

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
February 1, 2024
9:00 A.M.
PEDC Office
100 Willow Creek Pkwy, Suite A
Palestine, TX**

Zoom Link:

<https://us06web.zoom.us/j/89080951022?pwd=jsDKAQdvPf9KBp2lwXk9r3gfBUOTcN.1>

Meeting ID: 890 8095 1022

Passcode: 988728

One tap mobile

+13462487799,,89080951022#,,,,*988728# 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 a non-binding letter of intent between the Texas State Railroad Authority and Palestine Economic Development Corporation.

3. Discussion and possible action regarding a budgetary amendment to PEDC's fiscal year 2023-2024 budget.

G. **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 26, 2024, at 4:45 p.m.**

A handwritten signature in blue ink that reads "Lisa Bowman". The signature is written in a cursive style and is positioned above a horizontal line.

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: 02/01/2024
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 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

Certificate of Resolution
Resolution R-1-24

CERTIFICATE FOR RESOLUTION

On February 1, 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 February 1, 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

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: 02/01/2024
To: Palestine Economic Development Corporation
From: Lisa Bowman, Economic Development Admin
Agenda Item: Discussion and possible action regarding a non-binding letter of intent between the Texas State Railroad Authority and PEDC.

SUMMARY:

Discussion and possible action regarding a non-binding letter of intent between the Texas State Railroad Authority and Palestine Economic Development Corporation.

RECOMMENDED ACTION:

Staff recommends the PEDC board discuss and take possible action regarding a non-binding letter of intent between the Texas State Railroad Authority and Palestine Economic Development Corporation.

Attachments

TSRA Non-Binding LOI

January 26, 2024

Via Email Correspondence to bgoldsberry@rusktx.org

Texas State Railroad Authority

Attn: Bob Goldsberry

504 N Queen St.

Palestine, TX 75801

NON-BINDING LETTER OF INTENT

Dear Mr. Goldberry,

In response to our recent conversations, the **Palestine Economic Development Corporation (the “PEDC”)** convened on February 13, 2024 at its regular meeting to consider and approve the proposed terms of this “Non-Binding Letter of Intent,” which the PEDC – in turn – authorized me to propose to the **Texas State Railroad Authority (“TSRA”)**, under which the PEDC is willing to negotiate a Development and Operating Agreement, or some such similar agreement, **(the “Agreement”)** in accordance with the provisions described below. For purposes of this “Non-Binding Letter of Intent” **(the “LOI”)**, the PEDC and the TSRA may be referred to herein collectively as the **“Parties”** or, individually, as a **“Party.”**

The terms proposed herein are preliminary, non-binding, and for negotiation purposes only. Please execute this LOI, where indicated, and return either the original signed or scanned copy before 5 p.m. on February 29, 2024 at which point this LOI shall expire. If returning the original signed copy, it must be received by the PEDC before 5 p.m. on February 29, 2024 after which point this LOI shall expire.

To reiterate, this LOI is non-binding and is for discussion and negotiation purposes only. The terms and conditions, outlined below, represent the current understanding of the state of negotiations between the Parties and may change upon the Parties’ mutual written agreement or through formal amendment of this LOI.

The Parties will only be bound by the terms of a written Agreement, acceptable in form and substance, satisfactory to both Parties and the City Council for the City of Palestine, Texas, and effective only upon approval by all governing bodies and full execution and delivery by same.

Background

The PEDC desires to partner with the TSRA to facilitate rail infrastructure improvements and provide and assure rail access to that certain real property, that being 333 acres in Anderson County, Texas, and more specifically described in **Exhibit A** to this LOI, **(the “Project Property”)** to directly incentivize the economic development of the City through the development and diversification of the economy, the elimination of unemployment and underemployment, and the development and expansion of commerce within the State of Texas, in accordance with and as provided for in Chapters 501 and 505 of the Texas Local Government Code **(the “Project”)**. As consideration for the TSRA’s design and construction of these rail infrastructure improvements and the rail access these improvements will provide to the Project Property, the PEDC has authorized certain economic development incentives the terms of which have been preliminarily captured in this non-binding LOI.

TSRA's Obligations:

- The TSRA, with the assistance of its rail switching operator so designated by the TSRA (the “Operator”), and approved by the PEDC, shall design the contemplated Project in accordance with the aim of the Project to serve the needs of prospective commercial cargo enterprises and the construction of a commercial transloading facility (the “Project Design”). The TSRA and its Operator shall incorporate feedback and input received from the PEDC into the Project Design, and the PEDC shall have final approval of any Project Design prior to the beginning of construction.
- The TSRA shall construct those railroad improvements provided for in the Project Design, in accordance with that Project Design, on the Project Property.
- The TSRA shall, through its Operator, and for its 2023/24 & 2024/25 fiscal years, commit \$650,000 per year to constructing those railroad improvements.
- The TSRA shall complete construction of those railroad improvements no later than December 31, 2025.
- The TSRA shall assume all responsibility, risk, and liability for its activities on the Project Property as that responsibility, risk, and liability relate to the Project Design, the construction of the Project Design, and the provision of its transloading or railcar storage operations.

PEDC's Obligations:

- Upon completion of construction of the Project Design, for purposes of facilitating rail access to the Project Property, the PEDC shall grant unto the TSRA certain real property access and interests through the appropriate and required land use instruments for that access and those interests. The PEDC shall only grant such access and interests as they directly relate to rail infrastructure and access and use to that infrastructure.
- The PEDC shall grant unto the TSRA the exclusive right to perform commercial transloading operations and railcar storage on the Project Property, meaning that the PEDC shall not recruit any other dedicated commercial transloading or railcar storage operators. Any transloading or railcar storage operations facilitated or required by any business enterprise on the Project Property are understood by the Parties to be incidental to that business enterprise's operations and not in conflict with TRSA exclusive right to perform commercial transloading or railcar storage operations on the Project Property.
- The TSRA may assign both its exclusive right to perform transloading operations on the Project Property and its other rights and responsibilities to its Operator, but any assignment must include a provision stating that, should the TSRA terminate its relation with said Operator, any prior assignment then reverts back to the TSRA.

Other Agreements and Understandings between the Parties:

- In accordance with the Interstate Commerce Act of 1887, the Staggers Rail Act of 1980, and U.S. Code Title 49, all of which shall be incorporated into the proposed Agreement, Union Pacific Railroad shall be required to conduct the switching of railcars for the TSRA in a timely manner to ensure uninterrupted rail services. The proposed Agreement shall also require that this obligation apply to any business enterprise located on the Project Property that utilizes TSRA's services so as to ensure the provision of uninterrupted rail services to those business enterprises.

- Consistent with Chapters 501 and 505 of the Texas Local Government Code, particularly that legislative intent expressed in Section 501.004 of the Texas Local Government Code, the Project shall promote and develop new and expanded business enterprises through the development and expansion of business, commerce, and industry and, as a result, maintaining a higher level of employment, economic activity, and stability. The Project, Project Property, and Project Design are all intended to attract prospective commercial cargo enterprises (“**Prospects**”). To be considered for the receipt of certain economic development incentives, those which may include but not be limited to land and other direct cash incentives consisting of the expenditure, abatement, and rebate of certain tax revenues, a Prospect must (1) make a minimum capital investment of \$1 million, or more, in furtherance of the Project for each acre of Project Property to be considered as a part of economic development incentives and (2) commit to the creation of, at least, twenty (20) fulltime primary jobs at peak employment. The PEDC shall have the right to approve or deny the provision of any and all economic development incentives, those which may include but not be limited to land and other direct cash incentives consisting of the expenditure, abatement, and rebate of certain tax revenues, at the sole discretion of the PEDC’s Board of Directors.
- Any economic development incentives, those which may include but not be limited to land and other direct cash incentives consisting of the expenditure, abatement, and rebate of certain tax revenues, considered for existing business enterprises that have operations located in the immediate vicinity of the Project Property will not be subject to the capital investment and job creation requirements outlined in this agreement. Any economic development incentives considered for these enterprises will be negotiated separately from this agreement and in accordance with Chapters 501 and 505 of the Texas Local Government Code. Those business enterprises are understood to be the TSRA, the TSRA’s Operator, and Verdant Specialty Solutions US LCC.
- Should the PEDC enter into negotiations to sell portions of the Project Property separate and apart from any economic development incentives, it will only consider the sale of the property at a price equal to or greater than the fair market value at the time of sale, as determined by a Texas Certified General Appraiser selected by the PEDC.
- The proposed Agreement shall terminate if: (1) the TSRA has completed construction on all rail infrastructure improvements in accordance with the Project Design; and, (2) the PEDC has granted unto the TSRA that real property access and those fee simple real property interests required for that rail infrastructure and access and use to that rail infrastructure; and, (3) all Project Property being conveyed to business enterprises by means of sale or incentive conveyance by the PEDC.

The above terms and conditions are subject to amendment based upon a Party’s receipt of new information concerning the Project or Project Property, information received from that Party’s advisors, or changes in any circumstances (actual or perceived) affecting a Party, the Project, or the Project Property.

The Parties agree not to voluntarily disclose the terms of this LOI to any third parties, provided, however, that the foregoing shall not apply to disclosures which may be required by applicable law.

This LOI is non-binding and is for discussion and negotiation purposes only. It will be superseded by, and the Parties will only be bound by, the terms of a written Agreement, acceptable in form and substance satisfactory to both Parties and the City Council for the City of Palestine, Texas, and effective only upon approval by all governing bodies and full execution and delivery by same.

Until and unless the Parties mutually approve and execute the agreements identified herein, either Party may terminate the negotiations contemplated herein at any time, for any reason, without any liability or further obligation (except in regard to its confidentiality obligation) to the other Party, by providing written notice of termination to the other Party at the addresses provided below.

Sincerely,

PEDC

Christophe Trahan
Executive Director

AGREED AND ACCEPTED:

PEDC

By: Dan Bochsler, Vice President
(executing in lieu due to conflict of interest)

Date: _____

Palestine Economic Development Corp.
Attn: Executive Director
100 Willow Creek Parkway
Suite A
Palestine, Texas 75801

AGREED AND ACCEPTED:

**TEXAS STATE RAILROAD
AUTHORITY**

By: Bob Goldsberry, President

Date: _____

Texas State Railroad Authority
Attn: Bob Goldsberry
504 N Queen St.
Palestine, Texas 75801



Agenda Date: 02/01/2024
To: Palestine Economic Development Corporation
From: Lisa Bowman, Economic Development Admin
Agenda Item: Discussion and possible action regarding a budgetary amendment to PEDC's fiscal year 2023-2024 budget.

SUMMARY:

Discussion and possible action regarding a budgetary amendment to PEDC's fiscal year 2023-2024 budget.

RECOMMENDED ACTION:

Staff recommends discussion and possible action be taken regarding a budgetary amendment to PEDC's fiscal year 2023-2024 budget.
