



**NOTICE OF SPECIAL MEETING AGENDA  
LANCASTER CITY COUNCIL  
MUNICIPAL CENTER CITY COUNCIL CHAMBERS  
211 N. HENRY STREET, LANCASTER, TEXAS**

**Monday, December 20, 2021 - 7:00 PM**



**While one or more City Council Members may be present via video or audio link, a quorum of the City Council will be at the Municipal Center-City Council Chambers, as required by the Texas Open Meetings Act.**

**Please click the link below for forms:**

<https://www.lancaster-tx.com/1413/Notice-Regarding-Public-Participation>

**Please click the link below to join the webinar:**

<https://us02web.zoom.us/join/register/tZcude2hqTkoG9HT7bY0FrQBwflWurm1cwQJ>

**The meeting will be broadcast live via video at the following address:**

<http://www.lancaster-tx.com/324/Watch-Meetings>

**7:00 P.M. SPECIAL MEETING:**

**CALL TO ORDER:**

**PUBLIC TESTIMONY/CITIZENS COMMENTS:**

At this time, citizens who have pre-registered before the call to order will be allowed to speak on any matter for a length of time not to exceed three minutes. No Council action or discussion may take place on a matter until such matter has been placed on an agenda and posted in accordance with law. Anyone desiring to speak on an item scheduled for a public hearing is requested to hold their comments until the public hearing on that item.

**ACTION:**

1. Discuss and consider a resolution approving a Chapter 380 Economic Development Agreement by and between the City of Lancaster, Texas and Niagara Bottling, LLC.
2. Discuss and consider a resolution ratifying a grant agreement in an amount not to exceed one million forty-three thousand, nine hundred twenty dollars (\$1,043,920), with Niagara Bottling, LLC from funds collected from the one-fourth (1/4) of one (1) percent additional sales and use tax for the promotion and development of new and expanded business enterprises, as authorized by state law.

**ADJOURNMENT**

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EXECUTIVE SESSION: The City Council reserves the right to convene into executive session on any posted agenda item pursuant to Section 551.071(2) of the Texas Government Code to seek legal advice concerning such subject.

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ACCESSIBILITY STATEMENT: Meetings of the City Council are held in municipal facilities and are wheelchair-accessible. For sign interpretive services, call the City Secretary's office, 972-218-1311, or TDD 1-800-735-2989, at least 72 hours prior to the meeting. Reasonable accommodation will be made to assist your needs.

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PURSUANT TO SECTION 30.06 PENAL CODE (TRESPASS BY HOLDER WITH A CONCEALED HANDGUN), A PERSON LICENSED UNDER SUBCHAPTER H, CHAPTER 411, GOVERNMENT CODE (HANDGUN LICENSING LAW), MAY NOT ENTER THIS PROPERTY WITH A CONCEALED HANDGUN.

CONFORME A LA SECCION 30.06 DEL CODIGO PENAL (TRASPASAR PORTANDO ARMAS DE FUEGO CON LICENCIA) PERSONAS CON LICENCIA BAJO DEL SUB-CAPITULO 411, CODIGO DEL GOBIERNO (LEY DE PORTAR ARMAS), NO DEBEN ENTRAR A ESTA PROPIEDAD PORTANDO UN ARMA DE FUEGO OCULTADA.

PURSUANT TO SECTION 30.07 PENAL CODE (TRESPASS BY HOLDER WITH AN OPENLY CARRIED HANDGUN), A PERSON LICENSED UNDER SUBCHAPTER H, CHAPTER 411, GOVERNMENT CODE (HANDGUN LICENSING LAW), MAY NOT ENTER THIS PROPERTY WITH A HANDGUN THAT IS CARRIED OPENLY.

CONFORME A LA SECCION 30.07 DEL CODIGO PENAL (TRASPASAR PORTANDO ARMAS DE FUEGO AL AIRE LIBRE CON LICENCIA) PERSONAS CON LICENCIA BAJO DEL SUB-CAPITULO H, CAPITULO 411, CODIGO DE GOBIERNO (LEY DE PORTAR ARMAS), NO DEBEN ENTRAR A ESTA PROPIEDAD PORTANDO UN ARMA DE FUEGO AL AIRE LIBRE.

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### **Certificate**

**I hereby certify the above Notice of Meeting was posted at Lancaster City Hall on December 16, 2021 @ 7:30 p.m. and copies thereof were provided to the Mayor, Mayor Pro-Tempore, Deputy Mayor Pro-Tempore and Council members.**

A handwritten signature in blue ink, reading "Carey D. Neal, Jr.", is written over a solid black horizontal line.

Carey D. Neal, Jr.

Assistant City Manager

# CITY OF LANCASTER CITY COUNCIL

## City Council Special Meeting

## Item 1.

**Meeting Date:** 12/20/2021

**Policy Statement:** This request supports the City Council 2021-2022 Policy Agenda

**Goal(s):** Financially Sound Government  
Quality Development

**Submitted by:** Shane Shepard, Director of Economic Development

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### **Agenda Caption:**

Discuss and consider a resolution approving a Chapter 380 Economic Development Agreement by and between the City of Lancaster, Texas and Niagara Bottling, LLC.

### **Background:**

At the December 16, 2021, Lancaster Economic Development Special Meeting the grant agreement with Niagara Bottling, LLC. was approved. This action authorizes a Chapter 380 grant agreement with Niagara Bottling, LLC to promote new construction and job creation in the City of Lancaster. Niagara Bottling, LLC is a family owned manufacturer of bottled water and soft drinks based in Diamond Bar, California. They produce private label bottled water for a number of companies including Walmart, Safeway Inc., and Costco. They operate numerous bottling plants in both the United States and Mexico.

The company plans to build an approximately one million two hundred thousand (1,200,000) square foot facility located on a 70-acre tract of land located at 1535 East Belt Line Road. Construction of the building is expected to be completed no later than January 1, 2026, with an anticipated completion date in the third quarter of 2023. The company plans to invest a minimum of seventy million dollars (\$70,000,000) in the project including Business Personal Property (BPP) and Real Property for the project. The Niagara Bottling facility will result in the addition of a minimum of seventy (70) new jobs within three (3) years after completion. Wages are expected to average fifty-five thousand dollars (\$55,000) annually.

Niagara Bottling, LLC has not purchased the land for the project. Staff has reviewed their contract to purchase the land. The closing date for the purchase is within two weeks of the scheduled City Council review date for project incentives. A letter of intent to purchase the property is included.

This agreement allows for financial incentives as described below:

- **Business Personal Property (BPP) Tax.** This agreement allows the City of Lancaster to make program payments to Developer for a portion of ad valorem taxes paid by the Developer to the City for Business Personal Property for a period not to exceed fifteen (15) years. The percent of the taxes paid that will be rebated depend on the investment by the Developer.
  - If the minimum investment is over seventy million dollars (\$70,000,000), the rebate on City taxes paid for BPP will be fifty percent (50%) annually for a period of ten (10) years;
  - If the minimum investment is over two hundred million dollars (\$200,000,000), the rebate on City taxes paid for BPP will be fifty percent (50%) annually for a period of fifteen (15) years; or
  - If the minimum investment is over two hundred fifty million dollars (\$250,000,000), the rebate on City taxes paid for BPP will be sixty-five percent (65%) annually for a period of fifteen (15) years.

- **Real Property Tax.** This agreement allows the City of Lancaster to make program payments to Developer for up to fifty percent (50%) of ad valorem taxes paid by the Developer for City of Lancaster Real Property Taxes for a period of up to (8) years.
  - If taxable value of the real property improvements is twenty million dollars (\$20,000,000) or greater, the rebate shall be forty percent (40%) for a period of five years;
  - If the taxable valuation of the real property improvements is thirty-five million dollars (\$35,000,000) or greater, the rebate shall be forty-five percent (45%) for a period of seven years; or
  - If the taxable valuation of the real property improvements is fifty million dollars (\$50,000,000) or greater, the rebate shall be fifty percent (50%) for a period of eight years.
- **Sales Tax on Equipment and Construction Material.** Provided that: (1) the Developer has obtained a Certificate of Occupancy for the Facility by January 1, 2026; (2) the valuation thresholds set forth in the Agreement are satisfied; and (3) all other Affirmative Obligations of the Developer set forth in the Agreement are met; the City shall reimburse fifty percent (50%) of the City's 1 percent (1%) sales tax collected on (i) all materials handling and operations equipment; and (2) all construction materials for the Facility for purchases that are sourced to the City of Lancaster in accordance with Texas sales tax law. All receipts and accounting reports must be received by the City no later than May 1, 2026 (for all eligible receipts through January 1, 2026).

#### **Operational Considerations:**

The company will annually submit receipts for BPP and RP tax payments in order to exercise the grant. Within sixty (60) days of verification of payment, the City will remit eligible rebate amounts outlined in the agreement, provided that all contractual contingencies are satisfied.

The company will submit evidence of sales tax payments sourced to the City of Lancaster for equipment and construction materials covered by this agreement for verification by City staff.

#### **Legal Considerations:**

The City Attorney has reviewed and approved the resolution and agreement as to form.

#### **Public Information Considerations:**

This item is being considered at a Regular Meeting of the City Council noticed and held in accordance with the Texas Open Meetings Act.

#### **Fiscal Impact:**

Based on the estimated value added capital investment submitted by the company, new property tax collections for the facility (BPP and Real property) for the next ten years will be approximately ten million two hundred forty-six thousand, seven hundred dollars (\$10,246,700), of which incentive rebates are estimated to be approximately five million one hundred twenty-three thousand, three hundred fifty dollars (\$5,123,350).

Assuming that sixty percent (60%) of BPP expenditures are sourced to the City of Lancaster that were likely to be sourced elsewhere without this agreement, anticipated new sales tax revenues are estimated to be one million five hundred thousand dollars (\$1,500,000), of which incentive rebates are estimated to be three hundred seventy-five thousand dollars (\$375,000).

#### **Options/Alternatives:**

1. City Council may approve the resolution, as presented.
2. City Council may deny the resolution.

**Recommendation:**

Staff recommends approval of the resolution as presented.

**Attachments**

Resolution

Exhibit A - 380 Agreement

Letter of Intent to purchase property

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# CITY OF LANCASTER CITY COUNCIL

## City Council Special Meeting

## Item 2.

**Meeting Date:** 12/20/2021

**Policy Statement:** This request supports the City Council 2021-2022 Policy Agenda

**Goal(s):** Financially Sound Government  
Quality Development

**Submitted by:** Shane Shepard, Economic Development Director

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### **Agenda Caption:**

Discuss and consider a resolution ratifying a grant agreement in an amount not to exceed one million forty-three thousand, nine hundred twenty dollars (\$1,043,920), with Niagara Bottling, LLC from funds collected from the one-fourth (1/4) of one (1) percent additional sales and use tax for the promotion and development of new and expanded business enterprises, as authorized by state law.

### **Background:**

At the December 16, 2021, Lancaster Economic Development Special Meeting the grant agreement with Niagara Bottling, LLC. was approved. This action ratifies the recommendation of the Lancaster Economic Development Corporation (LEDC) to enter into a grant agreement with Niagara Bottling, LLC to promote new construction and job creation in the City of Lancaster.

Niagara Bottling, LLC is a family owned manufacturer of bottled water and soft drinks based in Diamond Bar, California. They produce private label bottled water for a number of companies including Walmart, Safeway Inc., and Costco. They operate numerous bottling plants in both the United States and Mexico.

The company plans to build an approximately one million two hundred thousand (1,200,000) square foot facility located on a 70-acre tract of land located at 1535 East Belt Line Road. Construction of the building is expected to be completed no later than January 1, 2026, with an anticipated completion date in the third quarter of 2023.

Niagara Bottling, LLC has not purchased the land for the project. Staff has reviewed their contract to purchase the land. The closing date for the purchase is within two weeks of the scheduled City Council review date for project incentives. A letter of intent to purchase the property is included in the board packet materials.

The company plans to invest a minimum of seventy million dollars (\$70,000,000) in the project including Business Personal Property (BPP) and Real Property for the project. The Niagara Bottling facility will result in the addition of a minimum of seventy (70) new jobs within three (3) years after completion. Wages are expected to average fifty-five thousand dollars (\$55,000) annually.

The maximum grant amount for the project is one million forty-three thousand, nine hundred twenty dollars (\$1,043,920) and is allocated as described below:

- **Lancaster Employment Grant.** The agreement will allow the developer to qualify for a grant of two thousand dollars (\$2,000) per each Lancaster resident that is employed in a full-time equivalent employment position for at least two years for up to one hundred twenty-five employees. The maximum amount of this grant is an amount not to exceed two hundred fifty thousand dollars (\$250,000).
- **Development Fee Grant.** There are two components of this grant.

- Up to one hundred fifty thousand dollars (\$150,000) is available to offset development costs including city fees, permit charges and job training expenses.
- An additional six hundred thirty-three thousand, nine hundred twenty dollars (\$633,920) is available for costs associated with construction of a four-lane divided roadway that serves the property and connects with Sunrise Road.
- These expenditures must be made by January 1, 2026.
- The maximum amount of this grant shall not exceed seven hundred eighty-three, nine hundred twenty dollars (\$783,920).
- **Inland Port Transportation Management Association Grant.** The grant provides funds to offset costs related to company participation in the Inland Port Transportation Management Association, in an amount not to exceed ten thousand dollars (\$10,000). The total grant amount will allow the company to be a member of the Inland Port Transportation Management Association for two years.

**Operational Considerations:**

The administrative elements of monitoring the incentive agreement are well within the scope of staff activities.

**Legal Considerations:**

The City Attorney has reviewed and approved the resolution and agreement as to form.

**Public Information Considerations:**

This item is being considered at a meeting of the City Council, noticed and held in accordance with the Texas Open Meetings Act.

**Fiscal Impact:**

The total incentive cost will not exceed one million forty-three thousand, nine hundred twenty dollars (\$1,043,920) over the term of the agreement. Adequate funds are available in the Lancaster Economic Development Corporation fund balance.

**Options/Alternatives:**

1. City Council may approve the resolution, as presented.
2. City Council may deny the resolution.

**Recommendation:**

The Lancaster Economic Development Corporation recommended approval of the item at their December 16, 2021 meeting. Staff concurs with the Lancaster Economic Development Corporation.

**Attachments**

Resolution

Exhibit A - Performance Agreement

Letter of Intent to purchase property

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