



**EXECUTIVE COMMITTEE MEETING
11 CHAPEL LANE, SUITE B
NEW BOSTON, TX 75570**

**FEBRUARY 16, 2021
12:00 P.M.**

The Executive Committee of TexAmericas Center Board of Directors will meet to conduct business on the date and time listed above via conference call.

Persons wishing to attend the TexAmericas Center Executive Committee Meeting by telephone can call 1-866-778-5424 and enter the Participant Code of 5090805. Meeting agenda and materials can be found at the www.texamericascenter.com website.

AGENDA

1. Call to order.
2. Approve Minutes from November 17, 2020 Committee Meeting.
3. Discussion on insurance policy.
4. Discussion on status of the SPEC Building.
5. Discussion of Legislative Request for the 87th Texas Legislative Session.
6. Discuss and consider recommending an amendment to the PILOT Policy and PILOT Agreement to the Board of Directors.
7. Discuss and consider recommending Personnel Policy Manual changes to the Board of Directors.
8. Adjourn to Executive Session pursuant to the following Sections:
 - a. Section 551.071 of the Texas Government Code; Consultation with Attorney
 - b. Section 551.072 of the Texas Government Code; Deliberation of the purchase, exchange, lease, or value of real property
 - c. Section 551.074 of the Texas Government Code; Personnel Matters
 - d. Section 551.087 of the Texas Government Code; Deliberation regarding Economic Development Negotiations
9. Reconvene to Open Session.
10. Discuss and consider taking action on other business as needed.
11. Adjournment.



EXECUTIVE COMMITTEE MEETING MINUTES

**11 CHAPEL LANE, SUITE B
NEW BOSTON, TX 75570**

**NOVEMBER 17, 2020
12:00 P.M.**

The Executive Committee of TexAmericas Center Board of Directors met to conduct business on the date and time listed above.

1. Jim Roberts called the meeting to order at 12:09 p.m.
2. **Directors and Staff in Attendance were:**

Jim Roberts	Ben King	Denis Washington	Gabe Tarr
Wes Jordan	Scott Norton	Marla Byrd	
3. Considered and approved the Minutes from September 15, 2020 Committee Meeting. A motion was made by Denis Washington and seconded by Ben King. The motion carried unanimously by voice vote.
4. Scott Norton led a discussion regarding recommending employee insurance to the Board of Directors. Considered and recommended employee insurance to the Board of Directors. A motion was made by Ben King and seconded by Gabe Tarr. The motion carried unanimously by voice vote.
5. Scott Norton led a discussion regarding insurance policy options.
6. Scott Norton led a discussion regarding the status of the SPEC Building. Considered and took action to recommend to the Board of Directors a resolution authorizing construction to continue on the spec building while financing is finalized. A motion was made by Denis Washington and seconded by Ben King. The motion carried unanimously by voice vote.
7. During the same discussion regarding the status of the spec building, the Committee considered and took action to recommend to the Board of Directors a resolution authorizing the Executive Director to clear the site just west of the Duke West Site for Storm Water Detention Basin. A motion was made by Ben King and seconded by Gabe Tarr. The motion carried unanimously by voice vote.
8. Scott Norton led a discussion on additional incentives needed on the footprint.

9. Scott Norton led a discussion regarding Legislative Request for the 87th Texas Legislative Session. Considered and took action to recommend a resolution to the Board of Directors. A motion was made by Gabe Tarr and seconded by Denis Washington. The motion carried unanimously by voice vote.
10. A motion was made by Denis Washington and seconded by Ben King to adjourn to Executive Session at 1:11 p.m. pursuant to the following Sections. The motion carried unanimously by voice vote.
 - a. Section 551.071 of the Texas Government Code; Consultation with Attorney
 - b. Section 551.072 of the Texas Government Code; Deliberation of the purchase, exchange, lease, or value of real property
 - c. Section 551.074 of the Texas Government Code; Personnel Matters
 - d. Section 551.087 of the Texas Government Code; Deliberation regarding Economic Development Negotiations
11. A motion was made by Denis Washington and seconded by Ben King at 1:19 p.m. to reconvene to Open Session. The motion carried unanimously by voice vote.
12. With no other business to discuss, a motion was made by Ben King and seconded by Denis Washington to adjourn the meeting at 1:19 p.m. The motion carried unanimously by voice vote.

TEXAMERICAS CENTER
FIRST AMENDED
PAYMENT-IN-LIEU-OF-TAX (PILOT) PROGRAM AND POLICY

SECTION 1. General Purpose and Objectives

TexAmericas Center (hereinafter referred to as “TAC”) is committed to the promotion of economic development upon its property in Bowie County, Texas, and to the ongoing improvement in the quality of life and the creation of jobs for citizens of Bowie County, Texas, and the surrounding area. Insofar as these objectives are generally served by the enhancement and expansion of the local economy, TAC has sought and received special legislation from the Texas Legislature to exempt its property (land and buildings) from real property ad valorem taxes customarily assessed by the taxing entities in Bowie County, Texas upon the leasehold interest of TAC’s Tenants. The special legislation was approved by the Texas Legislature based upon the representation by TAC that it would institute a payment in lieu of tax (PILOT) program to protect the taxing jurisdictions, especially the school districts, which would ordinarily levy and collect taxes upon the properties leased by TexAmericas Center to third parties.

SECTION 2. Maximum and Minimum PILOT Payments

The maximum amount of the PILOT payment required of each tenant of TAC is an amount equal to 90% of the ad valorem real estate taxes which would otherwise be due each year if the leasehold interest held by the Tenant were not exempt from ad valorem real estate taxation. The minimum PILOT payment each year shall be an amount equal to 50% of the ad valorem real estate taxes which would otherwise be due if the leasehold interest were not exempt from ad valorem real estate taxation—; provided, however, TAC reserves the right to not require a PILOT payment upon short-term leases (leases of less than one year or temporary leases of any term where TAC is constructing a new building for the temporary Lessee which will have a minimum term of not less than _____ years and will require a PILOT payment). Whether or not a PILOT payment is required in a short term lease shall be at the sole discretion of TAC based upon factors including but not limited to length of term, number of jobs created, rental rate and required improvements to the leased premises by TAC.

SECTION 3. PILOT Payment for Tenants having Leases in place prior to January 1, 2019

The PILOT payment due and payable by the Tenant to TAC by a Tenant having a lease in place prior to January 1, 2019, shall be an amount equal to 90% of the ad valorem real estate taxes which would otherwise be due for each year if the leasehold interest were not exempt from ad valorem real estate taxation.

The payment in lieu of taxes percentage of 90% shall remain in full force and effect throughout the term of the lease.

SECTION 4. PILOT incentives for Tenants having Leases commencing on or after January 1, 2019

Subject to the provisions of Section 2,

A. Unless discounted by agreement entered into and signed by TAC and the Tenant, the payment amount shall be 90% of the ad valorem real estate taxes which would otherwise be due for the year if the leasehold interest were not exempt from ad valorem real estate taxation.

B. The payment in lieu of taxes may be discounted and reduced to an amount not less than 50% of the ad valorem real estate taxes which would otherwise be due each year if the leasehold interest were not exempt from ad valorem real estate taxation.

C. The criteria for determining the discount of the PILOT payment will be based upon the following performance standards:

- 1A. Number of jobs created.
- 2B. Wages paid; and
- 3C. Capital investment by the Tenant

D. The minimum required job creation by a Primary User for a discount is 10 full time equivalent jobs. The payment in lieu of taxes may be discounted by one percentage point for each one full time equivalent job created in excess of the minimum job creation requirement. The number of full-time equivalent jobs shall be determined by an annual employee census of the Tenant (the "Annual Census") as of July 1 of each year during the lease term.

E. The maximum duration of the discount shall be the shorter of the lease term or five years; however, new job creation of ten (10) or more qualified full-time equivalent jobs will reset the commencement of discount thereby extending the term of the discount. A significant capital investment shall reset the term of the discount and minimum capital investment amount required for that reset will be specified in the PILOT Agreement between TAC and the Tenant.

F. Notwithstanding the provisions of the first paragraph of this Section 4, TAC reserves the right to grant additional discounts in situations where a Tenant creates more than 100 full time equivalent jobs and/or has a capital investment in excess of Ten Million Dollars. The terms and length of those discounts shall be negotiated by and between TAC and the Tenant.

SECTION 5. Revocation or Loss of Incentive Discounts

If, based on the Annual Census, a Tenant fails to maintain the number of full-time equivalent jobs upon which the discount is based, the incentive discount shall be reduced to a level equal to which the actual number of jobs on the Annual Census date meets the requirements for a discount. If the Annual Census indicates that the full-time equivalent jobs of the Tenant is less than 10, the maximum PILOT payment of 90% shall apply without any discount.

SECTION 6. Miscellaneous Provisions

To qualify for a discount of the PILOT payment, a Tenant must agree to participate in the Annual Census which occurs as of July 1 of each year, by providing the information as follows:

- A. Maximum number of full-time equivalent jobs;
- B. Minimum number of full-time equivalent jobs;
- C. Number of full-time equivalent jobs on the first day of July;
- D. Total payroll for jobs on the premises;
- E. An employee census by position (no names);
- F. Number of employees making an amount equal to or above the average wage for the Texarkana Metropolitan Statistical Area as determined by the Texas Workforce Commission;
- G. Average wage for all employees (the Ramp Up Period may be excluded in this calculation);
- H. Such other information as Landlord may reasonably request to support its redevelopment efforts, including but not limited to information required by authorities issuing grants for which Landlord may apply.

The incentive discount for job creation is limited to and based only upon jobs that are located upon property owned by TAC and leased directly to Tenant.

TAC and Tenant shall enter into a written Payment in Lieu of Taxes Agreement (PILOT Agreement) to put into effect the PILOT terms applicable to the Tenant.

SECTION 7. Payment of PILOT by Tenants.

The amount of the PILOT for each Tenant shall be determined by TAC on or about October 1 of each year but not later than November 15 of each year. TAC shall submit a statement of the amount due not later than December 1 of each year. Tenant shall pay the PILOT due to TAC at TAC's business office not later than January 31 (the due date) thereafter. If payment is not paid by January 31, a ten percent (10%) penalty shall be added to the PILOT amount due. If a PILOT is not paid within 60 days after the due date, TAC may at its option cancel any discounts available to the Tenant and/or pursue its legal remedies including but not limited to cancellation of the Tenant's lease.

A Tenant occupying the leased premises on January 1 of the year shall be responsible for paying the PILOT for that year regardless of whether or not the Tenant occupies the same premises for the full year unless the premises are leased to another Tenant prior to the end of the year. A Tenant who first occupies a leased property after January 1 shall be responsible for a proportionate part of the PILOT for the year based upon the initial date of occupancy through the end of the year.

SECTION 8. TAC Remission of Payment in Lieu of Tax Payments to Taxing Jurisdictions; Use of Retained funds by TAC

For leases in effect prior to January 1, 2019, TAC shall remit the full 90% of payments in lieu of taxes collected to the taxing jurisdictions in which the leased premises are located.

With regard to PILOTS collected based upon leases commencing on or after January 1, 2019, TAC shall remit 10% of the collected PILOTS to the taxing jurisdictions in which the leased premises are located. TAC shall retain 90% of the collected PILOTS for its use in developing its property including but not limited to the construction, enhancement, and expansion of the infrastructure of TAC property, such as but not limited to roads, bridges, water and sewer utility lines, fiber optic lines, electric lines, natural gas lines, telecommunication services and lines, demolition of unusable facilities, other construction necessary to successfully develop said property, professional fees for architectural, engineering, planning and legal services, and to provide other incentives for private redevelopment of TAC property and job creation thereon.

The distributions to the taxing entities shall be an amount in proportion to each taxing entity's assessed tax rate as compared to the total combined tax rates of all taxing jurisdictions in which the leased premises are located.

SECTION 9. Definitions

“Annual Average Wage” for the Texarkana Metropolitan Statistical Area (TMSA) is the annual average wage for all businesses and industries operating in said area as calculated and reported by the Texas Workforce Commission in the Quarterly Census of Employment and Wages-Annual Average. The Annual Average Wage as reported by the Commission includes regular wages, overtime, paid holidays, and paid vacation.

The PILOT evaluation will compare the Tenant's annual average wage to the TMSA Annual Average Wage, so the Tenant annual average wage is likewise to include regular wages, overtime, paid vacation, and paid holidays.

“Contract Employee” means a person employed by a party other than the primary user of a facility who will directly benefit from the PILOT incentive, but who is assigned to work for the primary user of the facility as a full-time equivalent and is considered a necessary member of the workforce responsible for duties and assignments required to meet production levels of the primary user. All contract employees are subject to the PILOT criteria for determining net new jobs, including but not limited to wages and benefits.

“Full-Time Equivalent Jobs” means full time jobs located upon TAC owned property which provide full time employment of 32 hours per week, and permanent part time jobs, which when combined, total 32 hours of employment per week. For example, if an employer had one full-time employee working 38 hours per week and two part-time employees working 20 hours per week each, that employer would be providing employment of two full-time equivalent jobs.

“Lease Agreement” means the formal contract between the Tenant and TAC containing all the conditions with which all parties of said contract must be in compliance.

“Net New Jobs” means the number of new full-time equivalent jobs created by the Tenant's initial operations and Expansion of Tenant's facilities, and located at the site that is the subject of the PILOT lease Agreement. Net New Jobs shall not include any jobs moved or replaced

from any other site(s) in Bowie County, Texas. Net new jobs shall include Contract Employees as defined in this document.

“Primary User” means corporation or other business entity, or a group of individual entities that jointly operate a facility located upon TAC owned property under a lease, and who in total contribute to the total number of jobs and the capital investment of project.

“Ramp-Up Period” means the initial time period in which the Tenant is provided in order to meet its job, wage, and/or capital investment, and comply with special circumstance commitments in applicable cases. The Ramp-Up Period shall be specified in the PILOT Agreement between TAC and the Tenant.

SECTION 10. Reservation of Right to Amend or Terminate PILOT Program

TAC reserves the right to review, revise or discontinue this Policy at any time; provided, however, incentive discounts granted prior to the amendment or termination of the Policy will continue for a period of at least five (5) years after the original commencement date of the Tenant’s lease, or until expiration of the Tenant’s lease, whichever first occurs.

END OF POLICY

PAYMENT IN LIEU OF TAXES AGREEMENT

This Agreement is made between TexAmericas Center, a political subdivision of the State of Texas, hereinafter referred to as “TexAmericas” and _____, a _____, hereinafter referred to as “Lessee”.

RECITALS

WHEREAS, TexAmericas and Lessee have entered into a written Lease Agreement whereby Lessee has leased from TexAmericas certain real property located at _____, in _____, Bowie County, Texas (the Leased Premises); and

WHEREAS, in negotiating the terms of the Lease Agreement, TexAmericas Center has granted certain inducements to Lessee to facilitate the development and/or redevelopment by Lessee of its business operations upon the leased properties; and

WHEREAS, the leased property and the leasehold interest created by the Lease Agreement are exempt from ad valorem real property taxes pursuant to Senate Bill 579 of the 86th Regular Session of the Texas Legislature effective as of January 1, 2020; and,

WHEREAS, TexAmericas Center has a need for, and source of, funding for the repair, maintenance, upkeep, construction, and reconstruction of facilities of the TexAmericas Center Industrial Parks, including but not limited to repair, maintenance, upkeep, construction and reconstruction of roads, bridges and railroad crossings; and

WHEREAS, Lessee acknowledges that pursuant to the provisions of applicable Texas Statutes, its leasehold interest in the TexAmericas Center property is and shall remain exempt from real property taxes unless and until the Texas Legislature amends the Texas Tax Code to provide otherwise; and

WHEREAS, TexAmericas and Lessee acknowledge the mutual benefit to each party to be received from a payment by Lessee to TexAmericas in lieu of real property ad valorem taxes; and

WHEREAS, TexAmericas Center Board of Directors has approved and adopted its Payment-In-Lieu-of-Tax Program and Policy; ~~dated February 25, 2020;~~

NOW, THEREFORE, for and in consideration of the above Recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereby agree as follows:

1. Incorporation of Recitals. The forgoing Recitals are incorporated herein by this reference as though fully set forth herein and constitute express terms of this agreement.
2. Payment in Lieu of Taxes.

(a) Annual PILOT. In lieu of the general ad valorem real property taxes which would otherwise be due for the then applicable taxable year if the real property leasehold interest were not exempt from ad valorem real property taxation, Lessee shall pay by separate check to TexAmericas a Payment In Lieu of Taxes (PILOT) in an amount equal to _____% of the ad valorem real estate taxes which would otherwise be due for said year if the leasehold interest were not exempt from ad valorem real estate taxation; or

(b) This PILOT Agreement is based upon Lessee creating a minimum of _____ full time equivalent jobs and a capital investment of not less than \$ _____ within _____ days after the date of this Agreement.

(c) Payment of PILOT by Tenants. The amount of the PILOT for each Tenant shall be determined by TAC on or about October 1 of each year but not later than November 15 of each year. TAC shall submit a statement of the amount due not later than December 1 of each year. Tenant shall pay the PILOT due to TAC at TAC's business office not later than January 31 (the due date) thereafter. If payment is not paid by January 31, a ten percent (10%) penalty shall be added to the PILOT amount due. If a PILOT is not paid within 60 days after the due date, TAC may at its option cancel any discounts available to the Tenant and/or pursue its legal remedies including but not limited to cancellation of the Tenant's lease.

A Tenant occupying the leased premises on January 1 of the year shall be responsible for paying the PILOT for that year regardless of whether or not the Tenant occupies the same premises for the full year unless the premises are leased to another Tenant prior to the end of the year. A Tenant who first occupies a leased property after January 1 shall be responsible for a proportionate part of the PILOT for the year based upon the initial date of occupancy through the end of the year.

(d) Additional Penalties. Delinquent PILOT payments and accrued interest not paid by June 1 of the year in which they are due shall incur an additional penalty to defray costs of collection. The amount of the additional penalty shall be fifteen percent (15%) of the delinquent PILOT and accrued unpaid interest as of the date of imposition of the additional penalty.

(e) PILOT Security Deposit. Upon execution of this Agreement, Lessee shall deposit the sum of \$ _____ with TexAmericas as a PILOT Security Deposit. Said Deposit shall not accrue interest. TexAmericas may use the deposit to pay PILOT payments, interest and Additional Penalties due under this Agreement. If TexAmericas uses the deposit as provided herein, Lessee shall within fifteen (15) days after request by TexAmericas make an additional payment to replenish the PILOT Security Deposit in an amount specified by TexAmericas.

(f) Security Interest. Lessee hereby grants TexAmericas a security interest in Lessee's personal property, including but not limited to inventory and all equipment now or subsequently placed in or upon the Leased Premises; provided, however, TexAmericas may perfect said security interest only if and when Lessee fails to pay a delinquent PILOT payment, accrued interest and Additional Penalties by June 1 of the year in which they are due.

TexAmericas may perfect the Security Interest by filing a UCC-1 Financing Statement in the Office of the Secretary of State of the State of Texas, or such other offices as provided by applicable law. Upon payment in full of such delinquent PILOT payments, interest and additional penalties and deposit of a new Security Deposit, if required, pursuant to Section 3(e) of this Agreement, TexAmericas shall terminate the filed UCC-1 Financing Statement.

3. Termination of Exemption/PILOT. In the event, that the Texas Legislature revokes or terminates the exemption from ad valorem real estate taxes applicable to the leasehold interest, and the leasehold interest is subject to ad valorem real estate taxation, this PILOT Agreement shall termination on December 31 following the termination of the exemption.

4. Ad Valorem Personal Property Taxes. Lessee understands and acknowledges that its personal property including but not limited to equipment, furniture, fixtures, and inventory are not exempt from ad valorem personal property taxes, and that this Agreement does not apply to or affect personal property taxes which Lessee shall be responsible for as required by law.

5. Terms of PILOT Program Incorporated. The terms of the TexAmericas Center Payment-In-Lieu-of-Tax (PILOT) Program and Policy ~~dated February 25, 2020,~~ as it may be amended from time to time are hereby incorporated herein as though fully set forth herein and constitute express terms where applicable.

Miscellaneous Provisions

1. Governing Law. This Agreement will be interpreted under the laws of the State of Texas.
2. Binding Effect. This Agreement shall extend to and be binding upon and inure to the benefit of the parties hereto, and their respective legal representatives, successors and assigns, including assignees of the leasehold interest held by Lessee.
3. Entire Agreement. This Agreement supersedes any prior understanding or agreements between the parties with respect to the subject matter hereof and constitutes the entire understanding and agreement between the parties with respect to the subject matter hereof, and there are no agreements, understandings, restrictions, representations, or warranties among the parties with respect to the subject matter hereof other than those set forth herein or provided for herein.
4. Modification of Agreement. This Agreement may be modified only by written consent of all parties.
5. Further Assurances. The parties covenant and agree that they will execute such other and further documents as are or may become necessary or convenient to effectuate and carry out the purpose of this Agreement.
6. Severability. To the extent permitted by law, a holding by any court that nay part or any provision in this Agreement is invalid, illegal, or unenforceable in any respect, shall not affect any other provision, and this Agreement shall be construed s if the invalid, illegal, or enforceable provisions had never been a part of the Agreement.

7. Termination of Agreement. This Agreement shall terminate upon the termination of the lease agreement originally entered into by and between the parties; provided, however TexAmericas may collect amounts owed as of the Termination Date together with its reasonable attorney's fees and costs of litigation incurred to collect said amounts.
8. Counterparts. This Agreement may be executed in multiple identical counterparts and when taken together shall constitute one and the same instrument. A facsimile or similar transmission of a counterpart signed by a party hereto or a copy of a counterpart signed by a party hereto will be regarded as an original signed by such party for purposes hereof.
9. Notices. Any notice permitted or required to be given must be in writing delivered in person or by certified U.S. Mail, return receipt requested, to the applicable party addressed as follows:

TexAmericas: Scott Norton
Executive Director/CEO
TEXAMERICAS CENTER
107 Chapel Lane
New Boston, Texas 75570
Phone: (903) 223-9841

Lessee: _____

EXECUTED on the dates set forth below, but effective as of the last date executed by all the parties.

LESSEE:

By: _____
Name: _____
Title: _____

TEXAMERICAS CENTER

By: _____
Name: Scott Norton
Title: Executive Director/CEO

2-9 Affirmative Action

TexAmericas Center will take affirmative action to see that applicants are employed, and employees are treated equally during their employment, without discrimination based on race, age, religion, color, disability, national origin, or sex. In addition, TexAmericas Center will seek actively to include qualified members of minority groups in applicant pools.

2-10 Changes to Policies and Employee Suggestions

These personnel policies may be amended or revised or new policies may be added, at any time, with or without notice, upon the approval of TexAmericas Center Board of Directors.

Employees are encouraged to make constructive suggestions for improvements in these policies or in work procedures or conditions. Any employee who wishes to suggest a personnel policy change should submit his or her suggestion(s) to the Executive Director/CEO who may forward the information to the governing body, where appropriate, along with the rationale for making the change. Employees are responsible for maintaining current knowledge and understanding of all personnel policy changes and for requesting clarification or assistance when needed.

2-11 Approved Position Descriptions

The by-laws state TexAmericas Center may employ such full or part-time employees as needed to carry out the programs of TexAmericas Center, provided however, that such positions have been approved by the board. The following positions have been approved by the TexAmericas Center Board of Directors:

<u>Approved Position Name</u>	<u>Number Approved</u>
Executive Director/CEO	1
Executive Vice President/COO	1
Executive Assistant - Office Manager	1
Vice President of Finance	1
Controller	1
Bookkeeper/Receptionist	1

Accounting Clerk	1
Executive VP/Chief Economic Development Officer	1
Vice President of Logistics	1
Logistics Manager	1
Logistics Clerk	2
Logistics Laborer	6
Administrative & Tenant Relations Specialist	1
Customer Engagement Specialist	1
Operations Supervisor	1
Labor Foreman/Abatement Supervisor	1
Maintenance Tech	1
Laborer	3

All approved positions may or may not be filled, may be filled by temporary labor, or may be substituted through consultant or contract work as approved by the Board of Directors.

Approved job descriptions are at the end of the Policies Procedure Manual.

Section 3 – Employment Practices

3-1 Responsible Agent for Appointment

The Executive Director/CEO is the chief administrative officer and is responsible for the selection and length of tenure of all employees of TexAmericas Center within the limits of these policies and the overall comprehensive budget. Other Supervisors may be asked for recommendations as appropriate. All selection decisions will include a review by the Executive Director/CEO of the policies and procedures followed in the search and selection.