



Item Brief

Meeting Date

February 25, 2025

Agenda Item

Discuss and consider action: Approval of Resolution No. BEDC R2025-03: D. Vaughn

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BURNET ECONOMIC DEVELOPMENT CORPORATION AUTHORIZING PAYMENT OF HALF OF THE OUSTANDING BALANCE AND APPROVING THE EXTENSION OF THE PAYMENT DATE FOR THE PROMISSORY NOTE FOR THE PURCHASE OF THE BEALLS PROPERTY FROM THE CITY OF BURNET

Information

The Burnet Economic Development Corporation (BEDC) purchased the Bealls Property at 118 E. Polk Street from the City of Burnet in January 2023 through a promissory note of \$1,115,000.00, initially due January 31, 2024.

To provide additional time for financial planning, the BEDC Board previously requested two amendments to extend the payable-in-full date:

- First Extension: September 30, 2024 (approved December 12, 2023).
- Second Extension: March 31, 2025 (approved September 10, 2024).

As the March 31, 2025, deadline approaches, the Board has now requested a third and final extension to September 30, 2025, to allow for continued financial management and alignment with future BEDC initiatives.

Fiscal Impact

The Corporation will pay half of the outstanding balance of the note in the amount of \$557,500.00 with the remaining balance to be paid by September 30, 2025.

Recommendation

Approve Resolution No. BEDC R2025-03.

RESOLUTION NO. BEDC R2025-03

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BURNET ECONOMIC DEVELOPMENT CORPORATION AUTHORIZING PAYMENT OF HALF OF THE OUTSTANDING BALANCE AND APPROVING THE EXTENSION OF THE PAYMENT DATE FOR THE PROMISSORY NOTE FOR THE PURCHASE OF THE BEALLS PROPERTY FROM THE CITY OF BURNET

WHEREAS, on January 10, 2023, the City Council authorized the sale of the Bealls Property, located at 118 E. Polk Street, Burnet, Texas, to the Burnet Economic Development Corporation (the "Corporation"); and

WHEREAS, on January 23, 2023, the Corporation's Board of Directors approved the purchase, which was financed by a promissory note in the amount of \$1,115,000.00, payable to the City of Burnet on or before January 31, 2024; and

WHEREAS, on December 12, 2023, the Corporation's Board of Directors requested, and was granted by the City, an amendment to the promissory note, extending the payable-in-full date to September 30, 2024; and

WHEREAS, on September 10, 2024, the Corporation's Board of Directors requested, and was granted by the City, a second amendment to the promissory note, extending the payable-in-full date to March 31, 2025; and

WHEREAS, the Corporation's Board of Directors has now requested a third amendment to the promissory note, with a new and final payable-in-full date of September 30, 2025.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, THAT:

Section One. Approval. Payment of half of the outstanding balance of the note in the amount of \$557,500.00 and the third amendment to the promissory note between the City of Burnet, as seller, and the Burnet Economic Development Corporation, as buyer, attached hereto as Exhibit "A", extending the due date until September 30, 2025, is hereby approved.

Section Two. Authorization. The Board President is hereby authorized to execute the amendment to the promissory note, along with any necessary ancillary documents, and to take all necessary actions to implement the intent of this resolution.

Section Three. Findings. The recitals contained in the preamble of this resolution are hereby found to be true and are adopted as findings of the Board of Directors for all purposes.

Section Four. Open Meeting Compliance. It is officially determined that the meeting at which this resolution was passed was open to the public, and that public notice of the time, place, and purpose of said meeting was given in compliance with the Open Meetings Act.

Section Five. Effective Date. This resolution shall take effect immediately upon its passage and approval, as prescribed by law.

PASSED AND APPROVED this the 25th day of February 2025.

CITY OF BURNET, TEXAS

Cary Johnson, President

ATTEST:

Maria Gonzales, Secretary to the Board

Exhibit A

Third Amendment to Promissory Note

THIS THIRD AMENDMENT ("Third Amendment") to that certain promissory note given by the Burnet Economic Development Corporation, as borrower, to the City of Burnet, as lender, for the purchase price of that approximately 1.177-acre lot legally described in the Subdivision Plat known as Lot 1-B, Block No. 17, Peter Kerr Portion, City of Burnet, recorded as Document No. 202213519 in the Public Records of Burnet County, Texas is amended as follows:

Principal Amount: Five hundred fifty-seven thousand five hundred 00/100 United States Dollars (\$557,500.00)

Terms of Payment (principal and interest): The entire Principal Amount shall be payable in full on September 30, 2025.

Other provisions not affected: All other provisions of the promissory note not expressly amended hereby shall remain in full force and effect and shall in no way be impaired by this Second Amendment.

This Third Amendment shall terminate and replace the First and Second Amendments and shall be effective on the passage of a resolution of approval by lender's city council as evidenced by lender's authorized agent's signature below.

Borrower:

Burnet Economic Development Corp.

By: _____
Cary Johnson, President

Date:

Lender:

City of Burnet

By: _____
Gary Wideman, Mayor

Date:

Witnessed:

By: _____
Maria Gonzales, BEDC Secretary

By: _____
Maria Gonzales, City Secretary