

MINUTES

LANCASTER CITY COUNCIL REGULAR MEETING OF JUNE 4, 2018

The City Council of the City of Lancaster, Texas, met in a called Special Session in the Council Chambers of City Hall on June 4, 2018 at 7:00 p.m. with a quorum present to-wit:

Councilmembers Present:

Mayor Marcus E. Knight
Mayor Pro Tem Carol Strain-Burk
Stanley Jaglowski
Derrick D. Robinson
Clyde C. Hairston
Deputy Mayor Pro Tem Nina Morris

Councilmembers Absent:

Marco Mejia

City Staff Present:

Opal Mauldin-Jones, City Manager
Rona Stringfellow, Assistant City Manager
Baron Sauls, Finance Director
Dale Jackson, Building Official/ Interim Development Director
Dori Lee, Director of Human Resources
Shane Shepard, Director of Economic Development
Delajer Walker, Interim E.C. Superintendent
Beau Jackson, Battalion Chief
Bruce Taylor, Human Resources Generalist
David T. Ritter, City Attorney
Sorangel O. Arenas, City Secretary

Call to Order:

Mayor Knight called the meeting to order at 7:00 p.m. on June 4, 2018.

1. **The City Council will convene into closed executive session pursuant to Section 551.087, Texas Gov't Code, to deliberate the offer of financial or other incentives to Project NAPRO, a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations.**

The City Council recessed for Executive Session at 8:12 p.m.

2. **Reconvene into open session.**

The City Council reconvened into open session at 8:15 p.m.

3. **Receive a presentation from LINDT & SPRUNGLI (NORTH AMERICA) INC. (or its subsidiary or affiliate business entities).**

City Manager Mauldin-Jones disclosed that a presentation will be conducted by Richard Muellar, Philip Vollenweider, and Jess Andrews.

Richard Muellar briefly shared the history of the Lindt & Sprüngli Group and stated that their organization is recognized for premium chocolate for almost 175 years, offering a large selection of products in more than 120 countries around the world. There are twelve (12) production sites globally in which six (6) are in the United States. With over 14,000 employees, the Lindt & Sprüngli Group reported sales worth CHF 4.1 billion in 2017. The production site discussed in the City of Lancaster will be the largest site in history. The Green Field Factory will be the manufacturing and training headquarters in the United States.

Councilmember Jaglowski inquired the headquarters location. Mr. Mueller shared that Switzerland is the main headquarters for the Lindt & Sprüngli Group. Mr. Mueller stated there are three (3) brand portfolios in the United States which are Lindt in Stratham, New Hampshire; Ghirardelli Chocolate Company in San Francisco, California; and Russell Stover in Kansas City, Kansas.

Philip Vollenweider emphasized that the proposed manufacturing site will be the largest site and the company is considering Lancaster as an option. The project will be conducted in three (3) phases and by year 2028 the estimated production will be at approximately 200 million pounds of chocolate. Mr. Vollenweider communicated that the end of the project is fast-approaching and expressed his excitement of the opportunity.

Richard Mueller informed the governing body that on Tuesday, June 19, 2018, The Green Field Factory Project will be presented to the Board of Directors, who administers management, strategy, and supervisory duties at the highest level.

Mr. Mueller expressed his concerns pertaining to property taxes in Dallas County. He does not believe the original proposal previously discussed will not work for the project. However, he respectfully requested consideration to the letter of intent that reflects their new proposal.

Councilmember Jaglowski inquired from Philip Vollenweider the expectations for expansion during Phase I of the project. Mr. Vollenweider indicated that their plan reflects their expected growth rate by volume driven. Richard Mueller shared that Phase I is estimated at \$270 million, Phase II at \$160 million, and Phase III at \$240 million.

Mayor Knight stated that the estimated numbers shared is based on increase space of the building and additional equipment.

Mr. Mueller communicated that the timeframe on Phase II depends on the development of growth on Phase I.

Mayor Pro Tem Strain-Burk inquired the hours of operation and if production will be internal or external of the building. Mr. Vollenweider indicated that the opening stages of operation will be one, eight hour shift. However, the goal is to have three shifts operating 24 hours a day, 5 days a week in approximately six to nine months of the opening day. All chocolate manufacturing operations are conducted internally since the company is a food manufacturing site. However, there will be transportation of trucks to and from the facility.

Councilmember Jaglowski inquired information pertaining to percentage of growth to productivity. Mayor Knight shared that if the company's productivity increases in percentage then that accelerates when the company will move into the next phase. Mr. Mueller indicated that Phase II and Phase III is determined how well the company does in the market.

Councilmember Jaglowski indicated the size of the building located in Stratham, New Hampshire. Philip Vollenweider was unsure of the size but indicated that the building exists and has the ability to expand the facility. Mr. Mueller communicated that the facility is operational for up to four years at six percent growth that is owned by Lindt & Sprüngli Group.

The City Council recessed for Executive Session and reconvened into open session at 9:00 p.m.

4. Consider and take appropriate action(s), if any, resulting from closed/executive session.

No action taken.

Mayor Knight expressed his appreciate to Richard Mueller, Philip Vollenweider, and Jess Andrews for taking their time to disclose their perspective on the project. The project has the capability in being very transformational project, not only Lancaster, but the entire Region. Mayor Knight stated that since a member of the governing body is not present, he suggested staff to visit with the representatives of the Lindt &

Sprüngli Group to better understand the scope of the project. He shared that action will be taken no later than Monday, June 11, 2018 Regular Meeting.

Richard Mueller thanked the governing body for considering their proposal. However, he stated that in order for the Board of Directors to consider Lancaster in the race, action is needed on the proposed letter of intent and may be done on the upcoming Monday meeting.

Mayor Knight shared his appreciation to the governing body for their time and comments.

MOTION: Mayor Pro Tem Strain-Burk made a motion, seconded by Councilmember Hairston, to adjourn. The vote was cast 6 for, 0 against [Mejia absent].

The meeting was adjourned at 9:04 p.m.

ATTEST:



Sorangel O. Arenas, City Secretary

APPROVED:



Clyde C. Hairston, Mayor