

Ben Campbell, President
Dan Bochsler, Vice-President
Kim Willmott, Secretary/Treasurer
Suzanne Eiben, Director
Joseph Thompson, Director
Linda Dickens, Director
Charles Drane, Director

Christophe Trahan, EDC Director
Lisa Bowman, Admin. Assistant
Will James, Marketing Analyst



**NOTICE OF SPECIAL MEETING
ECONOMIC DEVELOPMENT BOARD
January 17, 2024
9:00 A.M.
PEDC Office
100 Willow Creek Pkwy, Suite A
Palestine, TX**

Zoom Link:
<https://us06web.zoom.us/j/82435926508?pwd=sZwTEXKcsug0RLkTSGevheGmHHYgbu.1>

Meeting ID: 824 3592 6508
Passcode: 707684

One tap mobile
+13462487799,,82435926508#,,, *707684# US

Note: when you are joining a Zoom meeting by phone, you can use your phone's dial pad to enter the commands *6 for toggling mute/unmute and *9 to "raise your hand." [Learn more here.](#)

Follow us live at: [facebook.com/palestinex/](https://www.facebook.com/palestinex/)

- A. **CALL TO ORDER**
- B. **PROPOSED CHANGES OF AGENDA ITEMS**
- C. **PUBLIC COMMENTS**
Any citizen wishing to speak during public comments regarding an item on or off the agenda may do so during this section of the agenda. All comments must be no more than five minutes in length. Any comments regarding items, not on the posted agenda may not be discussed or responded to by the Board. Members of the public may join via Zoom or in person.
- D. **CONFLICT OF INTEREST DISCLOSURES**
- E. **ITEMS FROM BOARD**
- F. **DISCUSSION AND ACTION ITEMS**
 - 1. Discussion and possible action regarding Resolution No. R-1-24, a resolution for a taxable Type B note not to exceed \$2,030,000.
 - 2. Discussion and possible action regarding the Purchase Option Agreement with Bank Five Nine in regard to Texas Futura project.
 - 3. Discussion regarding Tahwahkaro Promissory Note.

G. **CLOSED SESSION**

The Board will go into Closed Session pursuant to Texas Government Code, Chapter 551, Subchapter D.

1. Section 551.087 deliberation regarding Economic Development negotiations; to discuss or deliberate regarding commercial or financial information that the governmental body has received from 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.

a.) Tahwahkaro

H. **RECONVENE IN REGULAR SESSION**

1. Section 551.087 deliberation regarding Economic Development negotiations; to discuss or deliberate regarding commercial or financial information that the governmental body has received from 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.

Take any action regarding:

a.) Tahwahkaro

I. **ADJOURNMENT**

I certify that the above Notice of Meeting was posted at the main entrance of the Palestine Economic Development Corporation located at 100 Willow Creek Parkway, Suite A, Palestine, Texas, in compliance with Chapter 551 of the Texas Government Code on **Friday, January 12, 2024, at 4:45 p.m.**



Lisa Bowman, EDC Admin. Assistant

IN ACCORDANCE WITH THE PROVISIONS OF THE AMERICANS WITH DISABILITIES ACT (ADA) PERSONS IN NEED OF SPECIAL ACCOMMODATION TO PARTICIPATE IN THIS PROCEEDING SHALL, CONTACT THE CITY SECRETARY'S OFFICE VIA EMAIL AT citysecretary@palestine-tx.org or 903-731-8414.



Agenda Date: 01/17/2024
To: Palestine Economic Development Corporation
From: Lisa Bowman, Economic Development Admin
Agenda Item: Discussion and possible action regarding Resolution No. R-1-24, a resolution for a taxable Type B note not to exceed \$2,030,000.

SUMMARY:

Discussion and possible action regarding Resolution No. R-1-24, a resolution for a taxable Type B note not to exceed \$2,030,000.

RECOMMENDED ACTION:

Staff recommends the PEDC board discuss and take possible action regarding Resolution No. R-1-24, a resolution for a taxable Type B note not to exceed \$2,030,000.

Attachments

Cert./Res. No. R-1-24

CERTIFICATE FOR RESOLUTION

On January 17, 2024, we, the undersigned officers of the Palestine Economic Development Corporation, hereby certify as follows:

1. The Board of Directors of said Corporation convened in Special Called Meeting on January 17, 2024 at the designated meeting place, and the roll was called of the duly constituted officers and members of said Board of Directors, to wit:

Ben Campbell	President
Kim Willmott	Secretary/Treasurer
Dan Bochsler	Vice President
Linda Dickens	Director
Charles Drane	Director
Suzanne Eiben	Director
Joseph Thomspson	Director

and all of said persons were present, except the following absentees: _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALESTINE
ECONOMIC DEVELOPMENT CORPORATION REGARDING A LOAN
IN AN AMOUNT NOT TO EXCEED \$2,030,000**

was duly introduced for the consideration of said Board of Directors and read in full. It was then duly moved and seconded that said Resolution be adopted; and, after due discussion, said motion carrying with it the adoption of said Resolution, prevailed and carried by the following vote:

AYES: All members of the Board of Directors shown present above voted "Aye" except as shown below.

NOES: _____

ABSTAIN: _____

2. That a true, full and correct copy of the aforesaid Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in said Board of Directors' minutes of said Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said Board of Directors' minutes of said Meeting pertaining to the adoption of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said Board of Directors as indicated therein; that each of the officers and members of said Board of Directors was duly and sufficiently notified officially and

personally, in advance, of the time, place and purpose of the aforesaid Meeting, and that said Resolution would be introduced and considered for adoption at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose, and that said Meeting was open to the public and public notice of the time, place and purpose of said Meeting was given, all as required by Chapter 551, Texas Government Code.

3. That the Vice President of the Board of Directors of the Corporation has approved and hereby approves the aforesaid Resolution; that the Vice President and the Secretary of said Corporation have duly signed said Resolution; and that the Vice President and the Corporation Secretary of said Corporation hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of said Resolution for all purposes.

Signed on the date first written above.

Secretary, Board of Directors

Vice President, Board of Directors

PEDC RESOLUTION NO. R-01-24

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALESTINE
ECONOMIC DEVELOPMENT CORPORATION REGARDING A LOAN
IN AN AMOUNT NOT TO EXCEED \$2,030,000**

WHEREAS, PALESTINE ECONOMIC DEVELOPMENT CORPORATION (“*Borrower*”) proposes to enter into a Loan Agreement (as amended, restated, supplemented and/or otherwise modified, the “*Loan Agreement*”), with Government Capital Corporation, as lender (“*Lender*”) to enable Borrower to acquire certain real property to be designated as an Industrial Park (the “*Project*”) to promote economic development in the City of Palestine, Texas (the “*City*”), in an amount not to exceed \$2,030,000 and as for the payment of the principal of and interest thereon, the Borrower has agreed to pledge its Economic Development Sales and Use Tax. All capitalized terms used herein, but not otherwise defined herein, shall have the meaning ascribed to such term in the Loan Agreement.

WHEREAS, the Board of Directors (the “*Board*”) of the Borrower desires to authorize the Vice President of the Board and the Executive Director of the Borrower to negotiate the final form of the Loan Agreement, Note and the Sales Tax Remittance Agreement consistent with the terms of this Resolution.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF
PALESTINE ECONOMIC DEVELOPMENT CORPORATION AS FOLLOWS:**

Section 1. The Board agrees to enter into the Loan Agreement, Note and the Sales Tax Remittance Agreement to finance the costs of the Project in an amount not to exceed \$2,030,000 at an interest rate agreed upon by the Lender and the Borrower on the date of execution of the Note, the Loan Agreement and the Sales Tax Remittance Agreement and, in order to secure the principal of and interest on the Note, to pledge its Economic Development Sales and Use Tax.

Section 2. That the Board hereby accepts the variable rate option for a term of 10 years as presented by the Lender in its January 12, 2024 proposal and that any one or more Authorized Officers (as defined below) are authorized to negotiate, execute, acknowledge and deliver in the name and on behalf of Borrower to the Lender the final Loan Agreement, including all attachments and exhibits thereto and the Note, and the Loan Agreement consistent with the options elected herein. Further, the Authorized Officers are each authorized to execute, acknowledge and deliver in the name and on behalf of the Borrower any other agreement, instrument, certificate, representation and document, and to take any other action as may be advisable, convenient or necessary to enter into such Loan Agreement and the Note; the execution thereof by the Authorized Officers shall be conclusive as to such determination.

Section 3. That for the purposes of this resolution, the following persons, or the persons holding the following positions, are “*Authorized Officers*” duly authorized to enter into the transaction contemplated by this resolution in the name and on behalf of the Borrower:

<u>Title</u>	<u>Name</u>
Executive Director	Christophe Trahan
Board Vice President	Dan Bochsler

Section 4. That there is hereby authorized the execution and delivery by the Authorized Officers or any one of them in the name of and on behalf of Borrower the Loan Agreement, including all attachments and exhibits thereto, the Note and the Sales Tax Remittance Agreement in substantially the form presented to this meeting with such changes as the signing officer shall determine advisable, and the execution thereof shall be conclusive as to such determination.

Section 5. That this Resolution shall take effect immediately.

PASSED AND ADOPTED this _____, 2024.

PALESTINE ECONOMIC DEVELOPMENT CORPORATION

By: _____
Dan Bochsler, Vice President

ATTEST:

By: _____
Kim Willmott, Secretary



Agenda Date: 01/17/2024
To: Palestine Economic Development Corporation
From: Lisa Bowman, Economic Development Admin
Agenda Item: Discussion and possible action regarding the Purchase Option Agreement with Bank Five Nine in regard to Texas Futura project.

SUMMARY:

Discussion and possible action regarding the Purchase Option Agreement with Bank Five Nine in regard to Texas Futura project.

RECOMMENDED ACTION:

Staff recommends approval of the Purchase Option Agreement with Bank Five Nine in regard to Texas Futura project.

Attachments

BFN - Option Agreement

OPTION TO PURCHASE AGREEMENT

THIS OPTION TO PURCHASE AGREEMENT (“Agreement”) is made effective the ___ day of _____, 2024, by and among Palestine Economic Development Corporation, a Texas non-profit Type B economic development corporation (“PEDC”), and Bank Five Nine, a Wisconsin banking corporation (“BFN”) (collectively referred to herein as the “Parties”).

RECITALS

A. PEDC and Texas Futura, LLC, a Texas limited liability company (“Futura”), and Lonestar Oil Tech, LLC, a Texas limited liability company (“Lonestar”), entered into that certain Economic Development Performance Incentive Agreement executed by PEDC on November 27, 2023, as amended by First Amendment to Performance Agreement dated _____, 2024 (collectively, “Performance Agreement”).

B. Pursuant to the Performance Agreement, the PEDC retains a reversionary interest as it relates to the real property subject to the Performance Agreement, which is also legally described as Lot 5RA Block No. 2 Phase 1 and Phase 2 on **Exhibit “A”** attached hereto and made a part here (“Project Property”). The circumstances giving rise to the reversion of the Project Property to the PEDC (“Reversion”) are set forth in the Performance Agreement. The Reversion as set forth in the Performance Agreement and the Special Warranty Deed to Lonestar, executed by the PEDC on November 27, 2023, is automatic, without necessity of the PEDC giving any notice or taking any affirmative action to effectuate such Reversion.

C. Futura and Lonestar are receiving a loan (the “Loan”) from BFN related to, among other things, the construction and installation of the Re-Refining Facility (as defined in the Performance Agreement) and other personal property and improvements to be made to the Project Property (collectively, the “Improvements”).

D. The Reversion applies only to the real property comprising the Project Property, and does not include the Improvements.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for Ten Dollars and No/100 Cents (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto covenant and agree as follows:

1. The above-stated recitals are true and correct and are incorporated herein by reference and made a part hereof.

2. Following the Reversion (pursuant to the terms of the Performance Agreement) such that PEDC becomes the fee owner of the Project Property (not inclusive of the Improvements), PEDC shall, within sixty (60) days of the date that PEDC becomes the fee owner of the Project Property (the “Reversion Date”), provide written notice to BFN of the Reversion .

Following the date that such written notice is provided to BFN (the "Notice Date"), BFN is hereby granted a purchase option (the "Purchase Option") to purchase the Project Property from PEDC at a purchase price ("Purchase Option Price") equal to the fair market value of the Project Property (not inclusive of the value of the Improvements) as of the appraisal date, to be determined by a Texas Certified General Appraiser mutually selected by PEDC and BFN, or, if BFN and PEDC cannot agree on an appraiser, then BFN and PEDC shall each select a Texas Certified General Appraiser and the Purchase Option Price shall be equal to the average of the two appraisals.

The Purchase Option shall be exclusive to BFN and may not be assigned by BFN without the prior written consent of PEDC except that such option may be exercised by a successor financial institution in the event BFN is purchased by, or merged with, such financial institution . BFN shall have a period of sixty (60) days following the Notice Date in which BFN may notify PEDC of its election to exercise the Purchase Option ("Notice of Acceptance"), and then, if so elected by BFN, the Parties shall proceed in good faith to consummate the purchase and sale of the Project Property within sixty (60) days of the Notice of Acceptance. If BFN provides the Notice of Acceptance, the Parties agree to enter into a purchase and sale contract for the Project Property on terms and conditions reasonably satisfactory to both Parties and incorporating the terms and conditions set forth herein. If BFN does not exercise the Purchase Option within sixty (60) days from the Notice Date, then the Purchase Option shall expire.

3. If PEDC becomes the fee owner of the land comprising the Project Property pursuant to the Reversion, and if BFN has not exercised its Purchase Option prior to the expiration date set forth herein, PEDC agrees to cooperate with BFN to either, at the election of BFN (i) facilitate the sale of the Project Property, along with the Improvements thereon, together with BFN, to a third party purchaser; or (ii) negotiate in good faith a ground lease with BFN or a successor purchaser of the Improvements at then-current market rates, and for a term sufficient to allow the continued operations of the Re-Refining Facility on the Project Property. Options (i) and (ii) are both subject to the approval of the PEDC and the City Council of Palestine, Texas. Upon the sale of the Project Property under this Section 3, PEDC shall retain the sale proceeds equal to the Purchase Option Price, and the owner of the Improvements (whether Lonestar, Futura, or BFN, as the case may be) shall retain all additional sale proceeds minus customary closing costs. This Section 3 shall expire three (3) years from the date of the Reversion.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the effective day and year first above written.

Palestine Economic Development Corporation
(a Texas non-profit Type B economic development corporation)

By: _____
Name: Dan Bochsler
Its: Vice President

STATE OF TEXAS §
§
ANDERSON COUNTY §

This instrument was acknowledged before me on the _____ day of _____ 2024, by **Dan Bochsler, Vice President, Palestine Economic Development Corporation**, on behalf of said business entity.

NOTARY PUBLIC, State of Texas

Bank Five Nine
(a Wisconsin banking corporation)

By: _____
Name: _____
Its: _____

STATE OF WISCONSIN §
§
[COUNTY NAME] §

This instrument was acknowledged before me on the _____ day of _____ 2024, by **[Name], [Title], [Business name]**, on behalf of said business entity.

NOTARY PUBLIC, State of Wisconsin

Exhibit “A”