

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
Will James, Marketing Analyst
Lisa Bowman, Admin. Assistant



**NOTICE OF MEETING
ECONOMIC DEVELOPMENT BOARD
January 9, 2024
10:00 A.M.
PEDC Office
100 Willow Creek Pkwy, Suite A
Palestine, TX**

Zoom Link:
<https://us06web.zoom.us/j/89881390939?pwd=hAPEH7tJuBy0YxaqxaF02bfjylbLVA.1>

Meeting ID: 898 8139 0939
Passcode: 270517

One tap mobile
+13462487799,,89881390939#,,,,*270517# 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/palestinety/](https://www.facebook.com/palestinety/)

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. DIRECTOR'S REPORT

G. DISCUSSION AND ACTION ITEMS

1. Consider approval of PEDC Minutes from December 12, 2023.
2. Consider approval of the December 2023 Financial Report.

3. Discussion and possible action regarding establishing a committee to review and update the PEDC Action Plan.
4. Discussion and possible action deeming AR Treasure Downtown Grant project completed.
5. Discussion and possible action regarding the First Amendment to the Performance Agreement with Texas Futura LLC and Lonestar Oil Tech LLC.
6. Discussion and possible action regarding Purchase Option Agreement between PEDC & Bank Five Nine.

H. **PUBLIC HEARING**

1. Public Hearing to receive public comments regarding PEDC offering an economic development grant to incentivize TVCC.
 - a.) Open Public Hearing
 - b.) Receive Public Comments
 - c.) Close Public Hearing

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 5, 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: 01/09/2024
To: Palestine Economic Development Corporation
From: Lisa Bowman, Economic Development Admin
Agenda Item: Consider approval of PEDC Minutes from December 12, 2023.

SUMMARY:

Consider approval of PEDC Minutes from December 12, 2023.

RECOMMENDED ACTION:

Staff recommends approval of PEDC Minutes from December 12, 2023.

Attachments

12.12.23 Minutes

THE STATE OF TEXAS §
COUNTY OF ANDERSON §
CITY OF PALESTINE §

The Economic Development Board of the City of Palestine convened in a regular meeting on Tuesday, December 12, 2023, at 10:00 a.m., at PEDC Office, 100 Willow Creek Pkwy, Suite A, Palestine, Texas, with the following people present: President Ben Campbell, Vice President Dan Bochsler; Directors: Joseph Thompson, Charles Drane & Kim Willmott (via Zoom).

Staff present: PEDC Director Christophe Trahan; Marketing Analyst Will James; Administrative Assistant Lisa Bowman.

Others Present: City Manager Teresa Herrera; City of Palestine Finance Director Andrew Sibai

A. CALL TO ORDER

With a quorum present, President Campbell called the meeting to order at 10:01 a.m.

B. PROPOSED CHANGES OF AGENDA ITEMS

There were none.

C. PUBLIC COMMENTS

There were none.

D. CONFLICT OF INTEREST DISCLOSURES

President Campbell recused himself from all discussions regarding Texas Futura, LLC.; Director Thompson recused himself from all discussions regarding the City of Palestine Rotary Club Community Development Grant application.

E. ITEMS FROM BOARD

There were none.

F. DIRECTOR'S REPORT

PEDC Director Christophe Trahan presented the board with a monthly report with the following information:

- Retail Sector Data for Local Sales & Use Tax.
- Texas Labor Market Information Data – Regional Unemployment comparison.
- Site visit to Erickson Trucking with Casey Erickson to ensure the Performance Agreement requirements are being met.
- New PEDC staff member, Will James – Business Intelligence & Marketing Analyst.

H. CLOSED SESSION

President Campbell announced the Board would go into Closed Session pursuant to Texas Government Code, Chapter 551, Subchapter D. The time was 10:05 a.m.

President Campbell recused himself from the board meeting at 10:05 a.m.

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.) Texas Futura LLC./Lonestar Oil Tech, LLC.

President Campbell re-entered the board meeting at 10:25 a.m.

b.) TVCC/TDCJ

I. RECONVENE IN REGULAR SESSION

President Campbell reconvened the Board Meeting into open session at 11:00 a.m.

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.) Texas Futura, LLC./Lonestar Oil Tech, LLC. – NO ACTION TAKEN

b.) TVCC/TDCJ – NO ACTION TAKEN

G. DISCUSSION AND ACTION ITEMS

1. Consider approval of PEDC Minutes from November 20, 2023

Motion by President Bochsler, seconded by Director Drane to approve item as presented. Upon vote, the motion carried unanimously 4-0.

2. Consider approval of the November 2023 Financial Report.

Secretary Treasurer Willmott re-entered the board meeting at 11:02 a.m. (via zoom)

Motion by Vice President Bochsler, seconded by Director Thompson to approve item as presented. Upon vote, the motion carried unanimously 5-0.

3. Consider and take possible action on the Performance Agreement with LS Tractor USA, LLC.

On December 11, 2023, the City Council approved the Performance Agreement, and Director Trahan provided a brief overview of the agreement to the board.

Motion by Vice President Bochsler, seconded by Director Thompson to approve item as presented. Upon vote, the motion carried unanimously 5-0.

4. Consideration of and possible action on Resolution R-08-23, a resolution declaring its desire and intent to grant Trinity Valley Community College certain economic development incentives in exchange for the construction of a new correctional training facility located on their Palestine campus, for the purpose of providing an expanded criminal justice training program for the benefit of the community within the City of Palestine, Anderson County, Texas.

Motion by Director Thompson, seconded by Vice President Bochsler to approve item as presented. Upon vote, the motion carried unanimously 5-0.

5. Consider and take possible action on the Downtown Grant Performance Agreement with A&R Treasures.

Motion by Director Thompson, seconded by Vice President Bochsler to approve item as presented. Upon vote, the motion carried unanimously 5-0.

6. Discussion and possible action regarding tree removal in the Willow Creek Business Park.

It was requested by Director Trahan that the board approve costs of up to \$12,000 to clear 15 feet of trees parallel to the high voltage easement within the Willow Creek Business Park. This clearing will allow Oncor to construct additional overhead electrical infrastructure to serve the Texas Futura Project and to further develop the south side of the park.

Motion by Director Thompson, seconded by Vice President Bochsler to approve item as presented. Upon vote, the motion carried unanimously 5-0.

7. Discussion and possible action regarding PEDC By Law, Article III, Section 1. Number, Term of Office and Residency.

Director Trahan requested that in Article III, Section 1. Number, Term of Office and Residency of the PEDC By Laws be updated as follows:

“The Term of three (3) Directors shall begin on even-numbered years and the term of four (4) Directors shall begin on odd-numbered years. Each Term shall begin on January 1st and end on December 31st; ...”

Motion by Vice President Bochsler, seconded by Director Drane to approve the PEDC By-Laws to be updated as presented. Upon vote, the motion carried unanimously 5-0.

(Addendum Item)

8. Discussion and possible action regarding Rotary Club of Palestine Community Development Grant Application in the amount of \$7,000.

Mary Raum, President of the Rotary Club of Palestine, delivered a presentation to the PEDC Board seeking financial support through a Community Development Grant request totaling \$7,000. The proposed project aims to undertake a revitalization project for the Upper Lake Trails located in the Palestine Community Forest.

Motion by Vice President Bochsler, seconded by Director Drane to award \$7,000 in Community Development Grant Funds to the Rotary Club of Palestine for the revitalization of the Upper Lake Trails located in the Palestine Community Forest. Upon vote, the motion carried unanimously 4-0 (abstained: Director Joseph Thompson).

ADJOURN

With no other business to come before the Board, President Campbell adjourned the meeting at 11:20 a.m.

PASSED AND APPROVED THIS 9th DAY OF January 2023.

Ben Campbell, President

ATTEST:

Lisa Bowman, Administrative Assistant



Agenda Date: 01/09/2024
To: Palestine Economic Development Corporation
From: Lisa Bowman, Economic Development Admin
Agenda Item: Consider approval of the December 2023 Financial Report.

SUMMARY:

Consider approval of the December 2023 Financial Report.

RECOMMENDED ACTION:

Staff recommends approval of the December 2023 Financial Report.

Attachments

December Financial Report



Palestine Economic Development Corporation
Financial Statement
As of December 31, 2023

		Current Budget	Current Period	Current Y-T-D	% of Budget	Budget Balance	Prior Year Y-T-D Actual	INC/(DEC) Prior Year
BEGINNING FUND BALANCE		<u>\$ 3,986,395</u>		<u>\$ 3,896,395</u>			<u>\$ 2,611,873</u>	
REVENUE								
41013	PEDC SALES TAX	1,250,055	92,472	327,089	26.2%	922,966	316,739	10,350
41609	RENT - SUITE B	36,000	3,000	9,000	25.0%	27,000	-	9,000
41610	RENT - RESULTS CO	161,583	17,954	53,861	33.3%	107,722	53,861	-
41807	ETEX FIBER RECAPTURE	380,000	-	99,381	26.2%	280,619	86,883	12,498
41901	INTEREST REVENUE	40,000	3,927	24,463	61.2%	15,537	8,545	15,919
41932	TAH LOAN PYMT	34,064	2,839	8,516	25.0%	25,548	33,269	(24,753)
41938	SALE OF PROPERTY	-	-	10	0.0%	(10)	-	10
	*** TOTAL REVENUE ***	<u>1,901,702</u>	<u>120,191</u>	<u>522,320</u>	27.5%	<u>1,379,382</u>	<u>499,297</u>	<u>23,024</u>
EXPENSE								
PERSONNEL								
51010	SALARIES & WAGES	185,555	11,242	30,166	16.3%	155,389	14,424	15,743
51030	LONGEVITY	144	24	48	33.6%	96	27	21
51036	CELL PHONE ALLOWANCE	600	50	127	21.1%	473	25	102
51040	SOCIAL SECURITY	13,817	865	2,318	16.8%	11,499	1,192	1,126
51050	HEALTH INSURANCE	24,976	1,277	5,043	20.2%	19,933	1,570	3,474
51061	WORKER'S COMPENSATION	619	46	124	20.1%	494	14	111
51070	RETIREMENT	25,981	1,605	4,302	16.6%	21,678	2,024	2,279
	*** EXPENSE CATEGORY TOTALS ***	<u>251,691</u>	<u>15,109</u>	<u>42,130</u>	16.7%	<u>209,561</u>	<u>19,276</u>	<u>22,854</u>
SUPPLIES AND MATERIALS								
52010	OFFICE SUPPLIES/EQUIPMENT	3,000	153	369	12.3%	2,631	1,104	(736)
52020	POSTAGE	250	-	-	0.0%	250	-	-
52091	FURNITURE & OFFICE EQUIPMENT	2,000	399	575	28.8%	1,425	-	575
	*** EXPENSE CATEGORY TOTALS ***	<u>5,250</u>	<u>153</u>	<u>944</u>	18.0%	<u>4,306</u>	<u>1,104</u>	<u>(736)</u>
PROF/CONTRACTUAL SERV								
53010	LEGAL SERVICES	55,000	4,536	14,104	25.6%	40,896	662	13,443
53020	AUDIT & ACCOUNTING SERVICES	5,000	-	436	8.7%	4,564	-	436
53030	PROFESSIONAL SERVICES	50,000	-	1,200	2.4%	48,800	-	1,200
53031	CONSULTANT SERVICES	20,000	-	-	0.0%	20,000	-	-
53090	IT SUPPORT	1,897	152	609	32.1%	1,288	457	152
53095	SOFTWARE MAINTENANCE	808	52	208	25.7%	600	262	(55)
53150	MARKETING SERVICES	50,000	12,208	12,208	24.4%	37,792	12,100	108
53500	LEGAL NOTICES	6,000	-	-	0.0%	6,000	-	-
53509	MEMBERSHIPS & SUBSCRIPTIONS	20,000	-	15,488	77.4%	4,512	6,875	8,613
53510	TRAVEL AND TRAINING	10,000	69	637	6.4%	9,363	77	560
53512	PRINTING SERVICES	-	-	-	0.0%	-	505	(505)
53514	TML INSURANCE	9,000	-	12,135	134.8%	(3,135)	6,827	5,308
53515	INSURANCE AND BONDS	1,000	-	-	0.0%	1,000	-	-
53520	JANITORIAL SERVICES	9,000	675	1,225	13.6%	7,775	740	485



Palestine Economic Development Corporation
Financial Statement
As of December 31, 2023

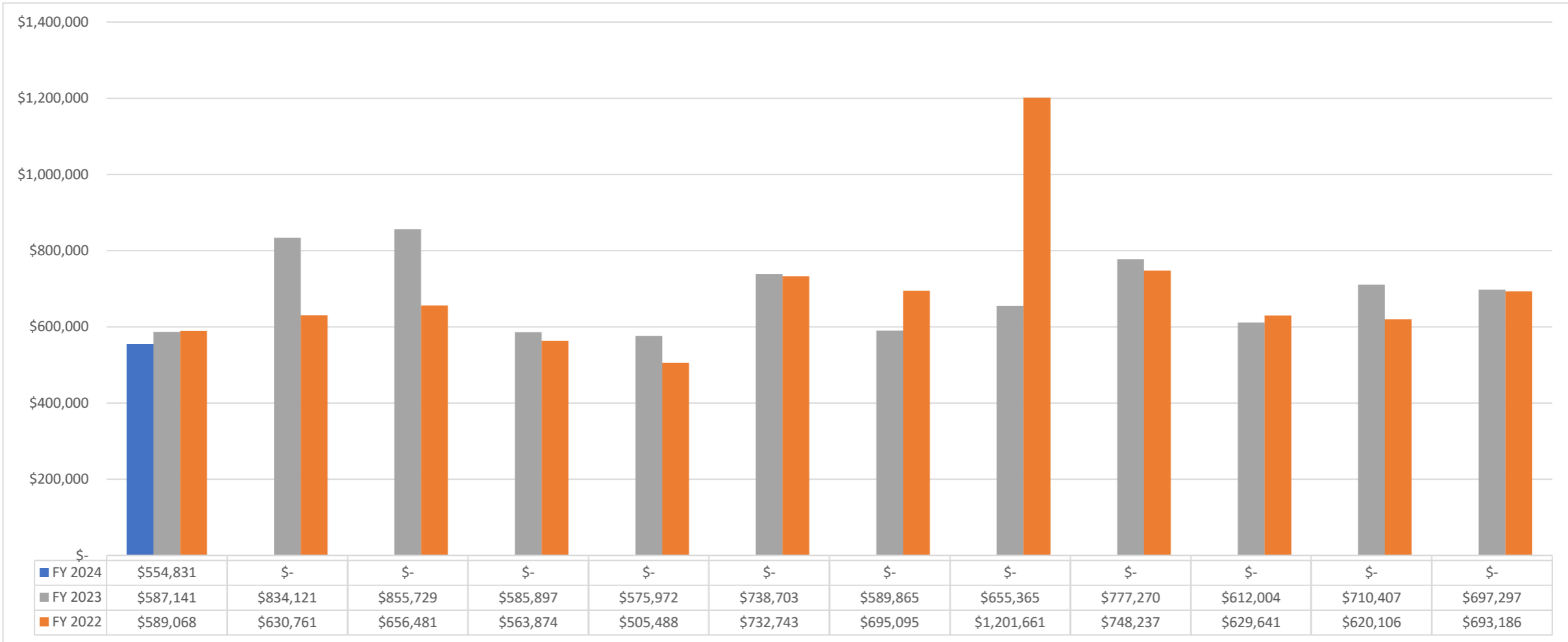
		Current Budget	Current Period	Current Y-T-D	% of Budget	Budget Balance	Prior Year Y-T-D Actual	INC/(DEC) Prior Year
53617	PROJECTS SUPPORT GRANTS	300,000	-	-	0.0%	300,000	-	-
53662	ATH COMPLEX IMPROVEMENTS GRANT	25,000	-	-	0.0%	25,000	-	-
53663	COM DEV GRANT-GENERAL PROGRAM	75,000	-	-	0.0%	75,000	-	-
53664	BLDG IMPROVEMENT GRANT PROG	150,000	13,100	13,100	8.7%	136,900	-	13,100
*** EXPENSE CATEGORY TOTALS ***		787,705	30,792	71,351	9.1%	716,354	28,505	42,846
MAINTENANCE & REPAIR								
54010	BLDG/STRUCTURE/GRNDS MAINTENANCE	100,000	9,299	15,115	15.1%	84,885	9,185	5,930
*** EXPENSE CATEGORY TOTALS ***		100,000	9,299	15,115	15.1%	84,885	9,185	5,930
UTILITIES								
54500	UTILITIES - ELECTRIC	7,500	354	1,167	15.6%	6,333	979	188
54501	UTILITIES - WATER/SEWER	4,000	350	700	17.5%	3,300	938	(238)
54503	PHONES/INTERNET	4,000	414	1,241	31.0%	2,759	1,190	51
*** EXPENSE CATEGORY TOTALS ***		15,500	1,118	3,108	20.1%	12,392	3,107	188
OTHER/MISC.								
55009	BUSINESS RETENTION/EXPANSION	15,000	-	308	2.1%	14,692	-	308
55200	MEETING MEALS	3,000	327	865	28.8%	2,135	580	285
*** EXPENSE CATEGORY TOTALS ***		18,000	327	1,173	6.5%	16,827	580	593
DEBT SERVICE								
56005	REVENUE BOND PRIN PAYMENT	455,481	-	(5,687)	-1.2%	461,168	-	(5,687)
56050	INTEREST- BONDED DEBT	130,484	-	-	0.0%	130,484	(7,277)	7,277
56054	PAY/ESCROW AGENT FEES	30,000	-	25,340	84.5%	4,660	-	25,340
*** EXPENSE CATEGORY TOTALS ***		615,966	-	19,653	3.2%	596,313	(7,277)	26,930
CAPITAL OUTLAY								
58000	CAPITAL OUTLAY	55,936	-	-	0.0%	55,936	-	-
*** EXPENSE CATEGORY TOTALS ***		55,936	-	-	0.0%	55,936	-	-
INTERFUND ACTIVITY								
59010	TRANSFER TO/FROM GENERAL FUND	48,404	2,614	7,843	16.2%	40,561	7,843	-
59570	TRANSFER TO FLEET FUND	250	-	-	0.0%	250	-	-
*** EXPENSE CATEGORY TOTALS ***		48,404	2,614	7,843	16.2%	40,561	7,843	-
*** TOTAL EXPENSE ***		1,898,452	- 59,414	- 161,316	- 1	- 1,737,136	- 62,323	- 98,605
PROJECTED ENDING FUND BALANCE		\$ 3,989,645		\$ 4,257,399			\$ 3,048,847	

Sales Tax History: Fiscal Years 2021 - 2023

FY 2022				
	CITY	PEDC	TOTAL	CUMULATIVE
	83.33%	16.67%	100.00%	TOTAL
October	\$ 490,870	\$ 98,198	\$ 589,068	\$ 589,068
November	525,613	105,148	\$ 630,761	1,219,828
December	547,046	109,435	\$ 656,481	1,876,309
January	469,876	93,998	\$ 563,874	2,440,183
February	421,224	84,265	\$ 505,488	2,945,672
March	610,594	122,148	\$ 732,743	3,678,414
April	579,223	115,872	\$ 695,095	4,373,509
May	1,001,344	200,317	\$ 1,201,661	5,575,170
June	623,506	124,731	\$ 748,237	6,323,407
July	524,680	104,961	\$ 629,641	6,953,048
August	516,734	103,372	\$ 620,106	7,573,154
September	577,632	115,554	\$ 693,186	8,266,340
	<u>\$ 6,888,341</u>	<u>\$ 1,377,999</u>	<u>\$ 8,266,340</u>	

FY 2023				
	CITY	PEDC	TOTAL	CUMULATIVE
	83.33%	16.67%	100.00%	TOTAL
October	\$ 489,264	\$ 97,876	\$ 587,141	\$ 587,141
November	\$ 695,073	139,048	\$ 834,121	1,421,262
December	\$ 713,079	142,650	\$ 855,729	2,276,991
January	\$ 488,228	97,669	\$ 585,897	2,862,888
February	\$ 479,957	96,014	\$ 575,972	3,438,860
March	\$ 615,561	123,142	\$ 738,703	4,177,563
April	\$ 491,534	98,330	\$ 589,865	4,767,428
May	\$ 546,115	109,249	\$ 655,365	5,422,792
June	\$ 647,699	129,571	\$ 777,270	6,200,063
July	\$ 509,983	102,021	\$ 612,004	6,812,067
August	\$ 591,982	118,425	\$ 710,407	7,522,474
September	\$ 581,058	116,239	\$ 697,297	8,219,771
	<u>\$ 6,849,535</u>	<u>\$ 1,370,236</u>	<u>\$ 8,219,771</u>	

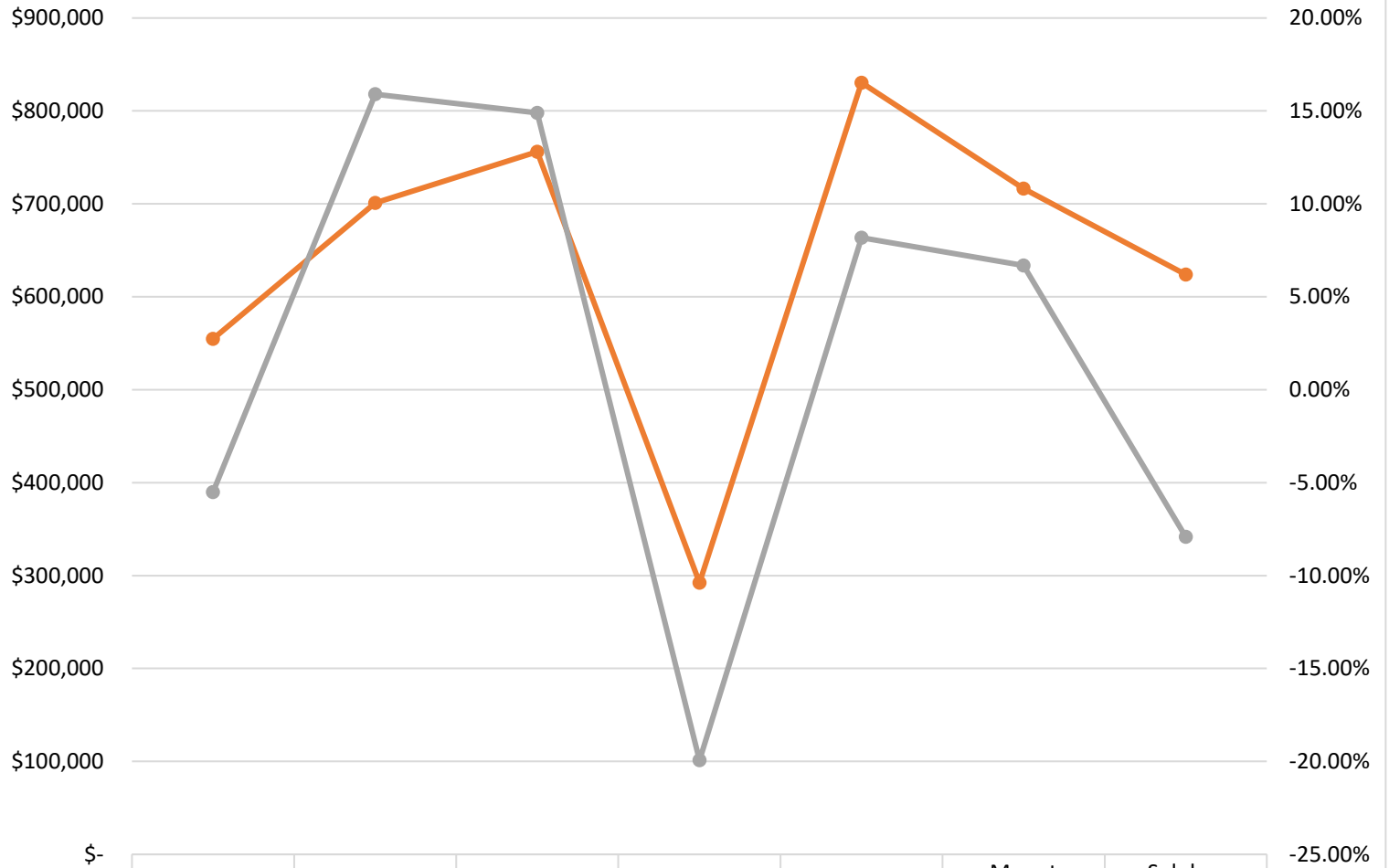
FY 2024				
	CITY	PEDC	TOTAL	CUMULATIVE
	83.33%	16.67%	100.00%	TOTAL
October	\$ 462,340	\$ 92,490	\$ 554,831	\$ 554,831
November	-	-	\$ -	554,831
December	-	-	\$ -	554,831
January	-	-	\$ -	554,831
February	-	-	\$ -	554,831
March	-	-	\$ -	554,831
April	-	-	\$ -	554,831
May	-	-	\$ -	554,831
June	-	-	\$ -	554,831
July	-	-	\$ -	554,831
August	-	-	\$ -	554,831
September	-	-	\$ -	554,831
	<u>\$ 462,340</u>	<u>\$ 92,490</u>	<u>\$ 554,831</u>	





Palestine Economic Development Corporation
 Financial Statement
 As of December 31, 2023

Sales Tax FY 2023 - September - Period 12



	Palestine	Athens	Henderson	Jacksonville	Kilgore	Mount Pleasant	Sulphur Springs
\$ Sales Tax Received Dec-2023	554,830.79	701,114.71	756,001.71	292,276.49	830,426.72	716,431.01	623,854.40
% Inc(+) Dec(-) from prior year	-5.50%	15.90%	14.90%	-19.94%	8.18%	6.69%	-7.91%



Palestine Economic Development Corporation

Summary of Cash and Investment Activity

For the Month Ending: December 31, 2023

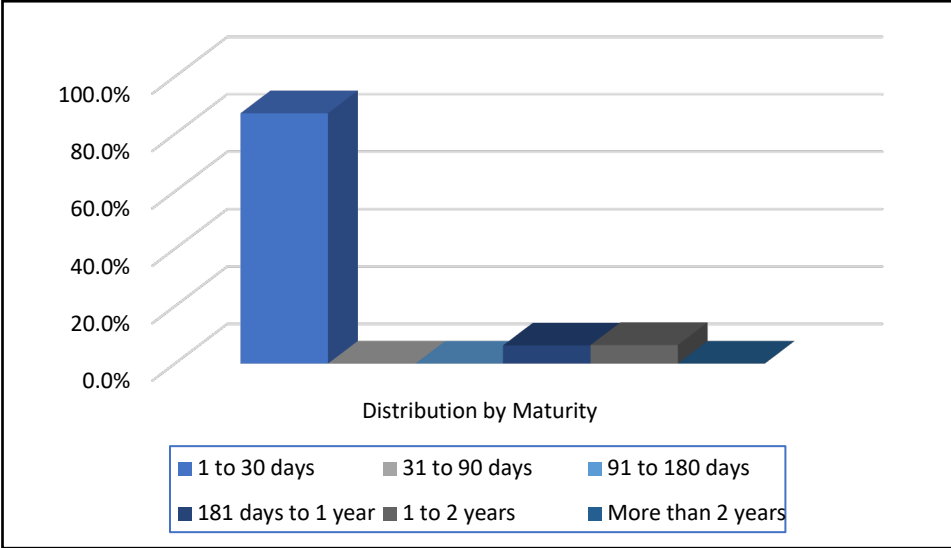
	Par Value	Market Value	Ratio Market-to-Book Value
Beginning Balances			
Cash	\$249,419.59	\$ 249,419.59	100.00%
Investments	\$3,540,636.98	\$3,540,636.98	100.00%
Total	3,790,056.57	\$3,790,056.57	100.00%
Activity			
Cash	\$92,853.84	\$92,853.84	
Investments	(\$9,657.10)	(\$9,657.10)	
Net Accretion & Amortization			
Purchases			
Maturities/Calls	-	-	
Changes to Market Value	-	(2,274.06)	
Net Monthly Activity	\$83,196.74	\$80,922.68	
Ending Balances			
Cash	\$342,273.43	342,273.43	100.00%
Investments	\$3,530,979.88	\$3,528,705.82	99.94%
Total	\$ 3,873,253.31	\$ 3,870,979.25	99.94%

**Palestine Economic Development Corporation
Summary of Cash and Investment Activity
For the Month Ending: December 31, 2023**

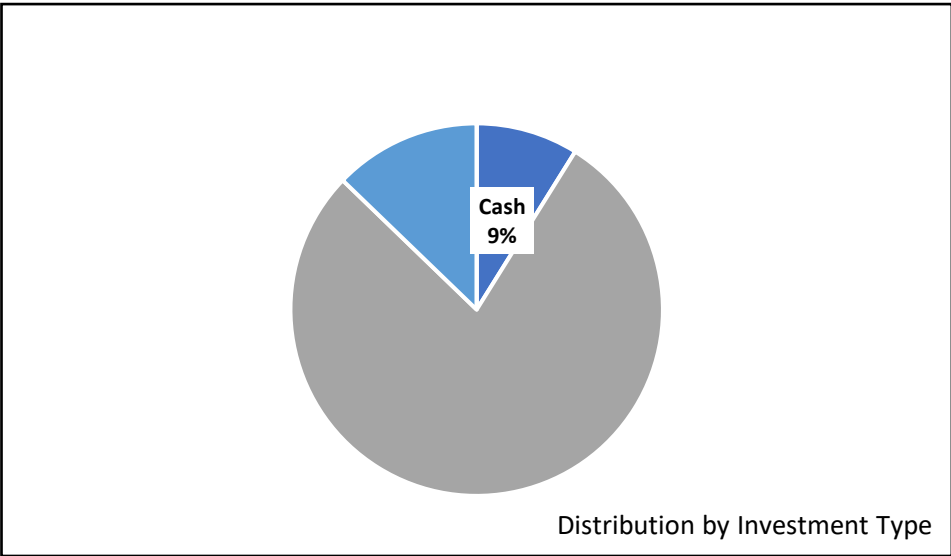
Purchase Date	Maturity Date	CUSIP / CD Number	Security Type	Par Value	Coupon	Purchase			Book Value	Market Value	Gain / (Loss)	Days to Maturity
						Price	Yield	Principal				
N/A	N/A	N/A	Cash In Bank	\$ 342,273		\$ 100.000	0.200%	\$ 342,273	\$ 342,273	\$ 342,273	\$ -	1
N/A	N/A	N/A	TEXSTAR Investment Pool	3,020,834		\$ 100.000	4.500%	\$ 3,020,834	\$ 3,020,834	\$ 3,020,834	-	1
12/23/2022	12/23/2024	9497634P8	Wells Fargo Bank	249,000	4.50%	100.000	4.500%	249,000	249,000	247,205	-	358
1/20/2023	7/22/2024	564759RU4	Manufacturers and Traders TR CO	244,000	4.60%	100.000	4.600%	244,000	244,000	243,114	-	204
Totals/Weighted Average				\$ 3,856,107			4.125%	\$ 3,856,107	\$ 3,856,107	\$ 3,853,426	\$ -	37
Benchmark - 4-Week Coupon Equivalent Treasury Bill Rate								5.400%				

Palestine Economic Development Corporation Summary of Cash and Investment Activity For the Month Ending: December 31, 2023

Distribution by Maturity		
	Par Value	Percent
1 to 30 days	\$ 3,363,107	87.2%
31 to 90 days	-	0.0%
91 to 180 days	-	0.0%
181 days to 1 year	244,000	6.3%
1 to 2 years	249,000	6.5%
More than 2 years		0.0%
	<u>\$ 3,856,107</u>	<u>100.0%</u>



Distribution by Investment Type		
	Book Value	Percent
Cash	\$ 342,273	8.9%
US Agencies & Instrumentalities	-	0.0%
Eligible Investment Pools	3,020,834	78.3%
Certificates of Deposit	493,000	12.8%
US Treasury Bills / Notes / Bonds	-	0.0%
Money Market Mutual Funds		0.0%
Repurchase Agreements	-	0.0%
	<u>\$ 3,856,107</u>	<u>100.0%</u>



**Palestine Economic Development Corporation
Monthly Interest
For the Month Ending: December 31, 2023**

Cash	\$64.58
Investment Pool	\$ 2,879.58
CDs	\$ 982.46

Total Monthly Interest **\$3,926.62**

This monthly report is in full compliance with the investment strategies as established in the City's Investment Policies and the Public Funds Investment Act, Chapter 2256, Texas Government Code.



Andrew Sibai
Finance Director

**Original Issue-12/1/2012
2,865,000**

**BOND DEBT SERVICE
City of Palestine, Texas**

Sales Tax Revenue Bonds, Series 2012B (Taxable-PEDC)

Callable 8/15/2022 @ Par

Due Date	Fund	Interest Rate	Principal	Interest	Semi-Annual Debt Service	Fiscal Annual Debt Service	Principal Balance
2/15/2013		3.350%	-	18,396	18,395.69		\$ 2,865,000
8/15/2013	215		160,000	47,989	207,988.75	\$ 226,384.44	2,705,000
2/15/2014		3.350%	-	45,309	45,308.75		2,705,000
8/15/2014	215		180,000	45,309	225,308.75	\$ 270,617.50	2,525,000
2/15/2015		3.350%	-	42,294	42,293.75		2,525,000
8/15/2015	215		185,000	42,294	227,293.75	\$ 269,587.50	2,340,000
2/15/2016		3.350%	-	39,195	39,195.00		2,340,000
8/15/2016	215		190,000	39,195	229,195.00	\$ 268,390.00	2,150,000
2/15/2017		3.350%	-	36,013	36,012.50		2,150,000
8/15/2017	215		195,000	36,013	231,012.50	\$ 267,025.00	1,955,000
2/15/2018		3.350%	-	32,746	32,746.25		1,955,000
8/15/2018	215		205,000	32,746	237,746.25	\$ 270,492.50	1,750,000
2/15/2019		3.350%	-	29,313	29,312.50		1,750,000
8/15/2019	215		239,313	29,313	268,625.00	\$ 297,937.50	1,510,688
2/15/2020		3.350%	-	25,795	25,795.00		1,510,688
8/15/2020	215		215,000	25,795	240,795.00	\$ 266,590.00	1,295,688
2/15/2021		3.350%		21,703	21,702.77		1,295,688
8/15/2021	215		225,000	21,703	246,702.77	\$ 268,405.54	1,070,688
2/15/2022		3.350%		18,425	18,425.00		1,070,688
8/15/2022	215		230,000	18,425	248,425.00	\$ 266,850.00	840,688
2/15/2023		3.350%		14,573	14,572.50		840,688
8/15/2023	215		240,000	14,573	254,572.50	\$ 269,145.00	600,688
2/15/2024		3.350%		10,553	10,552.50		600,688
8/15/2024	215		245,000	10,553	255,552.50	\$ 266,105.00	355,688
2/15/2025		3.350%		6,449	6,448.75		355,688
8/15/2025	215		255,000	6,449	261,448.75	\$ 267,897.50	100,688
2/15/2026		3.350%		2,178	2,177.50		100,688
8/15/2026	215		100,688	2,178	102,865.00	\$ 105,042.50	-
			\$ 2,865,000	\$ 715,470	\$ 3,580,470	\$ 3,580,470	

The Bonds shall be designated as "PALESTINE ECONOMIC DEVELOPMENT CORPORATION SALES TAX REVENUE BONDS, TAXABLE SERIES 2012B," in the principal amount of \$2,865,000 for the purpose of refinancing the Loan used to pay certain project costs, under and in strict conformity with the Constitution and laws of the State of Texas, particularly the Act.

**Original Issue-2/1/2016
525,000**

**BOND DEBT SERVICE
City of Palestine, Texas**

Sales Tax Revenue Bonds, Series 2016 (Taxable-PEDC)

Non-Callable

Due Date	Fund	Interest Rate	Principal	Interest	Semi-Annual Debt Service	Fiscal Annual Debt Service	Principal Balance
2/15/2016		3.630%	-		-		\$ 525,000
8/15/2016	215		30,000	8,999.38	38,999.38	\$ 38,999.38	495,000
2/15/2017		3.630%	-	8,984.25	8,984.25		495,000
8/15/2017	215		45,000	8,984.25	53,984.25	\$ 62,968.50	450,000
2/15/2018		3.630%	-	8,167.50	8,167.50		450,000
8/15/2018	215		45,000	8,167.50	53,167.50	\$ 61,335.00	405,000
2/15/2019		3.630%	-	7,350.75	7,350.75		405,000
8/15/2019	215		50,000	7,350.75	57,350.75	\$ 64,701.50	355,000
2/15/2020		3.630%	-	6,443.25	6,443.25		355,000
8/15/2020	215		55,000	6,443.25	61,443.25	\$ 67,886.50	300,000
2/15/2021		3.630%		5,445.00	5,445.00		300,000
8/15/2021	215		60,000	5,445.00	65,445.00	\$ 70,890.00	240,000
2/15/2022		3.630%		4,356.00	4,356.00		240,000
8/15/2022	215		60,000	4,356.00	64,356.00	\$ 68,712.00	180,000
2/15/2023		3.630%		3,267.00	3,267.00		180,000
8/15/2023	215		60,000	3,267.00	63,267.00	\$ 66,534.00	120,000
2/15/2024		3.630%		2,178.00	2,178.00		120,000
8/15/2024	215		60,000	2,178.00	62,178.00	\$ 64,356.00	60,000
2/15/2025		3.630%		1,089.00	1,089.00		60,000
8/15/2025	215		60,000	1,089.00	61,089.00	\$ 62,178.00	-
			\$ 525,000	\$ 103,561	\$ 628,561	\$ 628,561	

WHEREAS, the Corporation proposes to issue Sales Tax Revenue Bonds to purchase the land and the building at 100 Willow Creek Parkway, Palestine, Texas 75801 (the "Project") which is the location of the offices of the Corporation;

WHEREAS, the estimated cost of the Project is approximately \$550,000;

Original Issue-1-29-2021

1,015,000

DEBT SERVICE

City of Palestine, Texas

ETEX FIBER LOAN

Non-Callable until August 15, 2026

Due Date	Fund	Interest Rate	Principal	Interest	Semi-Annual Debt Service	Fiscal Annual Debt Service	Principal Balance
8/15/2021		2.671%	43,386	14,853	58,238.53	\$ 58,238.53	971,614
2/15/2022	215		45,263	12,976	58,238.53	\$ 116,477.06	928,228
8/15/2022		2.671%	45,867	12,371	58,238.53		882,361
2/15/2023	215		46,480	11,759	58,238.53	\$ 116,477.06	835,881
8/15/2023		2.671%	47,100	11,138	58,238.53		788,781
2/15/2024	215		47,729	10,509	58,238.53	\$ 116,477.06	741,052
8/15/2024		2.671%	48,367	9,872	58,238.53		692,685
2/15/2025	215		49,013	9,226	58,238.53	\$ 116,477.06	643,672
8/15/2025		2.671%	49,667	8,571	58,238.53		594,005
2/15/2026	215		50,331	7,908	58,238.53	\$ 116,477.06	543,674
8/15/2026		2.671%	51,003	7,236	58,238.53		492,671
2/15/2027	215		51,684	6,555	58,238.53	\$ 116,477.06	440,987
8/15/2027		2.671%	52,374	5,864	58,238.53		388,613
2/15/2028	215		53,074	5,165	58,238.53	\$ 116,477.06	335,539
8/15/2028		2.671%	53,782	4,456	58,238.53		281,757
2/15/2029	215		54,501	3,738	58,238.53	\$ 116,477.06	227,256
8/15/2029		2.671%	55,229	3,010	58,238.53		172,028
2/15/2030	215		55,966	2,272	58,238.53	\$ 116,477.06	116,061
8/15/2030		2.671%	56,714	1,525	58,238.53		59,348
2/15/2031	215		57,471	768	58,238.53	\$ 58,238.53	1,877
			\$ 1,015,000	\$ 149,771	\$ 1,164,771	\$ 1,164,771	

For a partnership with ETEX Comm to bring Fiber Optics Internet Service from Jacksonville to Palestine



Agenda Date: 01/09/2024
To: Palestine Economic Development Corporation
From: Lisa Bowman, Economic Development Admin
Agenda Item: Discussion and possible action regarding establishing a committee to review and update the PEDC Action Plan.

SUMMARY:

Discussion and possible action regarding establishing a committee to review and update the PEDC Action Plan.

RECOMMENDED ACTION:

Staff recommends the PEDC board discuss and take possible action regarding establishing a committee to review and update the PEDC Action Plan.



Agenda Date: 01/09/2024
To: Palestine Economic Development Corporation
From: Lisa Bowman, Economic Development Admin
Agenda Item: Discussion and possible action deeming AR Treasure Downtown Grant project completed.

SUMMARY:

Discussion and possible action deeming AR Treasure Downtown Grant project completed.

RECOMMENDED ACTION:

Staff recommends the board deems the project complete and gives final approval of AR Treasure's Downtown Grant.



Agenda Date: 01/09/2024
To: Palestine Economic Development Corporation
From: Lisa Bowman, Economic Development Admin
Agenda Item: Discussion and possible action regarding the First Amendment to the Performance Agreement with Texas Futura LLC and Lonestar Oil Tech LLC.

SUMMARY:

Discussion and possible action regarding the First Amendment to the Performance Agreement with Texas Futura LLC and Lonestar Oil Tech LLC.

RECOMMENDED ACTION:

Staff recommends approval of the First Amendment to the Performance Agreement with Texas Futura LLC and Lonestar Oil Tech LLC.

Attachments

First Amendment

FIRST AMENDMENT TO PERFORMANCE AGREEMENT

THIS FIRST AMENDMENT TO PERFORMANCE AGREEMENT (“First Amendment”) is made effective the ___ day of _____, ___, (“Effective Date”) by and among Palestine Economic Development Corporation, a Texas non-profit Type B economic development corporation (“PEDC”), and Texas Futura, LLC, a Texas limited liability company (“Futura”), and Lonestar Oil Tech, LLC, a Texas limited liability company (“Lonestar”). Collectively, the PEDC, Futura, and Lonestar may be referred to herein as the “Parties” and, each separately, as a “Party.”

RECITALS

A. The Parties entered into that certain Economic Development Performance Incentive Agreement executed by PEDC on November 20, 2023 (“Performance Agreement”), which is incorporated herein by reference.

B. Unless otherwise defined herein, all capitalized terms used in this First Amendment shall have the same meanings as defined in the Performance Agreement.

C. Futura and Lonestar are receiving a loan from Bank Five Nine (“BFN”) related to, among other things, the construction and installation of the Re-Refining Facility and other improvements to be made to the Project Property.

D. The transfer of the Project Property from PEDC to Lonestar is evidenced by that certain Special Warranty Deed dated November 27, 2023 (“Warranty Deed”), executed by PEDC, in favor of Lonestar.

E. The Parties wish to modify the Performance Agreement as set forth herein to ensure the successful completion of the obligations and requirements under the Performance Agreement.

F. The ultimate purposes and goals of the Performance Agreement for encouraging economic development and job creation can still be met; therefore, the extension of deadlines and clarification of obligations and security are warranted to accomplish those purposes and goals.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

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

2. Section 2.01 (b), Section 2.01 (u), and Section 7.03 of the Performance Agreement are deleted in their entirety.

3. Section 2.01(i) of the Performance Agreement is amended as follows:

“Construction Period” or **“Period of Construction”** means that period of time that Lonestar is required to construct its Re-Refining Facility and install the Step-Down Transformer. The **“Construction Period”** or **“Period of Construction”** shall begin on the Effective Date of this Agreement and shall end on December 31, 2024.

4. Section 2.01(x) of the Performance Agreement is amended as follows:

“Period of Construction” or **“Construction Period”** means that period of time that Lonestar is required to construct its Re-Refining Facility and install the Step-Down Transformer. The **“Period of Construction”** or **“Construction Period”** shall begin on the Effective Date of this Agreement and shall end on December 31, 2024.

5. Section 2.01(aa) of the Performance Agreement is amended as follows:

The “Project Property” is a three-acre (3-acre) parcel, within the limits of the City, located in the Willow Creek Business Park, defined and depicted more specifically in Exhibit B. The Project Property consists of the real property only and does not include the Re-Refining Facility and other personal property or improvements.

6. Section 4.01(a) of the Performance Agreement is amended as follows:

Construction of Re-Refining Facility. Lonestar shall construct its Re-Refining Facility and install the Step-Down Transformer during the Period of Construction. The **“Period of Construction”** (or, **“Construction Period”**) shall begin on the Effective Date of this Agreement and shall end on December 31, 2024. During the Construction Period, Lonestar shall provide the PEDC a copy of all documents submitted to the City in furtherance of and as required for the construction of the Re-Refining Facility and installation of the Step-Down Transformer. During the Period of Construction, Lonestar shall submit a quarterly report, in writing, to the PEDC detailing the progress of the construction of the Re-Refining Facility and the installation of the Step-Down Transformer.

7. Section 4.01(d) of the Performance Agreement is amended as follows:

Capital Investment. Lonestar shall make an approximate capital investment of \$2.15 million, with such capital investment consisting of approximately \$500,000 in real estate property improvements and an investment of \$1.65 million in personal property (Lonestar’s **“Capital Investment”**). An estimated \$450,000.00 in inventory shall also be maintained on the Project Property. At the PEDC’s request, Lonestar shall provide evidence that Lonestar has expended not less than \$500,000 in real estate property improvements and not less than \$1.65 million in personal property improvements on or at the Project Property, with such improvements being on or at the Project Property and being in conformity with the City’s Home Rule Charter and Code of Ordinances.

8. Section 4.01 (h) of the Performance Agreement is amended as follows:

Payment of Sales, Use, and Applicable Franchise Taxes. Futura covenants and agrees that all sales, use, and franchise taxes shall be paid in a timely manner to the Texas Comptroller during the Period of Performance.

9. Section 4.01 (i) of the Performance Agreement is amended as follows:

Payment of Ad Valorem Taxes. Notwithstanding the terms and conditions of the *Abatement Agreement*, as made a part of this Agreement, Lonestar covenants and agrees that all ad valorem taxes assessed by those applicable taxing entities assessing ad valorem tax on the Project Property shall be paid in a timely manner.

10. Section 5.03 of the Performance Agreement is amended as follows:

Promissory Note and Bill of Sale. To secure Futura's performance under this Agreement, Futura shall execute, and cause to be delivered to the PEDC, a *Promissory Note*, made payable to and enforceable by the PEDC, in the amount of the Transformer Costs, that being **Ten Thousand Dollars and No Cents (\$10,000.00)** to be secured by a Bill of Sale against Futura's business personal property directly associated with the Project and physically located on the Project Property and more specifically defined in the *Promissory Note (Futura's "Personal Property")*. A copy of the *Promissory Note* has been attached and incorporated hereto as ***Exhibit F (the "Promissory Note")***. The PEDC shall file this Promissory Note with the Anderson County Clerk's Office to cause this Promissory Note to be recorded in those records for the Project Property as a part of the Real Property Records of Anderson County, Texas.

11. Section 7.04 of the Performance Agreement is amended as follows:

Futura's or Lonestar's failure to correct its failure to cure its Default within the Cure Period prescribed herein shall cause the Project Property to automatically revert and return back to the PEDC without further notice by or affirmative action of the PEDC.

12. Section 7.05 (b) of the Performance Agreement is amended as follows:

Ad Valorem Taxes. In the event that (i) the *ad valorem* taxes on the Re-Refining Facility are allowed to become delinquent or the legal procedures for the protest and appeal of the *ad valorem* taxes on the Re-Refining Facility are not timely and properly followed, or (ii) Lonestar or Futura defaults under the *Abatement Agreement*, and fails to cure within the Cure Period, this Agreement may then be terminated by the PEDC.

13. Section 7.06 (b) of the Performance Agreement is amended as follows:

Futura's or Lonestar's failure to correct and cure its failure to meet its Performance Obligations as specified in Section 7.02 of this Agreement shall cause this Agreement to terminate and the Project Property to automatically revert and return back to the PEDC without further notice by or affirmative action of the PEDC.

14. Except as expressly set forth in this First Amendment, the Parties hereby restate and reaffirm all other representations, warranties and covenants stated in the Performance Agreement. Except as expressly modified by this First Amendment, all other terms and conditions of the Performance Agreement shall continue unmodified and remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have caused this First Amendment to be executed as of the Effective Date.

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

By: _____
Name: Dan Bochsler
Its: Vice President

Texas Futura, LLC
(a Texas limited liability company)

By: _____
Name: Nelson Varughese
Its: President

Lonestar Oil Tech, LLC
(a Texas limited liability company)

By: _____
Name: Nelson Varughese
Its: President

This is the signature page to that certain First Amendment to Performance Agreement effective January ____, 2024.



Agenda Date: 01/09/2024
To: Palestine Economic Development Corporation
From: Lisa Bowman, Economic Development Admin
Agenda Item: Discussion and possible action regarding Purchase Option Agreement between PEDC & Bank Five Nine.

SUMMARY:

Discussion and possible action regarding Purchase Option Agreement between PEDC & Bank Five Nine.

RECOMMENDED ACTION:

Staff recommends discussion and approval of the Purchase Option Agreement between PEDC & Bank Five Nine.
