The City of Liberty
Liberty Community Development Corporation

1829 Sam Houston Street
Liberty, TX 77575
www.cityofliberty.org

Meeting

~ Minutes ~

Dianne Tidwell
City Secretary
(936) 336-3684

Tuesday, June 26, 2012 | **6:00 PM** | **City Council Chambers**

The Liberty Community Development Corporation of Liberty, Texas reserves the right to meet in closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551 of the Texas Government Code.

I. CALL TO ORDER

Attendee Name	Title	Status	Arrived
Dennis Beasley	President	Present	
Mike McCarty	Vice-President	Present	
Louie Potetz	Board Member	Present	
Robert Ward	Board Member	Absent	
Barbara Norwood	Board Member	Present	
Leslie Herndon	Board Member	Absent	
David Arnold	Board Member	Present	
Gary Broz	General Manager	Present	
Dianne Tidwell	City/Corp. Secretary	Present	
Randy Gunter	City Attorney	Present	

II. ACKNOWLEDGEMENT OF GUESTS AND VISITORS / CITIZENS FORUM

President Beasley welcomed guests and visitors, opening the floor for public comment to those individuals wishing to address the Board. There were no comments.

III. REGULAR AGENDA

A. Regular Session

1. LCDC Corporation Action (ID # 2424)

Consider and Take Action, If Any, on Moving the Regular Called Meeting of Tuesday, July 3 to Tuesday, July 17.

COMMENTS - Current Meeting:

Mr. Broz requested that due to the City's Annual July 3rd Celebration and Fireworks Display, the July LCDC Meeting be moved to July 17th. Consensus of the Board was to change the meeting date to July 17.

2. LCDC Corporation Action 2012-11

Discuss with the Engineers, Financial Advisor, Potential Business Owners, and Landowners the Future of the Proposed Street Extension Project, and Take Any Action Deemed Necessary.

COMMENTS - Current Meeting:

The Liberty Community Development Corporation and the Liberty City Council held a joint meeting in which a presentation was made regarding the future of the Proposed Street Extension Project. Mr. Tommy Kuykendahl and Mr. Ben Galvan, Civil Corps Engineers, and Mr. Robert Henderson, the City's Financial Advisor presented facts and figures regarding various issues related to the project. Mr. Kuyhendahl presented the project description to include breaking the project into phases, acquiring all right-of-way prior to commencement, utilities and storm sewer plan, and other related topics. Mr. Kuykendahl reported that this project will consist of a two-lane street, with a continuous turn lane (total three lanes) that can be expanded to five lanes in the future. The total project extends from Main and Jefferson, east on Jefferson to Lakeland Drive, then to Hwy. 146 Bypass through undeveloped property, for a total project cost of $8.3 million. Phase 1 begins at the Hwy.146 Bypass and continues west approximately 2300 feet and ending in a temporary cul-de-sac, for an approximate cost of $2.95 million dollars which includes utilities and drainage costs. Mr. Kuykendahl requested direction and approval to proceed with Phase I of the project.

Mr. Henderson addressed Council regarding funding issues related to the project. Mr. Henderson stated that Sales Tax Revenue Bonds would be issued and secured solely by sales tax revenue collected by the LCDC. Mr. Henderson reviewed project funding, using no cash contributions, stating that this would be the more extreme route, borrowing all $2,950,000, for Phase I. As a result, there would be debt service of $215,000-$220,000 per year, and taking on $5 million dollars in debt in budget year 2015-2016 for Phase II. The fund balance would continue to grow, and at the end of five years would be approximately $5.4 million dollars, barring the funding of other major projects.

Mr. Henderson also reviewed project funding, using cash contributions, expending $1 million from the LCDC fund balance and borrowing $1.95 million to complete Phase I. Proposed funding for Phase II would be to use LCDC funds with a second borrowing of less than $3.5 million dollars. This approach would be expending more cash, but acquiring less debt. This would leave the LCDC with a respectable fund balance at the end of five years, of $3.4 million dollars. Additional discussion included basis points, coverage ratio, interest rates, and other topics.

Mr. Adam Ott, Magnolia Manor Health Care Administrator was present to discuss plans for a new nursing home to be constructed, upon completion of Phase I of the new street. Mr. Ott stated that he currently has an option to purchase eleven acres along the new roadway. Mr. Bruce Stratton, Liberty County Hospital District No. 1, addressed Council regarding the need and proposed plans for a new hospital to also be located on the new roadway, within the next 3-5 years. Further discussion was held regarding a proposed new medical complex, donation of right-of-way by the landowners, underground electric service, project cost estimates, contingencies, and additional issues.

Motion was made to proceed with the project contingent upon right-of-way acquisition, also directing the engineers to return to a Board meeting in one month with firm costs for all portions of the project.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Dennis Beasley, President
SECONDER:	Mike McCarty, Vice-President
AYES:	Beasley, McCarty, Potetz, Norwood, Arnold
ABSENT:	Robert Ward, Leslie Herndon

IV. ADJOURNMENT

A. Motion To: Adjourn

COMMENTS - Current Meeting:

There being no further business before the Board, the meeting was adjourned at 7:39 p.m.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Barbara Norwood, Board Member
SECONDER:	David Arnold, Board Member
AYES:	Beasley, McCarty, Potetz, Norwood, Arnold
ABSENT:	Robert Ward, Leslie Herndon

____
Dennis Beasley, President

ATTEST:

____
Dianne Tidwell, City Secretary