the applicant and owner of the property.

Mayor Gorden closed the Public Hearing at 5:27 p.m. and stated the completion of the proposed bed and breakfast would be an exciting addition to the City of Lufkin.

Mayor Gorden then entertained a motion on this item.

Councilmember Don Langston moved to approve the First Reading of the Ordinance amending the Zoning Ordinance and the Future Land Use Plan of the 2001 Comprehensive

Plan of the City of Lufkin, Texas, by changing the Zoning and Future Land Use Plan designation on land described as Tract 40.0.69 of the A. Barela Survey, Abstract 49 to a "Commercial" Zoning District and the Future Land Use Plan of the 2001 Comprehensive Plan to the classification of "Commercial". Councilmember R.L. Kuykendall seconded the motion. A unanimous affirmative vote was recorded.

6. **RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2007/2008 OPERATING BUDGET (BUDGET AMENDMENT NO. 9), - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE WATER/WASTEWATER RENEWAL AND REPLACEMENT FUND; AND PROVIDING AN EFFECTIVE DATE.**

Mayor Jack Gorden stated that the next item on the agenda was the consideration of a Resolution authorizing an amendment to the 2007/2008 Operating Budget (Budget Amendment No. 9), providing for the supplemental appropriation of funds in the Water/Wastewater Renewal and Replacement Fund; and providing an effective date.

City Manager Paul Parker stated that this item was in relation to the Texas Community Development Program (TCDP) grant received by the City in the amount of two hundred fifty thousand dollars ($250,000) and that the City match for the grant was in the amount of seventy-three thousand nine hundred twenty dollars ($73,920) and the Budget Amendment allocated the funding for this required match.

Councilmember Don Langston asked what the total budget for this project would be. City Manager Parker replied that it was the total of the grant and match amount.

Mayor Gorden then entertained a motion on this item.

Councilmember Rose Faine Boyd moved to approve the Resolution authorizing an amendment to the 2007/2008 Operating Budget (Budget Amendment No. 9), providing for the supplemental appropriation of funds in the Water/Wastewater Renewal and Replacement Fund; and providing an effective date. Councilmember Don Langston seconded the motion. A unanimous affirmative vote was recorded.

7. **CONSIDER A RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2007/2008 OPERATING BUDGET (BUDGET AMENDMENT NO. 10), - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE WATER/WASTEWATER FUND; AND PROVIDING AN EFFECTIVE DATE.**

Mayor Jack Gorden stated that the next item on the agenda was the consideration of a Resolution authorizing an amendment to the 2007/2008 Operating Budget (Budget Amendment No. 10), providing for the supplemental appropriation of funds in the Water/Wastewater Fund; and providing an effective date.

City Manager Parker stated during the previous Council meeting, a comprehensive budget amendment had been approved, but one (1) item had been left out, which was the Sewer Inflow and Infiltration Engineering Project in the amount of five hundred sixty-one thousand nine hundred twenty-nine dollars ($561,929). City Manager Parker furthered that the budget amendment simply reallocated funds not spent on the project in the previous year and that Staff recommended approval of Budget Amendment number ten (#10).

Mayor Gorden then entertained a motion on the item.

Councilmember Lynn Torres moved to approve the Resolution authorizing an amendment to the 2007/2008 Operating Budget (Budget Amendment No. 10), providing for the supplemental appropriation of funds in the Water/Wastewater Fund; and providing an effective date. Councilmember Rose Faine Boyd seconded the motion. A unanimous vote was recorded.

8. ACCEPTANCE OF A GRANT FROM TEXAS DEPARTMENT OF STATE HEALTH SERVICES IN THE AMOUNT OF $27,787 – APPROVED - TO ASSIST WITH FUNDING FOR AN AMBULANCE RE-MOUNT FOR THE FIRE DEPARTMENT.

Mayor Jack Gorden stated that the next item on the agenda was the acceptance of a grant from Texas Department of State Health Services in the amount of $27,787 to assist with funding for an ambulance re-mount for the Fire Department.

City Manager Parker stated that as Council was aware, funds had been designated in this fiscal year's amortization schedule for the purchase of a new ambulance as well as an ambulance remount, which was the replacement of the chassis only. City Manager Parker furthered that the Fire Department had applied for and been awarded a grant from the Texas Department of State Health Services (DSHS) in the amount of twenty-seven thousand seven hundred eighty-seven dollars ($27,787) to be applied toward the amount of sixty-one thousand dollars ($61,000) currently allocated in the amortization fund for an ambulance remount. City Manager Parker continued that the purchase of the remount would be addressed in the next item; however, this was simply the acceptance of the grant to be applied toward the ambulance remount.

Mayor Gorden commended the Fire Department for applying for and receiving the grant and then entertained a motion on the item.

Councilmember Rose Faine Boyd moved to approve the acceptance of the grant from the Texas Department of State Health Services in the amount of $27,787 to assist with funding for an ambulance re-mount for the Fire Department. Councilmember Lynn Torres seconded the motion. A unanimous vote was recorded.

9. BID FOR THE PURCHASE OF A 2007 CHEVROLET C3500 CHASSIS W/AN AMBULANCE REMOUNT – APPROVED - FOR THE FIRE DEPARTMENT.

Mayor Jack Gorden stated that the next item for consideration was approval of a bid for the purchase of a 2007 Chevrolet C3500 Chassis W/an Ambulance Remount for the Fire Department.

City Manager Paul Parker stated that this purchase was included in the amortization schedule in the amount of sixty-one thousand dollars ($61,000) and the cost of the remount consisted of thirty-eight thousand five hundred dollars ($38,500) for the chassis and twenty-two thousand four hundred twenty-five dollars ($22,425) for the remount and refurbishment of the ambulance module, and a HGAC administrative fee of six hundred dollars ($600) for a total cost of sixty-one thousand five hundred twenty-five dollars ($61,525). City Manager Parker continued that with the funds applied from the grant received, the net cost to the City would be in the amount of thirty-three thousand seven hundred thirty-eight dollars ($33,738) and that Staff recommended that Council authorize the purchase of the ambulance remount. Mayor Gorden questioned whether the ambulance module could be mounted on different makes of chassis. Fire Chief Pete Prewitt responded that the ambulance module could be remounted on different makes of chassis.

Councilmember R. L. Kuykendall moved to approve the bid for the purchase of a 2007 Chevrolet C3500 Chassis W/an Ambulance Remount for the Fire Department. Councilmember Phil Medford seconded the motion. A unanimous vote was recorded.

10. BID FOR THE PURCHASE OF FIFTY (50) FOUR (4) YARD CONTAINERS, THIRTY-SIX (36) SIX (6) YARD CONTAINERS, AND FORTY (40) EIGHT (8) YARD CONTAINERS – APPROVED - THROUGH THE TEXAS LOCAL GOVERNMENT PURCHASING COOPERATIVE (HGAC).

Mayor Jack Gorden stated that the next item for consideration was approval of a bid for the purchase of fifty (50) four (4) yard containers, thirty-six (36) six (6) yard containers, and forty (40) eight (8) yard containers through the Texas Local Government Purchasing Cooperative (HGAC).

City Manager Parker stated that at a previous Council meeting, Council authorized the Solid Waste Dumpster Replacement Program and allocated funding for the purchase of new dumpsters. City Manager Parker added that Staff recommended that Council approve the purchase of these dumpsters for a total of eighty-three thousand nine hundred twenty-eight dollars and thirty two cents ($83,928.32). City Manager Parker continued that the program was currently progressing very well and that the bag giveaway program would begin in the next few weeks and that information for special pickups was included on the free bag postcard mailed to residents. Mayor Gorden questioned what department citizens should request if they call City Hall for special pickups. City Manager Parker responded that calls should be directed to the Solid Waste department. Assistant City Manager Keith Wright furthered that door hangers were being created to notify residents about special pickups and that other programs were being implemented as well.

Councilmember Rose Faine Boyd moved to approve the purchase of fifty (50) four (4) yard containers, thirty-six (36) six (6) yard containers, and forty (40) eight (8) yard containers through the Texas Local Government Purchasing Cooperative (HGAC). Councilmember Lynn Torres seconded the motion. A unanimous vote was recorded.

11. DISCUSSION OF LUFKIN CITY COUNCIL HOLIDAY MEETING SCHEDULE

Mayor Jack Gorden stated that the next item for consideration was to discuss the Lufkin City Council Holiday Meeting Schedule.

City Manager Parker stated that the first meeting in January of the upcoming year would fall on New Year's Day and that Staff recommended that the meeting be moved to Wednesday, January 2nd, 2007.

Council concurred to move the meeting to Wednesday, January 2nd, 2007.

12. CITY MANAGER'S REPORT

Mayor Jack Gorden stated that the next item for consideration was the presentation of the City Manager's Report.

City Manager Parker stated that included in the Council packet were end of year financials and that after budget amendments and beginning the year with a deficit, the budget year ended with approximately one hundred seventy-three dollars ($173,000) to the positive. City Manager Parker continued that water revenues were down due to the rainy weather but that the rest of the funds were in good shape including the Hotel / Motel Tax and Economic Development funds. City Manager Parker furthered that the Health Insurance fund continued to be an issue but that the vehicle amortization schedule was working well.

City Manager Parker stated that in the Project Status report he would highlight that Staff was able to have the pre-construction meeting on the Whitehouse Phase III Project and should be beginning work right after Thanksgiving. City Manager Parker added that it was a long awaited project and Staff had finally received clearance to begin. City Manager Parker stated that the reconstruction of Lotus Lane was well underway. City Manager Parker added that the Asbestos Waterline Replacement Project in Crown Colony was going quite well and the Fire Station No. 4 was nearing completion and Staff would schedule a Grand Opening at the Council's convenience once the station was complete. City Manager Parker stated that all of the other projects were going quite well and that Staff had received the plans for the Zoo Administration and Education Building and bids would be received on December 19, 2007 for the project. City Manager Parker stated that he would be happy to answer any questions that Council had on either the Financial or Project Status Reports at that time.

Mayor Jack Gorden stated that it would be a good time to discuss the City of Lufkin's relationship to the Abitibi Water. Mayor Gorden explained that there was no set plan to make any deals with Abitibi Bowater on their water rights. Mayor Gorden added that if there was a possibility of saving the water users and taxpayers of Lufkin any money, then that would be the City Council's mission. Mayor Gorden furthered that there was a huge natural resource at Abitibi and if it could be a benefit to the citizens of Lufkin the Council would be more than interested in looking into it. Mayor Gorden reiterated that the discussions centered around benefits to the City of Lufkin and that Abitibi Bowater was acting as a good neighbor to explore those possibilities.

City Manager Parker stated that the City of Lufkin was interested in pursuing any avenue that could open up additional water to the City that would be at a more feasible cost than the Sam Rayburn water that the City had rights to. City Manager Parker added that the price tag on the Sam Rayburn Water Project ranged from sixty to seventy million dollars ($60,000,000 to $70,000,000) to get treated water from Sam Rayburn to Lufkin. City Manager Parker explained that if there were other methods to minimize the cost and set the Rayburn water back so the citizens would not have to bear the liability as quick, the Council and Staff would look into those opportunities.

Mayor Gorden then stated that the next item in the City Manager's Report was to discuss Library Materials Purchasing Policy. Mayor Gorden explained that Council had tentatively approved one hundred twenty-five thousand dollars ($125,000) in the Library's Budget to update their materials and asked City Manager Paul Parker to clarify the proposed policy.

City Manager Paul Parker stated that whenever the money was set up in the Library's Budget, the Library Board came to the Council with a program that would cost approximately four hundred fifty thousand dollars ($450,000) to update the collection to a fifteen (15) year collection with the exception of the classics and genealogy. City Manager Parker explained that most of the books would be circulated out at a fifteen (15) year life cycle. City Manager Parker stated that the City of Lufkin owned the building and grounds and did the operation and overhead costs of the Library but the Kurth Library Board provided the materials. City Manager Parker added that the Kurth Library Board was seeking to modernize and update the collection to get more usage within the library. City Manager Parker explained that when the funds were set up in the budget it was discussed using them as a match. City Manager Parker added that there was no official approval however. City Manager Parker stated that if the policy before Council was adopted the funding would be on a matching situation. City Manager Parker stated that the Library Board would purchase the materials and then provide the City of Lufkin with the invoice. City Manager Parker added the City would reimburse the Library Board at twenty-eight percent (28%), which the one hundred twenty-five thousand dollars ($125,000) represented. City Manager Parker stated that the other option was to provide the Library Board with one hundred twenty-five thousand dollars ($125,000) up front then the Board would provide the City with the invoices after the materials were purchased. City Manager Parker stated that the Kurth Library Board had applications for grants in to several foundations had benefited from some unexpected royalties which had given them more working capital for materials. City Manager Parker stated that Council could choose either option set forth. City Manager Parker added that Staff recommended that the Council go forth with the one hundred twenty-five thousand dollar ($125,000) match.

Councilmember Don Langston moved to approve the Library Materials Purchasing Policy. Councilmember R. L. Kuykendall seconded the motion. A unanimous vote was recorded.

13. Mayor Jack Gorden recessed the Regular Session at 5:57 p.m. to enter into Executive Session.

EXECUTIVE SESSION: In accordance with the Texas Government Code Section 551.071 (2) Consultation with City Attorney on any Regular Session Agenda item requiring confidential, attorney/client advices necessitated by the deliberation or discussion of said items (as needed), and real estate, demolition of buildings, or appointments to boards and personnel may be discussed.

Mayor Jack Gorden reconvened the Regular Session at 6:24 p.m.

14. APPOINTMENT OF REPRESENTATIVE – APPROVED - TO PINEYWOODS GROUNDWATER CONSERVATION DISTRICT BOARD

Mayor Jack Gorden stated that the next item on the agenda was to consider the appointment of a representative to the Pineywoods Groundwater Conservation District Board.

City Manager Paul Parker stated the City of Lufkin has one (1) of the seven (7) positions on the Pineywoods Groundwater Conservation District Board due to the City being one of the heavier users in the district. City Manager Parker stated that Assistant City Manager Keith Wright's term expires on December 31, 2007 and Staff recommended that the Council re-appoint Mr. Wright to an additional three (3) year term beginning January 1, 2008 through December 31, 2011.

Councilmember Don Langston moved to approve the appointment of Assistant City Manager Keith Wright as the City of Lufkin representative to the Pineywoods Groundwater Conservation District Board. Councilmember R.L. Kuykendall seconded the motion. A unanimous vote was recorded.

15. JUNIUS JOHNSION MAIN STREET ABATEMENT REQUEST – APPROVED

Mayor Jack Gorden stated that the next item for consideration was the approval of a Main Street Abatement request from Junius Johnson.

Economic Development Director Jim Wehmeier stated that the tax abatement request from Junius Johnson was a Main Street tax abatement request. Mr. Wehmeier added that Mr. Johnson wanted to increase the value of a building in the downtown area located at 119 North First Street, Lufkin, Texas. Mr. Wehmeier explained that the existing structure was currently listed on the tax roll at forty-one thousand six hundred thirty dollars ($41,630). Mr. Wehmeier stated that Mr. Johnson was committed to turning the property into a multi-tenant facility. Mr. Wehmeier explained that Mr. Johnson anticipated converting the facility into a food court to include a sandwich shop, ice cream shop, soup and salad eatery, and bookstore/internet café. Mr. Wehmeier stated that Mr. Johnson agreed to increase the value of the facility by a minimum of four hundred thousand dollars ($400,000) and create the minimum jobs required for the Main Street area. Mr. Wehmeier stated that Staff was excited to see someone who was willing to invest that much money into the Main Street area that had been such a focus for the City of Lufkin. Mr. Wehmeier added that both the Staff and the 4B Economic Development Board recommended that the City Council approve the request. Mr. Wehmeier added that the 4B Board's approval was unanimous.

Councilmember Lynn Torres moved to approve the Main Street Abatement Request for Junius Johnson. Councilmember R.L. Kuykendall seconded the motion. A unanimous vote was recorded.

16. AUTHORIZE THE ECONOMIC DEVELOPMENT DIRECTOR TO NEGOTIATE INDUSTRIAL LAND ACQUISITION, EXECUTE NECESSARY DOCUMENT FOR THE PURCHASE AND FINANCING OF SAID ACQUISITION AND APPROVAL OF A RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2007/2008 OPERATING BUDGET (BUDGET AMENDMENT NO. 11), - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE ECONOMIC DEVELOPMENT FUND; AND PROVIDING AN EFFECTIVE DATE

Mayor Jack Gorden stated that the next item for consideration was to consider authorizing the Economic Development Director to negotiate industrial land acquisition, execute necessary document for the purchase and financing of said acquisition and approval of a Resolution authorizing an amendment to the 2007/2008 Operating Budget (Budget Amendment No. 11), providing for the supplemental appropriation of funds in the Economic Development Fund; and providing an effective date.

Economic Development Director Jim Wehmeier stated that the proposed land acquisition was another exciting opportunity for the Economic Development Corporation. Mr. Wehmeier explained that Abitibi Bowater owned approximately one hundred fifty (150) acres of property that was adjacent to the Lufkin Industrial Rail Park. Mr. Wehmeier added that the 4B Economic Development Corporation had been representing that land to prospects for some time. Mr. Wehmeier stated that Abitibi Bowater had taken that land off of the market completely for approximately one and one half (1 ½) years. Mr. Wehmeier explained that the 4B Board was excited when they were able to work out a deal with Abitibi Bowater and they agreed to sell the land at appraised value to the 4B Economic Development Corporation to add to the industrial park. Mr. Wehmeier stated that the purchase price was at the appraised value and was eight thousand five hundred dollars ($8,500) per acre for a total purchase price of one million two hundred seventy-one thousand two hundred twenty-six dollars ($1,271,226). Mr. Wehmeier explained that the plan was to finance seven hundred thousand dollars ($700,000) and for the remainder of the selling price the 4B Corporation would use current assets in the amount of five hundred seventy-one thousand two hundred twenty-six dollars ($571,226) to purchase the property. Mr. Wehmeier added that if the City Council approved the land acquisition Staff had sent out an RFP for financing the property. Mr. Wehmeier stated that the 4B Corporation received six (6) bids from local financial institutions. Mr. Wehmeier added that RFPs were sent out to all Angelina County financial institutions and the 4B Corporation received some incredible bids. Mr. Wehmeier stated that the bids showed that the institutions wanted to do business with the City of Lufkin and support the Economic Development Corporation as they try to grow the economy of the area. Mr. Wehmeier stated that regardless of the City Council's decision, Mr. Wehmeier wanted to thank the financial institutions for offering such substantial bids all which were under the market rate for loans. Mr. Wehmeier stated that this land acquisition would give the 4B Corporation approximately two hundred (200) acres to develop as an industrial rail park which not only has rail but also has oversize infrastructure. Mr. Wehmeier added that this acquisition also mirrors the parcel that had already been purchased both figuratively and literally since it was directly across the street and adjacent to the area that the 4B Corporation was planning to develop. Mr. Wehmeier stated that Staff recommended that Council accept the low bid from Regions Bank on a three (3) year note with semi-annual payments at the interest rate of 3.81%.

Mayor Gorden stated that rail had become more important to the country and the move toward energy savings and transportation to the country and that the proposed property was one (1) of only three (3) sizable tracts within the City of Lufkin with rail access. Mayor Gorden added that the City already owned one (1) of the other tracts out of the three (3) and that this was a key acquisition for the City of Lufkin and would bode well for future job creation.

Mr. Wehmeier added that they were the only two (2) parcels which were adjacent to one another and could be developed together. Mr. Wehmeier added that he had neglected to recognize the banks that had turned in bids on the project and that he appreciated everyone involved in the endeavor. Mr. Wehmeier stated that bidders included Regions Bank, Capital One, BancorpSouth, First Bank and Trust of East Texas, Commercial Bank, and Huntington Bank. Mr. Wehmeier added that each of these banks turned in very competitive bids and that he wanted to thank each one of them.

Mayor Gorden stated that the bids showed a great vote of confidence and was probably tied in to the excellent bond rating the City of Lufkin had received. Mr. Wehmeier added that one of the banks brought that to the 4B Board's attention and that the City of Lufkin had one of the best bond ratings that a city of Lufkin's size could achieve and that one of the reasons they were able to provide such a competitive package was because of the City of Lufkin's strong financial standing and bond ratings.

Councilmember Phil Medford moved to approve authorizing the Economic Development Director to negotiate industrial land acquisition, execute necessary document for the purchase and financing of said acquisition and approval of a Resolution authorizing an amendment to the 2007/2008 Operating Budget (Budget Amendment No. 11), providing for the supplemental appropriation of funds in the Economic Development Fund; and providing an effective date. Councilmember R. L. Kuykendall seconded the motion. A unanimous vote was recorded.

17. CALENDAR NOTATIONS FROM MAYOR, COUNCIL MEMBERS, AND CITY MANAGER

Mayor Jack Gorden stated that the next item on the agenda was the calendar notations from the Mayor, City Council and City Manager.

City Manager Parker stated the Council had their calendars before them and that he wanted to highlight the Main Street Downtown Lufkin Christmas Parade on Tuesday, November 27, 2007 at 6:00 p.m. to be followed by the Angelina Courthouse Lighting Ceremony and encouraged everyone to attend.

18. There being no further business for consideration, the meeting adjourned at 6:34 p.m.

Jack Gorden

Jack Gorden, Mayor

Renee Thompson

Renee Thompson – City Secretary