

CITY OF FORT STOCKTON, TEXAS

MINUTES OF: SPECIAL CITY COUNCIL MEETING
DATE OF MEETING: SEPTEMBER 7, 2021
TIME OF MEETING: 3:00 PM
PLACE OF MEETING: 121 WEST SECOND STREET FORT STOCKTON, TX 79735

ROLL CALL WAS ANSWERED BY COUNCIL MEMBERS:

PRESENT: PAM PALILEO, PAUL CASIAS, RUBEN FALCON, DARREN HODGES

CITY MANAGER: FRANK RODRIGUEZ III
CITY SECRETARY: MARINA CANTU
CITY ATTORNEY: PUJA BOINPALLY

Mayor Alexander called the Special Meeting to order at 3:00 p.m. after declaring a quorum present.

Council Member Hodges gave the Invocation.

Mayor Pro-Tem Casias led the Pledge of Allegiance to the United States of America Flag & the Pledge of Allegiance to the Texas Flag.

Mayor Alexander read the Mission Statement:

"The Mission of the City of Fort Stockton Municipal Government is to Promote & Value Public Confidence and Trust by the Accountable and Responsible Use of Community Resources; to Ensure Public Safety; Improve Public Services; Promote Local Recreation and Entertainment; and Generate Economic Development."

SPECIAL BUSINESS:

1. Discuss/Act upon Possible Action to Accept, Approve, and Execute an Economic Development Agreement with Lancium LLC, under the Provisions of the Texas Tax Code Section 380 et seq. and accept a \$1,000.00 payment to the City of Fort Stockton to cover Local Administrative Cost associated with processing the Application.

Economic Development Corporation Executive Director Remie Ramos introduced Angelos Angelou and Tyler Gaffney with AngelouEconomics and Eric Kutscha of Lancium LLC.

Director of Research Tyler Gaffney explained their client Lancium proposes to build a 150,000 sq. ft. facility to house a bitcoin data center. The plan is to invest \$800,000,000.00 in the initial phase. There will be a recurring \$200,000,000.00 investment every 4-5 years to

replenish server equipment. That reinvestment will not cease at the end of the 20 year period. It will continue to grow. The proposed amount of jobs are 57. The average pay is to be \$67,000.00 with 20% benefits.

Council Member Falcon inquired why they were interested in investing in Fort Stockton.

Director of Research Gaffney explained that the proximity of the Fort Stockton Electrical Infrastructure was the main reason for their interest in the area.

EDC Executive Director Ramos presented the proposed 380 Agreement City Council.

The agreement holds Lancium responsible for building a minimum of 100,000 sq. ft. facility. They will have to create 57 jobs. The building will be located on 200 acre tract of land that will be annexed into the City of Fort Stockton. This is a 240 month contract that will consist of (2) 312 Agreements, each being 10 years. There will be at least 57 jobs created with a base salary of \$67,000.00. There is a benefits package that is offered. Fort Stockton will annually receive \$277,000.00 for the next 20 years. The City will issue 100% Tax Abatement for years 1-20. If the Client does not build the project as desired there will be penalties for them. There is a local spending covenant, which means they will do their best to spend locally. The 57 jobs will be created by Lancium, not construction companies.

City Attorney Boinpally advised Council that she would like to explain some of the terms of the agreement in Executive Session.

Mayor Alexander recessed from the Special Meeting to convene into the Executive Session at 3:11 p.m.

EXECUTIVE SESSION:

City Council may Convene in Closed Session in Accordance with Texas Meetings Act, Texas Government Code, Concerning Attorney-Client Matters (Section 551.071); Deliberation regarding Real Property (Section 551.072); Deliberation regarding Prospective Gifts (Section 551.073); Personnel Matters (Section 551.074); Deliberation regarding Security Devices (Section 551.076); and/or Deliberation Regarding Economic Development Negotiations (Section 551.087):

- a. Discuss possible 380 Economic Development Agreement(s) with Lancium LLC.

Mayor Alexander closed the Executive Session to Reconvene into the Special Meeting at 3:19 p.m.

Reconvene into Open Session Pursuant to Texas Government Code Section 551.102 & Take Action, if any, on Matters Deliberated in Executive Session:

- 1a. Discuss possible 380 Economic Development Agreement(s) with Lancium LLC.

AngelouEconomics Chief Executive Officer Angelos Angelou explained that AngelouEconomics along with Lancium LLC were looking for a long term partnership with the City of Fort Stockton and Pecos County. This project will continue long after the Tax Abatement. The reinvestment of \$200,000,000.00 will occur every 5 years beyond that time frame. This is a great win for the City of Fort Stockton, for Pecos County and for Lancium LLC. This Crypto Data Center will be largest in Texas if not the largest in the Country. The groundbreaking will be Wednesday, September 15, 2021 and has the potential to make National and International News.

Motion was made by Council Member Darren Hodges, seconded by Council Member Pam Palileo, and carried unanimously to Accept, Approve, and Execute an Economic Development Agreement with Lancium LLC, under the Provisions of the Texas Tax Code Section 380 et seq. and accept the \$1,000.00 payment to the City of Fort Stockton to cover Local Administrative Cost associated with processing the Application. Council Member Pam Palileo, Mayor Pro-Tem Paul Casias, Council Member Ruben Falcon, Council Member Darren Hodges voted aye.

2. Questions from Media.
There were no questions from the Media.
3. Adjourn.

Motion was made by Mayor Pro-Tem Paul Casias, seconded by Council Member Pam Palileo, and carried unanimously to adjourn the Special Meeting at 3:23 p.m. Council Member Pam Palileo, Mayor Pro-Tem Paul Casias, Council Member Ruben Falcon, Council Member Darren Hodges voted aye.



Joe Chris Alexander, Mayor

ATTEST:



Marina A. Cantu, City Secretary