

**VERNON CITY COMMISSION  
REGULAR MEETING  
NOVEMBER 17, 2020**

Mayor Pam Gosline called the Regular Meeting of the Vernon City Commission to order at 6:30 p.m. on November 17, 2020 at City Hall, and a quorum was declared present.

Mayor: Pam Gosline

Commissioners: Britt Ferguson, Don Aydelott, Justin Marsh, Jim Parmer

Staff Present: City Manager Martin Mangum, City Attorney Jon Whitsitt, Community Development Director Monica Wilkinson, Police Chief Randy Agan, Fire Chief J.J. Oznick, Public Works Director Darell Kennon, Finance Director Dee Boatenhamer, Tourism Director Amanda Lehman, City Secretary Marsha Jo Stone

**1. Call To Order**

- A. Declaration of Quorum – Mayor Gosline declared a quorum
- B. Invocation – Commissioner Parmer led the group in the Invocation
- C. Pledge of Allegiance – Commissioner Parmer led the group in the pledge to the United States Flag and to the Texas Flag

**2. Consent Agenda:**

- A. Approval of the Minutes of the Regular City Commission meeting held on Regular Meeting held on October 27, 2020 and Special Meeting held on November 10, 2020
- B. Approval of the Finance Investment Report, Vouchers, Payroll and Benefit Expense for October 1, 2020 to October 31, 2020.
- C. Approval of other Department Reports

Commissioner Aydelott moved to approve the consent agenda.

Commissioner Ferguson seconded the motion, which passed with a unanimous vote.

**3. Public Comment**

Iglesia Remanante representative address the Commissioners concerning the property located on Main Street. She advised they had hired someone to mow the grass.

Mike Herchman addressed the Commission concerning the property located on Main Street.

**4. Recognition** – Mayor Gosline recognized City Secretary Marsha Jo Stone for completing certification from the Texas Municipal Clerks Certification Program.

**5. Discussion, Consideration and Take Possible Action on the resignation of Commissioner Justin Marsh from the City Commission**

Commissioner Marsh submitted his resignation due to moving outside the city limits. He stated “I want to thank the citizens of Vernon for allowing me to serve for two and half years. I also want to thank the Commission, City Manager, Directors, and employees for their hard work.”

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Mayor Gosline presented Commissioner Marsh with a street sign – Marsh Drive and thanked him for his service to the city.

Commissioner Aydelott made the motion to accept the resignation of Commissioner Justin Marsh from the City Commission.

Commissioner Ferguson seconded the motion, which passed with a unanimous vote.

**6. Public Hearing – Resolution Number 1058 Designating Tyson Refrigerated Processed Meats, Inc. as an Enterprise Project under the Texas Enterprise Act, Chapter 2403 of the Texas Government Code**

Mayor Gosline opened the Public Hearing at 6:41 pm

City Manager Mangum explained that the resolution would nominate Tyson Refrigerated Processed Meats, Inc. for the designation as an Enterprise Project which would allow Tyson to apply for sales tax rebates on the equipment purchased for plant expansion and rejuvenation. Tyson plans on spending \$21,712,252.00 on equipment and machinery.

No Public Comment

Mayor Gosline closed the Public Hearing at 6:43 pm

**7. Discussion, Consideration and Take Possible Action on Resolution Number 1058 Designating Tyson Refrigerated Processed Meats, Inc. for designation as an Enterprise Project under the Texas Enterprise Act, Chapter 2403 of the Texas Government Code**

**RESOLUTION NUMBER 1058**

**A RESOLUTION OF THE CITY OF VERNON, TEXAS TO PARTICIPATE IN THE TEXAS ENTERPRISE ZONE PROGRAM AND NOMINATING TYSON REFRIGERATED PROCESSED MEATS, INC. FOR DESIGNATION AS AN ENTERPRISE PROJECT UNDER THE TEXAS ENTERPRISE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE**

**WHEREAS**, the City of Vernon (“City”) has previously passed Ordinance No. 1603 dated November 27, 2012 with the criteria for tax abatement 1765, copies of which are attached to this resolution as Exhibit “A”, electing to participate in the Texas Enterprise Zone Program, creating a reinvestment zone and authorizing local incentives offered under this resolution are the same on this date as were outlined in that Order:

**WHEREAS**, the Office of the Governor Economic Development and Tourism (OoGEDT) through the Economic Development Bank (Bank) will consider TYSON REFRIGERATED PROCESSED MEATS, INC. (“TYSON”) as an enterprise project pursuant to a nomination and an application made by the City;

**WHEREAS**, the City desires to pursue the creation of the proper economic and social environment in order to induce the investment of private resources in productive business enterprises located in the City and to provide employment to residents of enterprise zones and to other economically disadvantaged individuals;

**WHEREAS**, pursuant to Chapter 2303, Subchapter F of the Texas Enterprise Zone Act, Texas Government Code (the “Act”), TYSON has applied to the City for designation as an enterprise project;

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**WHEREAS**, the City finds that TYSON meets the criteria for designation as an enterprise project under Chapter 2303, Subchapter F of the Act;

**WHEREAS**, the City finds that TYSON meets the criteria for tax relief and other incentives adopted by the City and nominates TYSON for enterprise project status on the grounds that it will be located at the qualified business site, will create a higher level of employment, economic activity and stability; and

**WHEREAS**, the City finds that it is in the best interest of the City to nominate TYSON as an enterprise project pursuant to the Act;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF VERNON, TEXAS that:**

- 1) The findings set forth in the document and attachments are found to be accurate, true and create the basis for formal action taken by the City.
- 2) TYSON is a "qualified business" as defined in Section 2303.402 of the Act, and meets the criteria for designation as an enterprise project, as set forth in Section 2303, Subchapter F of the Act on the following grounds:
  - a. TYSON is a "qualified business" under Section 2303.402 of the Act since it will be engaged in the active conduct of a trade or business at a qualified business site within the governing board's jurisdiction located in an enterprise zone and at least twenty-five (25%) of the business' new employees will be residents of an enterprise zone or economically disadvantaged individuals; or veterans, and
  - b. There has been and will continue to be a high level of cooperation between public, private, and neighborhood entities in the area; and
  - c. The designation of TYSON as an enterprise project will contribute significantly to the achievement of the plans of the City for development and revitalization of the area.
- 3) The enterprise project shall take effect on the date of designation of the enterprise project by the agency and terminate five (5) years from that date.
- 4) The City Manager is directed and designated as the City's liaison to communicate and negotiate with the OoGEDT through the Bank on Enterprise Project(s) and to oversee Enterprise Zone activities and communications with qualified businesses and other entities in or affected by the Enterprise Project.

**PASSED AND APPROVED BY THE CITY COMMISSION OF THE CITY OF VERNON THIS 17<sup>th</sup> DAY OF NOVEMBER, 2020.**

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Pam Gosline, Mayor

ATTEST:

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Marsha Jo Stone, TRMC  
City Secretary

Commissioner Aydelott made the motion to approve Resolution Number 1058 Designating Tyson Refrigerated Processed Meats, Inc. as an Enterprise Project under the Texas Enterprise Act, Chapter 2403 of the Texas Government Code

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Commissioner Ferguson seconded the motion, which passed with a unanimous vote.

**8. Public Hearing – On Approval of Ordinance Number 1765 Renewing Policies, Guidelines and Criteria for Tax Abatement for the City of Vernon**

Mayor Gosline opened the Public Hearing at 6:44 pm

City Manager Mangum advised the City of Vernon previously passed Tax Abatement policies, guidelines, and criteria for the City of Vernon in Ordinance Number 1603. Those expired two years after their inception date of December 18, 2012. Mangum advised they need to be redefined and renewed.

No Public Comment

Mayor Gosline closed the Public Hearing at 6:45 pm

**9. Discussion, Consideration and Take Possible Action on Ordinance Number 1765 Renewing Policies, Guidelines and Criteria for Tax Abatement for the City of Vernon**

**ORDINANCE NUMBER 1765**

**AN ORDINANCE TO RENEW THE ABATEMENT CRITERIA IN THE OF CITY OF VERNON, TEXAS ORDINANCE NUMBER 1603, CITY OF VERNON, TEXAS CODE OF ORDINANCES PROVIDING FOR A REVISED SCHEDULE A – ABATEMENT SCHEDULE, PROVIDING SEVERANCE AND RECORDING CLAUSES; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Vernon desires to participate in tax abatements from time to time as the City Commission may find appropriate, in accordance with the criteria and guidelines herein adopted; and

**WHEREAS**, abatement criteria must be renewed every two years.

**WHEREAS**, the City of Vernon will use its best efforts to judicially and prudently solicit prospects that are deserving of tax abatement. The City of Vernon understands that it is a privilege to obtain tax abatement and it shall only be offered as a last resort to entice a prospect to our community or to retain a business located in the city.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF VERNON, TEXAS, THAT:**

**Section 2, Article I. Section 50-2 Tax Abatement Policy, Guidelines, and Criteria.**

**Objective**

The objective of this tax abatement program is to create new jobs, new capital investment, and a broadened tax base for our community by:

- a) providing an incentive for already established businesses to expand and/or modernize, and/or
- b) providing an incentive to attract businesses that might not locate in our community otherwise.

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The City of Vernon may make exceptions to these guidelines at any time in order to fulfill the original purpose or intent.

### **Candidate Qualifications**

- a) compliments existing businesses and/or increases the diversity of our community's economy
- b) creates new jobs or capital investment as outlined in the following abatement schedule
- c) **Abatement Schedule**
- d) The amount and term of abatement will depend on the number of additional full-time (or equivalent) jobs and/or the amount of capital investment according to the attached Schedule A.
- e) Only the increase in fair market value of real property directly resulting from the development, redevelopment and/or improvement specified in the abatement contract will be eligible for abatement. Tax abatement must benefit the party making the investment; by ownership or by contract.
- f) The construction period may not exceed one (1) year.
- g) The number of additional full-time (or equivalent) jobs specified in the abatement contract should be maintained for the entire term of the abatement and pay no less than federal minimum wages.

### **Abatement Committee**

Upon receipt of an application for tax abatement, the Mayor will create a tax abatement advisory committee consisting of the Mayor, City Manager and a representative from each of all other affected taxing jurisdictions.

- a) Tax abatements may be provided for both new facilities and structures and for the expansion or modernization of existing facilities and structures. Each project proposed for tax abatement shall be considered individually on its own merits, benefit to the public, and in context of any other economic incentives for the project or existing in the reinvestment zone.
- a) The developer, project owner, or other recipient of a tax abatement must annually certify in writing to the city commission of each participating taxing unit that the developer, owner or recipient is in compliance with each applicable term of the agreement.
- b) The taxable value of improvements to a site and the inventory, furniture, fixtures, and equipment will qualify for tax abatement. The taxable value and any reevaluation of the land prior to improvement will be subject to taxation at the applicable rates.
- c) A tax abatement agreement must ensure that the periods of abatement are directly proportional to the capital expenditures for improvements and/or the number of permanent fulltime jobs created.
- d) Expansion or modernization of existing facilities qualifies for tax abatement if the expansion meets the qualifications for capital expenditures and/or nets new jobs. The number of jobs created must be new jobs and not replacement of jobs, which were in the payroll within the year immediately prior to application for tax abatement. A tax abatement shall not be granted if the facility has been the subject of or included in a prior tax abatement agreement.
- e) If a new facility is constructed to replace an existing facility, and the existing facility is abandoned by the developer, only the difference in taxable value of the new facility over the existing facility will qualify for tax abatement.
- f) An agreement will be executed by the developer which incorporates the terms of this section and includes any other site and development specific terms, which might be found applicable at the time.

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- g) The tax abatement agreement will require, among other things, that the city will have the right of access to the site and books and records of the applicant for tax abatement to determine compliance with statutory requirements and the agreement. Failure to fulfill any of the requirements of the agreement will result in cancellation of the agreement and retroactive loss of tax abatement.

**SECTION 3.** If any provision, section, subsection, sentence, clause or the application of same to any person or set of circumstances for any reason is held to be unconstitutional, void, or invalid or for any reason unenforceable, the validity of the remaining portions of this ordinance or the application thereby shall remain in effect, it being the intent of the City Commission of the City of Vernon, Texas in adopting this ordinance, that no portion thereof or provision contained herein shall become inoperative or fail by any reasons of unconstitutionality of any other portion or provision.

**SECTION 4.** This Ordinance shall not be recorded in length in the minutes of the City Commission, but shall be filed for permanent record in the office of the City Secretary.

**SECTION 5.** This Ordinance shall be in full force immediately upon passage by the City Commission.

***PASSED and APPROVED*** on first reading this the 17<sup>th</sup> day of November, 2020.

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Pam Gosline, Mayor

**ATTEST:**

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Marsha Jo Stone, TRMC  
City Secretary

Commissioner Aydelott made the motion to approve Ordinance Number 1765 Renewing Policies, Guidelines and Criteria for Tax Abatement for the City of Vernon

Commissioner Ferguson seconded the motion, which passed with a unanimous vote.

**10. Adjourn**

Commissioner Parmer made the motion to adjourn the meeting at 6:48 pm.

Commissioner Ferguson seconded the motion, which passed with unanimous vote

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Pam Gosline, Mayor

**ATTEST:**

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Marsha Jo Stone, TRMC  
City Secretary