

SPECIAL MEETING
DECEMBER 7, 2009

The Special Meeting of the City Commission was called to order at 8:30 a.m. in the Commission Chambers by Mayor Jeff Bearden, and a quorum was declared present.

Present: Mayor Jeff Bearden

Commissioners: Jimmy Dennis, Russell Brownlow, Travis Taylor and Phil McCuiston

Staff Present: City Manager Mitch Grant, Community Development Director Monica Wilkinson, Finance Director Anne Garmon, and City Secretary Linda Byers.

Mayor Bearden led the group in the invocation.

RESOLUTION #894

APPROVE A LOAN AGREEMENT BETWEEN THE VERNON BUSINESS DEVELOPMENT CORPORATION AND THE OFFICE OF THE GOVERNOR ECONOMIC DEVELOPMENT AND TOURISM DIVISION AND RELATED DOCUMENTS AUTHORIZING THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT, AND OTHER MATTERS IN CONNECTION THEREWITH.

Sean Stockard, Business Development President and CEO, explained that the BDC has been in negotiations with Tangarie Corporation to bring their manufacturing operations to the City. This would bring approximately 40 jobs to the City. The BDC has put together an incentive package to encourage Tangarie to relocate to Vernon.

In addition to grants and loans at the state and federal level the BDC would like to offer a cash incentive package of \$885,000. They would like to utilize the Texas Economic Development Bank for a loan at a variable interest rate which is currently at 3.3%. This rate will be adjusted yearly with a maximum rate of 12% and a historical high rate of 6.5%. Maximum loan payment is estimated to be \$7,800 which would be paid from future funds ear-marked for 4A economic development sales tax collections. There will be no encumbrances on City funds.

The BDC will not be liable unless Tangarie signs the agreement. The loan will take 60 – 80 days to close after an agreement is signed, but the money will not be paid to Tangarie up front. It is anticipated that it will take approximately six months from any agreement before they begin hiring.

Following further discussion, Commissioner McCuiston made the motion to approve Resolution No. 894.

Commissioner Brownlow seconded the motion, which passed by unanimous vote.

RESOLUTION NO. 895

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF VERNON, TEXAS STATING INTENT TO CONSIDER TAX ABATEMENT AS A PART OF AN INCENTIVE PACKAGE FOR TANGARIE ALTERNATIVE POWER TO RELOCATE TO VERNON.


This resolution allows the Mayor to negotiate with Tangarie Alternative Power. The City Manager is to develop specific guidelines that incorporate other taxing entities. These guidelines and actual abatements will be placed on a future agenda.

Commissioner Taylor made the motion to approve Resolution No. 895.

Commissioner Dennis seconded the motion, which passed by unanimous vote.

ADJOURN

The meeting was declared adjourned at 9:10 a.m.



Jeff Bearden
Mayor

ATTEST:



Linda Byers
City Secretary