

NOTICE OF MEETING OF THE MCLENNAN COUNTY COMMISSIONERS COURT

NOTICE IS HEREBY GIVEN that, in accordance with the Government Code, Chapter 551, (known as the Open Meetings Act), as amended, a special meeting of Commissioners' Court, the governing body of McLennan County, will be held on **Tuesday, the 13th day of February, 2018 at 9:00 o'clock** in the Commissioners' Courtroom, 1st Floor, West Wing, McLennan County Courthouse, 501 Washington, City of Waco, Texas, at which time, the subjects below will be considered and potentially acted upon.

AGENDA

A. Proof of Posting of Notice

B. Moment of Silence / Invocation and Pledge

C. Items for Discussion and Potential Action:

1. Regarding the Heart of Texas Fairgrounds Area Venue Project: Action on an Agreement for Geotechnical Services which could include, but is not limited to Authorization to Negotiate and Execute an Agreement; Action on Other Agreements or Payments for Services or Items Required to be Provided by the County as Owner of the Project; and Updates or Presentations on Project
2. Update from SAMCO on the McLennan County Venue Project Financing
3. Consideration of and Action to Authorize the County Judge to Execute Contract Documents, Gift Deed and Easement Agreements with Luminant Generation Company, LLC for Conveyance of Trading House Lake Park Property to McLennan County
4. Discussion and/or Action on Request of Start-up Waco for WMCEDC Funding, including Possible Approval with not to Exceed Limits, and Authorization of the County Judge to Execute Necessary Agreements, Subject to Approval thereof by Legal Counsel
5. Consider and take action to enter into closed executive session pursuant to Government Code 551.0725 for deliberation of business and financial issues regarding a contract being negotiated because deliberation in an open meeting would have a detrimental effect on the position of the Commissioners Court in negotiations with a third person and pursuant to Government Code 551.071 to seek and receive advice from and consultation with legal counsel on potential liabilities, legal issues, contractual obligations and legal options re: Jack Harwell Detention Center and/or McLennan County Downtown Jail Operation and Management Contracts

D. Executive/Closed Session

1. **Section 551.071 of the Government Code (V.C.T.A.):** An executive/closed session will be held so that the Commissioners Court can seek and receive legal advice from its attorneys regarding pending or threatened litigation, settlement offers, claims, Twin Peaks Matters, Jail Death Matter or other matters for which the attorneys' duties to their client under the Texas State Bar Disciplinary Rules of Professional Conduct Conflicts with the Open Meetings Act (Ch.551, Gov. Code) if necessary for a subject contained on this agenda
2. **Section 551.072 of the Government Code (V.C.T.A.):** Regarding Real Property, including, but not limited to: (1) Right-Of-Way Acquisitions re: Expansion / Repair Project/s; and/or (2) Real Estate Purchase / Sale / Transfer / Trade / Offers to Purchase, Acquisition / Value / Donations of Real Property / Leases relative to Real Property, including, but not limited to, Potential Properties for Use by County / Public Facilities & Valuation of Current Property for Trade or Sale
3. **Section 551.0725 of the Government Code (V.C.T.A.):** Deliberation of Business and Financial Issues regarding a Contract being Negotiated because Deliberation in Open Meeting would have a Detrimental Effect on the Position of the Commissioners Court in Negotiations with a Third Person...re: Jack Harwell Detention Center and/or McLennan County Downtown Jail Operation and Management Contracts
5. **Section 551.076 of the Government Code (V.C.T.A.):** Deliberations regarding Security Devices or Security Audits
6. **Section 551.087 of the Government Code (V.C.T.A.):** Regarding Economic Development Negotiations including, but not limited to (1) Discussion of Commercial / Financial Information Received from a Business Prospect/s; (2) Pending Negotiations / Potential Prospects and Projects; and/or (3) Discussion re: Offers of Financial or Other Incentives to Business Prospect/s

E. Adjourn

Signed this 8th day of February, 2018


SCOTT M. FELTON, County Judge

STATE OF TEXAS *
COUNTY OF McLENNAN *

I, J.A. "ANDY" HARWELL, County Clerk, and the Ex-Officio Clerk to the Commissioners Court, hereby certify that the above and foregoing is a true and correct copy of a NOTICE OF MEETING posted by me at the Courthouse door in Waco, McLennan County, Texas, where notices are customarily posted this 8th day of February, 2018.

Witness my hand and seal of office at Waco, McLennan County, Texas the 8th day of February, 2018 at 2:55 o'clock p.m.

(SEAL) J. A. "ANDY" HARWELL, County Clerk
McLennan County, Texas

BY: Myrcetez Gowan (Deputy)

Notice: Persons with disabilities in need of auxiliary aide or services may contact the County Judge's Office, (254) 757-5049, prior to the meeting date

J.A. "ANDY" HARWELL, County Clerk
McLennan County, Texas

FILED: FEB 13 2018

By Myrcetez Gowan DEPUTY

AGENDA: FEBRUARY 13, 2018

B. Moment of Silence / Invocation and Pledge

CD-465, 9:03

County Judge Felton stated that at this time we will have a moment of silence. County Judge Felton then stated that we will now have the Pledge of Allegiance.

AGENDA: FEBRUARY 13, 2018

E. Items for Discussion and Potential Action:

- | | |
|--|-------------------------|
| 1. Regarding the Heart of Texas Fairgrounds Area Venue Project: Action on an Agreement for Geotechnical Services which could include, but is not limited to Authorization to Negotiate and Execute an Agreement; Action on Other Agreements or Payments for Services or Items Required to be Provided by the County as Owner of the Project; and Updates or Presentations on Project | Deferred |
| 2. Update from SAMCO on the McLennan County Venue Project Financing | Information Only |
| 3. Consideration of and Action to Authorize the County Judge to Execute Contract Documents, Gift Deed and Easement Agreements with Luminant Generation Company, LLC for Conveyance of Trading House Lake Park Property to McLennan County | Approved |
| 4. Discussion and/or Action on Request of Start-up Waco for WMCEDC Funding, including Possible Approval with not to Exceed Limits, and Authorization of the County Judge to Execute Necessary Agreements, Subject to Approval thereof by Legal Counsel | Deferred |
| 5. Consider and take action to enter into closed executive session pursuant to Government Code 551.0725 for deliberation of business and financial issues regarding a contract being negotiated because deliberation in an open meeting would have a detrimental effect on the position of the Commissioners Court in negotiations with a third person and pursuant to Government Code 551.071 to seek and receive advice from and consultation with legal counsel on potential liabilities, legal issues, contractual obligations and legal options re: Jack Harwell Detention Center and/or McLennan County Downtown Jail Operation and Management Contracts | Approved |

ORDER DEFERRING:

**ACTION ON AN AGREEMENT FOR GEOTECHNICAL SERVICES WHICH
COULD INCLUDE, BUT IS NOT LIMITED TO AUTHORIZATION TO
NEGOTIATE AND EXECUTE AN AGREEMENT; ACTION ON OTHER
AGREEMENTS OR PAYMENTS FOR SERVICES OR ITEMS REQUIRED
TO BE PROVIDED BY THE COUNTY AS OWNER OF THE
PROJECT; AND UPDATES OR PRESENTATIONS
ON PROJECT**

**RE: THE HEART OF TEXAS FAIRGROUNDS
AREA VENUE PROJECT**

On this the 13 day of February, 2018, came on for consideration the matter Regarding the Heart of Texas Fairgrounds Area Venue Project: Action on an Agreement for Geotechnical Services which could include, but is not limited to Authorization to Negotiate and Execute an Agreement; Action on Other Agreements or Payments for Services or Items Required to be Provided by the County as Owner of the Project; and Updates or Presentations on Project. After discussion, Commissioner Jones made a motion to defer and it was seconded by Commissioner Snell. A vote being called for, voting in favor of said motion was Judge Felton, Commissioner Snell, Commissioner Jones and Commissioner Perry. It is ordered by the Court that said Authorization be, and the same is hereby, deferred by unanimous vote.

INFORMATION ONLY:

**UPDATE FROM SAMCO ON THE MCLENNAN
COUNTY VENUE PROJECT FINANCING**

On this the 13 day of February, 2018, came on for consideration the matter of Update from SAMCO on the McLennan County Venue Project Financing. Senior Managing Director of Samco, Mr. Mark McLiney, addressed the Court regarding the McLennan County Venue Project Financing.

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McLennan County
Venue Tax Monthly Payment Schedule
As of February 13, 2018

Month of Receipt	September	October	November	December	January	February	March	April	May	June	July	August	Totals	Annualized	Average Monthly
Motor Vehicle Rental Tax (5%)	\$ 23,489.38	\$ 37,208.04	\$ 32,957.83	\$ 37,813.81	\$ 33,256.00	\$ 36,549.14							\$ 201,274.20	\$ 402,548.40	\$ 33,545.70
HOT Tax (2%)	\$ 100,329.69	\$ 118,929.19	\$ 197,797.75	\$ 107,114.00	\$ 120,708.43								\$ 644,879.06	\$ 1,547,709.74	\$ 128,975.81
Total	\$ 123,819.07	\$ 156,137.23	\$ 230,755.58	\$ 144,927.81	\$ 153,964.43	\$ 36,549.14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 846,153.26	\$ 1,950,258.14	\$ 162,521.51

at 1.15 cov \$ 1,695,876.65
 At 1.10 cov \$ 1,772,961.95

Expected HOT Sales to generate \$1,547,710 \$ 77,385,487.20

McLennan County, Texas
County Wide Hotel Receipts
Historic and Projected

Taxable Sales			
Year	Room Receipts	% Change	Est. Revenue @ 2%
2007	\$37,518,814.00		\$750,376.28
2008	\$39,536,169.00	5.38%	\$790,723.38
2009	\$38,304,888.00	-3.11%	\$766,097.76
2010	\$39,298,577.33	2.59%	\$785,971.55
2011	\$40,748,639.74	3.69%	\$814,972.79
2012	\$42,432,071.00	4.13%	\$848,641.42
2013	\$49,470,188.00	16.59%	\$989,403.76
2014	\$54,830,471.00	10.84%	\$1,096,609.42
2015	\$60,190,754.03	9.78%	\$1,203,815.08
2016	\$63,200,291.73	5.00%	\$1,264,005.83
2017	\$66,360,306.32	5.00%	\$1,327,206.13
2018	\$69,678,321.63	5.00%	\$1,393,566.43
2019	\$73,162,237.72	5.00%	\$1,463,244.75
2020	\$76,820,349.60	5.00%	\$1,536,406.99
2021	\$80,661,367.08	5.00%	\$1,613,227.34
2022	\$84,694,435.44	5.00%	\$1,693,888.71
2023	\$88,929,157.21	5.00%	\$1,778,583.14
2024	\$93,375,615.07	5.00%	\$1,867,512.30
2025	\$98,044,395.82	5.00%	\$1,960,887.92
2026	\$102,946,615.61	5.00%	\$2,058,932.31
2027	\$108,093,946.39	5.00%	\$2,161,878.93
2028	\$113,498,643.71	5.00%	\$2,269,972.87
2029	\$119,173,575.90	5.00%	\$2,383,471.52
2030	\$125,132,254.69	5.00%	\$2,502,645.09
2031	\$131,388,867.43	5.00%	\$2,627,777.35
2032	\$137,958,310.80	5.00%	\$2,759,166.22
2033	\$144,856,226.34	5.00%	\$2,897,124.53

Source: Texas Comptroller

Taxable and Tax-Exempt Sales		
Year	Room Revenue	%change
2007	\$46,454,500	7.80%
2008	\$48,609,194	4.64%
2009	\$45,784,124	-5.81%
2010	\$47,783,139	4.37%
2011	\$48,526,783	1.56%
2012	\$53,010,473	9.24%
2013	\$57,698,222	8.84%
2014	\$64,053,910	11.02%
2015	\$69,700,822	8.82%
2016	\$79,732,268	14.39%

Bureau, shown above, are Transient and Non Taxed Room Revenue from Texas Sate Comptroller with estimates for unreported or non-taxable revenues and not reporting properties

Source: Source Strategies, Inc.
(received from WCVB)

SAMCO CAPITAL MARKETS, INC.

1020 Northeast Loop 410 • Suite 640
San Antonio Texas, 78209

TELEPHONE 210-832-9760
877-340-1371

FACSIMILE 210-832-9794

McLennan County, Texas Venue Tax Debt Issuance February 13, 2018

- I. County Wide Election: May 6, 2017
 - a. HOT of 2% of Sales
 - b. Vehicle Rental Tax of 5% of Sales

- II. The Court authorizes the Tax on July 18, 2017

- III. Taxes begin collections and first receipts hit County's account in September 2018

- IV. December 2017-Current
 - a. FA begins formulating a financing plan with the working group that would generate the maximum funds for the construction project and extend the Venue Tax for 40 Years.
 - i. Chapter 334, as amended, Texas Local Government Code allows for Venue Tax Bonds be issued with a maximum term of 30 Years, at such time the Venue Tax will go away
 - ii. Chapter 1207, as amended, will allow for Refunding Bonds to be issued for 40 Years
 - iii. The Venue Taxes remain in place until all Bonds are paid off
 - b. Our Bond Counsel has worked with the AG so that our financing plan is preapproved.
 - i. the County will issue a short-term Note with a 90-day call that will be Refunded into a 40 Year Venue Tax Refunding Bond.
 - ii. This will generate the maximum size Bond Issue currently estimated between \$30,000,000-\$34,000,000
 - c. FA is interviewing potential Note Purchasers and Underwriters and judging interest and qualifications
 - d. FA is working with Bond Rating Agencies and Bond Insurance Companies to earn the Venue Bonds the highest possible rating while allowing for the most flexibility

- V. Timing
 - a. Note Sale: April 2018
 - b. Refunding Bond Sale: June 2018

FOR THE COUNTY OF McLENNAN TEXAS
BY: _____
COUNTY CLERK

J.A. "ANDY" HARWELL, County Clerk
McLennan County, Texas

FILED: FEB 13 2018

By Myrcetez Gowan DEPUTY

ORDER APPROVING:

**CONSIDERATION OF AND ACTION TO AUTHORIZE THE COUNTY
JUDGE TO EXECUTE CONTRACT DOCUMENTS, GIFT DEED AND
EASEMENT AGREEMENTS WITH LUMINANT GENERATION
COMPANY, LLC FOR CONVEYANCE OF TRADING
HOUSE LAKE PARK PROPERTY TO MCLENNAN
COUNTY**

On this the 13 day of February, 2018, came on for consideration the matter of Consideration of and Action to Authorize the County Judge to Execute Contract Documents, Gift Deed and Easement Agreements with Luminant Generation Company, LLC for Conveyance of Trading House Lake Park Property to McLennan County. After discussion, Commissioner Jones made a motion to approve the authorization of the County Judge to Execute Contract Documents, Gift Deed and Easement Agreements with Luminant Generation Company, LLC for Conveyance of Trading House Lake Park Property to McLennan County and it was seconded by Commissioner Judge Felton. A vote being called for, voting in favor of said motion was Judge Felton, Commissioner Snell, Commissioner Jones and Commissioner Perry. It is ordered by the Court that said Authorization be, and the same is hereby, approved by unanimous vote.

MEMO

TO: McLennan County Commissioners Court
FROM: Herbert S. Bristow
DATE: February 12, 2018
RE: Update on Gift from Luminant of Trading House Lake Project

The final surveying has been completed in anticipation of the conveyance of the various properties referred to as the Trading House Lake Park Properties. (originally approximately 187 acres)

1519 Surveying has completed the surveying in accordance with directions of Luminant and has divided the tracts into three separate types of parcels. Each parcel has a section along the waterfront that is 25 foot in width along the park property at elevation 447'.

Fee title to the 25 foot strip of property will be retained by Luminant; however, McLennan County will be provided with an easement over and across that 25 foot strip of land for the purpose of its use in conjunction with the public park purposes.

The remaining tracts (other than the 25 foot strip) were identified and divided into two separate categories. The first category is that property identified for the purposes of describing an "inundation easement" wherein the property would be conveyed in fee, but subject to the inundation rights of Luminant. The upper levels of property were identified as fee title without any inundation rights retained.

The property is being conveyed to the County for the purpose of its use as a park and Luminant has proposed a Contract of Sale wherein the property will be conveyed by a Gift Deed and be subject to an Easement Agreement. The land being reserved to Luminant is 25' from the normal pool level of elevation of 447' of the Trading House Creek Reservoir.

In order to accomplish the gift of this property, the County will need to sign a (1) Contract of Sale, (2) Easement Agreement and (3) Gift Deed in a form as may be approved by the County's legal counsel. The overriding tenant of the real estate transaction is that the existing Trading House Lake property will be available for use either by easement (the first 25 feet) or fee title (the upper land) or fee title subject to an inundation easement (the lower land) for all general public park purposes.

J.A. "ANDY" HARWELL, County Clerk
McLennan County, Texas

FILED: FEB 13 2018

By Myrcetez Gowan DEPUTY

AUTHORIZATION FOR COUNTY JUDGE
TO EXECUTE CONTRACT DOCUMENTS, GIFT
DEED AND EASEMENT AGREEMENTS WITH
LUMINANT GENERATION COMPANY, LLC FOR
CONVEYANCE OF TRADING HOUSE LAKE/PARK
PROPERTY.
APPROVED BY COMMISSIONERS COURT
THIS 13 DAY OF FEB 20 18
Scott M. Felton
COUNTY JUDGE

ORDER DEFERRING:

**ACTION ON REQUEST OF START-UP WACO FOR WMCEDC FUNDING,
INCLUDING POSSIBLE APPROVAL WITH NOT TO EXCEED LIMITS,
AND AUTHORIZATION OF THE COUNTY JUDGE TO EXECUTE
NECESSARY AGREEMENTS, SUBJECT TO APPROVAL
THEREOF BY LEGAL COUNSEL**

On this the 13 day of February, 2018, came on for consideration the matter of Discussion and/or Action on Request of Start-up Waco for WMCEDC Funding, including Possible Approval with not to Exceed Limits, and Authorization of the County Judge to Execute Necessary Agreements, Subject to Approval thereof by Legal Counsel. After discussion, Commissioner Snell made a motion to defer and it was seconded by Judge Felton. A vote being called for, voting in favor of said motion was Judge Felton, Commissioner Snell, Commissioner Jones and Commissioner Perry. It is ordered by the Court that said Authorization be, and the same is hereby, deferred by unanimous vote.

ORDER RECESSING SPECIAL SESSION

On this the 13 day of February, 2018, at 9:42 o'clock a.m., County Judge Scott Felton announced that this meeting of February 13, 2018 stands in recess for five minutes.

ORDER RECONVENING SPECIAL SESSION

On this the 13 day of February, 2018, at 9:58 o'clock a.m. the Court reconvened in Special Session with County Judge Scott M. Felton presiding and Commissioners Kelly Snell, Will Jones, Ben Perry and the Clerk thereof being in attendance, the following proceedings were had and done to-wit:

The Court went to C. 5. Consider and take action to enter into closed executive session pursuant to Government Code 551.0725 for deliberation of business and financial issues regarding a contract being negotiated because deliberation in an open meeting would have a detrimental effect on the position of the Commissioners Court in negotiations with a third person and pursuant to Government Code 551.071 to seek and receive advice from and consultation with legal counsel on potential liabilities, legal issues, contractual obligations and legal options re: Jack Harwell Detention Center and/or McLennan County Downtown Jail Operation and Management Contracts.

ORDER APPROVING:

**CONSIDER AND TAKE ACTION TO ENTER INTO CLOSED EXECUTIVE SESSION
PURSUANT TO GOVERNMENT CODE 551.0725 FOR DELIBERATION OF BUSINESS
AND FINANCIAL ISSUES REGARDING A CONTRACT BEING NEGOTIATED
BECAUSE DELIBERATION IN AN OPEN MEETING WOULD HAVE A
DETRIMENTAL EFFECT ON THE POSITION OF THE COMMISSIONERS
COURT IN NEGOTIATIONS WITH A THIRD PERSON---RE:
JACK HARWELL DETENTION CENTER AND/OR
MCLENNAN COUNTY DOWNTOWN JAIL
OPERATION AND MANAGEMENT
CONTRACTS**

On this the 13 day of February, 2018, came on for consideration the matter of Consider and take action to enter into closed executive session pursuant to Government Code 551.0725 for deliberation of business and financial issues regarding a contract being negotiated because deliberation in an open meeting would have a detrimental effect on the position of the Commissioners Court in negotiations with a third person---re: Jack Harwell Detention Center and/or McLennan County Downtown Jail Operation and Management Contracts. After discussion, Commissioner Jones made a motion to approve the Executive Session and it was seconded by Commissioner Perry. A vote being called for, voting in favor of said motion was Judge Felton, Commissioner Snell, Commissioner Jones and Commissioner Perry. It is ordered by the Court that said Authorization be, and the same is hereby, approved by unanimous vote.

ORDER RECESSING TO EXECUTIVE SESSION

On this the 13 day of February, 2018, at 9:58 o'clock a.m. the County Judge announced that at this time we will go into Executive Session in accordance with Section 551.0725 and 551.072 of the Local Government Code (V.C.T.A.)

ORDER RECONVENING SPECIAL SESSION

On this the 13 day of February, 2018, at 11:06 o'clock a.m. the Court reconvened in Special Session with County Judge Scott M. Felton presiding and Commissioners Kelly Snell, Will Jones and Ben Perry and the Clerk thereof being in attendance, the following proceedings were had and done to-wit:

ORDER ADJOURNING SPECIAL SESSION

On this the 13 day of February, 2018, at 11:06 o'clock a.m. County Judge Scott Felton announced that the meeting of February 13 2018 is adjourned.

ITEMS DEFERRED, AGENDA, FEBRUARY 13, 2018

On this the 13 day of February, 2018, upon motion made, seconded and duly passed by unanimous or majority vote, it is ordered by the Court that the following Items on the Agenda for February 13, 2018, be, and the same are hereby, deferred:

C. Items for Discussion and Potential Action:

1. Regarding the Heart of Texas Fairgrounds Area Venue Project: Action on an Agreement for Geotechnical Services which could include, but is not limited to Authorization to Negotiate and Execute an Agreement; Action on Other Agreements or Payments for Services or Items Required to be Provided by the County as Owner of the Project; and Updates or Presentations on Project

4. Discussion and/or Action on Request of Start-up Waco for WMCEDC Funding, including Possible Approval with not to Exceed Limits, and Authorization of the County Judge to Execute Necessary Agreements, Subject to Approval thereof by Legal Counsel

APPROVAL OF MINUTES

The above and foregoing minutes having been read in open Court and found to be correct, the same are hereby, approved this the _____ day of _____, 2018.

**Kelly Snell,
Commissioner Precinct 1**

**Lester Gibson,
Commissioner Precinct 2**

**Will Jones,
Commissioner Precinct 3**

**Ben Perry,
Commissioner Precinct 4**

**Scott M. Felton,
County Judge**

**ATTEST: J. A. "Andy" Harwell,
McLennan County Clerk**

By _____ **Deputy County Clerk**
Myrce'tez Gowan