



The City of Liberty City Council

Special Called Meeting

~ Agenda ~

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

Dianne Tidwell
City Secretary
(936) 336-3684

Tuesday, July 22, 2008

6:00 PM

City Council Chambers

The City Council 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

6:00 PM Meeting called to order on July 22, 2008 at City Council Chambers, 1829 Sam Houston, Liberty, TX.

Attendee Name	Present	Absent	Late	Arrival
Mayor Carl Pickett	..	..	..	
Councilperson Dennis Beasley	..	..	..	
Councilperson Diane Huddleston	..	..	..	
Mayor Pro-Tem Mike McCarty	..	..	..	
Councilperson Al Simonson	..	..	..	
Councilperson Louie Potetz	..	..	..	
Councilman Frank Jordan	..	..	..	

II. INVOCATION

III. PLEDGE OF ALLEGIANCE

IV. ACKNOWLEDGEMENT OF GUESTS AND VISITORS / PUBLIC COMMENT

V. REGULAR AGENDA

A. Regular Agenda Items

1. Resolution 2008-18

Consider Approval of a Resolution Authorizing a Tax Abatement Agreement with Boomerang Tube LLC, Within Reinvestment Zone No. 1.

- Attachment #1 - TAX ABATEMENT AGREEMENT 2008 Boomerang (DOC)

B. Executive Session

CONSULTATION WITH ATTORNEY. Gov. Code §551.071
PERSONNEL MATTERS. Gov. Code §551.074

1. Discussion of concerns relating to Police Department Personnel.

CONSULTATION WITH ATTORNEY. Gov. Code §551.071

DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATION. Gov. Code §551.087

2. Discussion and legal advice regarding economic development statute.

CONSULTATION WITH ATTORNEY. Gov. Code §551.071

3. Pending Litigation with Liberty-Dayton Community Hospital.

C. Reconvene into Regular Session

1. Consider action, if any, on the items as discussed in the Executive Session.

VI. COUNCIL MEAL

VII. ADJOURNMENT

Motion To: Adjourn

I certify that the attached Notice of Meeting was posted on the bulletin board and in the Message Centers located on the east and west sides of the City Hall Administration Building, located at 1829 Sam Houston on the 18th day of July, 2008 at 1:00 p.m. This notice will remain so posted continuously for at least 72 hours preceding the scheduled time of said meeting in accordance with Chapter 551 of the Texas Government Code.

Dianne Tidwell, City Secretary

Notice given to The Vindicator, Liberty Gazette, and KSHN Radio.

NOTICE

In compliance with the Americans with Disabilities Act, the City of Liberty will provide reasonable accommodation for persons attending and/or participating in this Council Meeting. To better serve you, requests must be made at least 24 hours prior to the meeting. Contact the City at (936) 336-3684 or by Fax at (936) 336-9846. The building is wheelchair accessible, with parking available, on the west side of the building.

I certify that the attached Notice and Agenda of items to be considered by the City Council was removed by me from the bulletin board at the City Hall on the _____ day of _____, 2008.

**The City of Liberty**

City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 07/22/08 06:00 PM

Department: Administration
Category: Tax Abatement

RESOLUTION 2008-18

DOC ID: 1146

Consider Approval of a Resolution Authorizing a Tax Abatement Agreement with Boomerang Tube LLC, Within Reinvestment Zone No. 1.

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, AUTHORIZING AN AGREEMENT FOR COMMERCIAL/INDUSTRIAL TAX ABATEMENT FOR REINVESTMENT ZONE NO. 1.

WHEREAS, the City Council of the City of Liberty did previously approve and adopt Tax Abatement Guidelines and Criteria; and

WHEREAS, the City Council has established a Commercial/Industrial Reinvestment Zone by Ordinance No. 2008-7 for Reinvestment Zone No. 1.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Liberty, Texas, does hereby authorize entering into a Commercial/Industrial Tax Abatement Agreement with Boomerang Tube, LLC, Reinvestment Zone No. 1.

FURTHER, BE IT RESOLVED that through the adoption of this Resolution, the Mayor of the City of Liberty, Carl Pickett, is authorized to execute the commercial/Industrial Tax Abatement Agreement as attached hereto.

PASSED, APPROVED AND ADOPTED this 22nd day of July, 2008.

CITY OF LIBERTY, TEXAS

Carl Pickett
Mayor

ATTEST:

Dianne Tidwell

Resolution 2008-18
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City Council Meeting

July 22, 2008

City Secretary

TAX ABATEMENT AGREEMENT

STATE OF TEXAS

COUNTY OF LIBERTY

This instrument is an Abatement Agreement executed by and between the City of Liberty, Texas, and Boomerang, LLC. Its terms and conditions are supported by good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged.

RECITALS

1. The Texas Property Redevelopment and Tax Abatement Act and all amendments thereto ("Law") provide that the governing body of an incorporated City (such as the City of Liberty) has the power to create one or more Reinvestment Zones for the abatement of ad valorem taxes assessed against real and/or personal property provided that certain conditions as detailed in the law are met.
2. Boomerang, LLC ("Company") owns real property ("Real Property") and/or personal property ("Personal Property") located within the taxing jurisdiction of the City of Liberty ("City").
3. The City has designated by ordinance the real property as Reinvestment Zone No. 1 (one) ("Zone") eligible for the abatement of ad valorem taxes assessed against the real property or certain tangible personal property located thereon. The Ordinance creating the Zone is included as Exhibits A with Exhibits A-1 and A-2 describing and depicting the Zone. By virtue of the City following the requirements of the Law in creating the Zone, the City and Company now exercise their rights to enter into this instrument, the terms and conditions of which are detailed below and, with the Exhibits, constitute the full and complete agreement ("Agreement") between the City and Company concerning the abatement of ad valorem taxes assessed against the real property and personal property within the Zone and otherwise payable to the City.

TERMS AND CONDITIONS

1. The first year of Tax Abatement under this Agreement shall be the year following the year in which it is executed unless otherwise noted. All

valuations are determined by the Liberty County Central Appraisal District as of January 1st of each year.

2. The percentage of abatement on properties covered are described in Exhibit B attached hereto and made a part hereof.
3. Company will construct within the Zone improvements and/or purchase certain tangible personal property, limited to manufacturing equipment, for use in the Zone, and prior to completion or purchase by December 31, 2009 ("Completion Period") spend a minimum of \$ 16,700,000 (SIXTEEN MILLION, SEVEN HUNDRED THOUSAND DOLLARS) in construction cost and/or a minimum of \$118,700,000 (ONE HUNDRED EIGHTEEN MILLION, SEVEN HUNDRED THOUSAND DOLLARS) in personal property costs.

Company will create a minimum of 250 new full time jobs with health insurance and other benefits in the City of Liberty by December 31, 2009. Pay for newly created full time jobs shall be at least at the prevailing wage for similar jobs in the County and State.

4. A list of the kind, number and location of all proposed improvements constituting the Facilities are attached to this Agreement as Exhibit C. Employees and/or designated representatives of the City will have access to the Zone during the term of this Agreement to inspect the Facilities to determine if the terms and conditions of the Agreement are being met. All inspections will be made during normal business hours and will only be conducted in such a manner as to not unreasonably interfere with the construction and/or operation of the Facilities. All inspections will be made with one or more representatives of Company, and in accordance with its safety standards.
5. The use of the real property and/or personal property is limited to those uses consistent with the general purpose of encouraging development or redevelopment of the Zone during the period that the Property Tax Abatements are in effect. Company will declare the real property to be the tax situs of the personal property and will render both the real property and the personal property with Liberty County Central Appraisal District during each year this agreement is in effect.
6. In the event that company (a) allows its ad valorem taxes owed the City to become delinquent and fails to timely and properly follow the legal procedures for their protests and/or contests; or fails to cure during the Cure Period (as hereafter provided), or (b) violates any of the terms and conditions of this Agreement by failing to make the improvements and repairs or renditions as provided by this Agreement, this Agreement then may be terminated by the City, and all taxes otherwise abated by virtue of

- this Agreement will be recaptured and paid to the City by Company within sixty (60) days of the termination. As an alternative, the City may in its discretion, not declare the Agreement terminated, but it must certify to Liberty County Central Appraisal District that the company has failed to qualify for an abatement for that tax year.
7. In the event that the Facilities are completed and Company begins operations, but subsequently discontinues operations for any reason excepting fire, explosion or other casualty or accident or natural disaster for a period of one year during the abatement period, then this Agreement shall terminate and so shall the abatement of the taxes for the calendar year during which the Facility no longer operates. The taxes otherwise abated for that calendar year shall be paid to City within sixty (60) days from the date of the termination.
 8. Company must annually, on or before February 15th of each year, certify to the City Council that it is in compliance with the terms of this Agreement as of January 1st of that year.
 9. Should the City determine that company is in default in the terms and conditions of this Contract, then the City shall notify Company at the address stated below of such claimed default, and if such is not cured within sixty (60) days from the date of such notice ("Cure Period"), this Agreement may be terminated by the City. Any notice of default shall be in writing and shall be given by personal delivery or by certified mail, return receipt requested. In the event the notice is effected by personal delivery, the date and hour of actual delivery shall be the time and date of such notice to Company. Absent a postal strike or other stoppage of the mails, in the event of delivery of notice by registered or certified United States mail, the date and hour following 48 hours after the date and hour at which the sealed envelope containing the notice is deposited in the United States mail, properly addressed, and with postage prepaid, shall be the time and date of such notice to Company.
 10. This Agreement is made subject to all conditions, prohibitions, obligations, acts of default, termination, reimbursement and recapture contained in Section 312.204 of the Property Redevelopment and Tax Abatement Act, a copy of which is marked Exhibit F attached hereto and made a part hereof.
 11. All notices required or contemplated by this Agreement shall be addressed as follows:

If to Company, then to: Boomerang Tube LLC, 16090 Swingley Ridge Road, Suite 400, Chesterfield, MO 63017

If to the City, then to 1829 Sam Houston, Liberty, Texas, 77575, Attention: Mayor of the City of Liberty, Texas.

12. The terms and conditions of this Agreement are binding upon the successors and assigns of both parties hereto. This Agreement cannot be assigned by company unless permission is first granted by the City, in its sole discretion.
13. This Agreement was approved by the affirmative vote of a majority of the members of the governing body of the City Council of the City of Liberty at a regularly scheduled meeting on the 22nd day of July, 2008, and Carl Pickett, Mayor, was authorized to sign on behalf of the City of Liberty, Texas.
14. This Agreement was authorized by Company, and _____ of Company was authorized to sign on its behalf.
15. This Agreement is performable in Liberty County, Texas.
16. All values used shall be established by Liberty County Central Appraisal District.
17. The current taxable value of the property of Company in the Zone is:

Real property	\$ 1,353,740
Personal Property	\$ 185,040
Total Base Value	\$ 1,538,780

NOTE: Values will be confirmed by Liberty County Central Appraisal District prior to execution of Agreement.
18. The City of Liberty hereby exempts from ad valorem real and personal property taxation for the term set forth, the value in the Zone in excess of that stated in (2) above, in accordance with Tax Abatement Agreement Exhibit B, Tax Abatement Schedule.
19. The term of the exemption will be for a period of six (7) years, beginning January 1, 2009. After the term expires, the full value of the improvements shall be included on the tax roll and assessed appropriately, and this Agreement shall terminate.
20. The company shall, within the term of this Agreement, construct or cause to be constructed upon Company's property in the Zone certain improvements and/or repairs as set forth in Exhibit C of this Agreement and/or purchase or cause to be purchased certain tangible personal property as set forth in Exhibit D of this agreement. Such Exhibits list the

kind, number and location of all proposed improvements and/or repairs to the property of Company in the Zone. Make, model and serial number of tangible personal property should be listed when known. However, it is the intent of the City to abate taxes on all improvements and additions in excess of the base value, regardless of whether itemized on Exhibits C and D.

21. The company agrees to build improvements in accordance with all applicable laws, ordinances, codes, rules, requirements or regulations of the City and any subdivision, agency, or authority thereof, and prior to commencing shall secure all permits, licenses and authorization required.
22. Upon completion and inspection by the City of the improvements specified in this Agreement, Company and City shall execute a Certificate of Compliance set out in Exhibit E of this Agreement. A copy of this shall be sent to each taxing entity involved, the company and to the Liberty County Central Appraisal District.
23. Should company fail to make the improvements and/or repairs and/or personal property purchases as provided in this Agreement, then all real and personal property tax revenue lost by the City of Liberty from Company's property in the Zone due to this Agreement shall be forthwith paid to the City of Liberty by Company, and this Agreement shall become void.
24. A map showing existing uses and conditions of company's property within the Zone is attached as Exhibit F and incorporated herein by reference.
25. A map showing proposed improvements and uses to Company's property within the Zone is attached as Exhibit G and incorporated herein by reference.

WITNESS OUR HANDS, this 22nd day of July, 2008.

CITY OF LIBERTY, TEXAS

Carl Pickett
Mayor

ATTEST:

Dianne Tidwell
City Secretary

Boomerang Tube, LLC
"Company"

By

Title

Exhibit B Tax Abatement Schedule

TAX ABATEMENT SCHEDULE
Exhibit B

The tax abatement policy of the City of Liberty reflects a balance between the revenue needs of local government and the desire to provide incentives for the expansion and relocation of industry.

The City agrees to abate ad valorem taxes on real and personal property improvements of qualified businesses in Commercial/Industrial Reinvestment Zone 1 as follows:

<u>Year</u>	<u>% OF ADDED VALUE TO BE ABATED</u>
1-5	100%
6	75%
7	50%
8-10	0%

EXHIBIT E
 CERTIFICATE OF COMPLIANCE
 AGREEMENT FOR DEVELOPMENT AND TAX ABATEMENT
 WITH BOOMERANG TUBE LLC
 IN REINVESTMENT ZONE NO. 1 CITY OF LIBERTY
 FOR COMMERCIAL/INDUSTRIAL TAX ABATEMENT
 CITY OF LIBERTY, TEXAS

THE STATE OF TEXAS:

COUNTY OF LIBERTY

Boomerang Tube, LLC, (The "Company") hereby certifies that the real and/or personal property improvements on the property, described on Exhibits C and D, as attached hereto, as called for in the above referenced Agreement, have been completed and that all facilities and improvements have been constructed or acquired pursuant to said Agreement.

Signed the _____ day of _____, 20____.

 Name, Title

The above described improvements have been accepted by the City of Liberty, Texas, as being in compliance with the above-referenced Agreement, and that pursuant to said Agreement, the exemption from taxation shall commence on _____ and the "base value" for the purposes of determining the taxable value of the Premises shall be the value of the property as established in the said Agreement.

Signed this _____ day of _____, 20____.

Inspector
City of Liberty, Texas

