

Larry Weber, Board President
Alan Herrington, Board Vice President
Linda Dickens
Michael Page

John McDonald
Paul Morris
Stuart Whitaker



Minutes from February 1, 2018 Regular Board Meeting
Palestine Economic Development Corporation Board of Directors

Attendance Record:

Larry Weber
Alan Herrington
Linda Dickens
Paul Morris
Michael Page
Stuart Whitaker
John McDonald - Absent

Others Attending:

Greg Laudadio, Interim Director, PEDC
Nate Smith, Best Practices & Communications
Steve Groom, Finance Director
Mike Hornes, City Manager
Mary Raum, Tourism Director
Terry Johnson, Coordinator, PEDC

A. Call to Order: 11:36 am

The Palestine Economic Development Corporation reserves the right to convene into executive session at any time during the course of this meeting to discuss any of the matters listed on this agenda as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations and Security Devices) and 551.087 (Economic Development) to wit:

B. Public Comment: - Larry Weber recognized our new PEDC Board Member Stuart Whitaker.

C. Consideration and Possible Action Concerning: Minutes from PEDC Board Meeting conducted on December 7th, 2017 – Alan Herrington made motion to accept meeting minutes and seconded by Paul Morris. Vote was unanimous to approve minutes.

D. Consideration and Possible Action Concerning: Financial Report for November and December 2017, First motion to approve both sets of November and December 2017 financials was made by Paul Morris and Linda Dickens seconded that motion. Vote was unanimous to approve financials.

Steve Groom, Finance Director, reported PEDC budget is on target, our audit was going along nicely, and our sales tax revenue is tracking well at above 3.6% from one year ago.

E. Briefing and Discussion Concerning:

1. Economic Development Report

- a. Recognition of board members Tom Wright and Paul Morris – Greg Laudadio presented plaque to Paul Morris for his service as a PEDC Board Member. Tom Wright's plaque will be delivered to his office. The entire PEDC Board and city employees thanked them for their service. Mr. Morris stated he had great confidence in Palestine and what is going on. There is a vacancy for one more new Board Member for PEDC. Please send recommendations to Greg Laudadio or Mayor Presley.
- b. Project updates – Erickson Trucks and Parts & Dixon Construction.
Erickson Trucks and Parts – Abatements from the City and County have been approved and the Performance Agreement drafted by PEDC attorney Chris Nichols has been executed. The Palestine City Council approved forgivable loan incentive of \$100,000 with an additional \$50,000 for making Palestine, Texas their headquarters. There are claw back clauses in their Performance Agreement to maintain minimum of 25 full time employees in 2018 and grow to 30 to 35 new jobs by end of 2019. PEDC will receive a report for number of employees twice per year.
Dixon Construction – The City of Palestine has created a 380 Agreement and Anderson County has created a 381 Agreement that represents a 30% tax rebate for Dixon Construction. All sales tax revenue created from purchases by Dixon Construction within the state of Texas goes back to City of Palestine. Attorneys on both sides are talking about City of Palestine incentives. It was determined the TIRZ Agreement (Tax Increment Reinvestment Zone) is best used for unimproved land. This project will create 136 unit market rate apartment complex.
- c. Old Memorial Hospital Progress Report – Larry Weber provided a brief summary of the Old Memorial Hospital Project. Tom Manskey started the project in 2017 with a PEDC revolving loan fund of \$402,506.30. Tom also spearheaded, and the PEDC Board voted to approve, the Asbestos Study that PEDC funded at \$12,000. This asbestos study assisted Nate Welch with the Environmental Review process that was required to remove asbestos and demolish former Memorial Hospital. PEDC Board voted to approve \$100,000 in funds to add to the project, making our total funds of \$502,506.30. Larry Weber, PEDC Board President, suggests our bids must stay in the \$500,000 or less cost range which includes the \$100,000 from PEDC and the \$402,506.30 from former PEDC funds, now City of Palestine funds.
Nate Welch update at PEDC meeting – The preliminary environmental clearance will be received on 02-02-18 and we will begin procurement and acquisition when Ron Stutes provides the contract changes to us on the Request for Proposal. We can simultaneously work with procurement and acquisition duties that will take from two to three months to complete. We are on target to demolish the Old memorial Hospital in 2018.
Greg will check on the budget for PEDC and make sure all funds are accurate.

2. Main Street Report

a. Project Updates

Main Street saw a good number of Polar Express train passengers downtown in December
The December 2017 Wine Swirl sold 347 tickets with gross revenue of \$13,606. \$3250 were sponsored dollars.
Santa's Workshop made \$1,800 – All of these Main Street projects go back to the Main Street Program for upcoming projects for the Main Street area including a Main Street Board Member Work Plan for 2018, which has 11 different projects. A few highlights of the work plan include lighting our Main Street Alley areas and buildings, our Façade Improvement Grant Program with a \$30,000 budget, clean up Palestine project with local PISD & WISD students, and many more

projects that will be discussed in future meetings.

b. Upcoming Events

6th Annual Taste of New Orleans and 9th Annual Mardi Gras Parade are taking place on Saturday, Feb. 3, 2018.

c. New Business Openings – The Platinum Club, a new nightclub and bar, The Crimson Room, a new resale shop at Oak and Main, and Over Yonder on West Oak by Flowers by Pat.

3. Tourism Marketing Report

a. Marketing update – Hotel sales within the City of Palestine city limits is up 7.7% for the rolling quarter September, October, and November 2017. This information comes from YB Intel. Social media (Facebook, Instagram, and Twitter) is up 1.7% from the previous month's data, and the Palestine Visitor's Center traffic and calls is up 10.8% for the full calendar year 2017. Mary also covered the many marketing campaigns, spring print media, and organic publicity. She distributed a color print brochure for the Texas State Railroad with the back side holding the events and train schedule for 2018. The Railroad Museum will open the first weekend of Dogwood Trails and a ribbon cutting and grand opening will occur the following week. The Texas State railroad partnership with Western Railroad is working well. Mary distributed the schedule for The Taste of New Orleans free Main Street event on February 3rd, and an information sheet for a February 22, from 5:30 to 7pm talk by Brian Sullivan, Associate General Counsel for the Texas Hotel & Lodging Association. Brian will speak about the Legal and Effective Use of the Local Hotel Occupancy Tax at the Council Chambers – Palestine City Hall – 504 N Queen Street and the public is invited to attend.

b. The Civic Center – There is an open position at the Civic Center for an Event Coordinator. This person will provide event and administrative support to the tourism Marketing Manager and will office out of the Visitor's Center and be used to bring tournaments to our area and put heads in beds so that our hotel occupancy tax grows. Some of the activities already under way include the PYAA bid for T Ball tournaments that won by \$300. Palestine had the team travel with the most number of users which helped win the Bid. This is a June 30 to July 3 event. The PYAA spent \$14,873 but Hot Funds provided at \$10,000 grant, making their true cost \$4,873. From May 29th through July, every weekend facility in Palestine will be full of baseball and Tball games and tournaments. The Palestine Youth Athletic Association and Dixie Youth Baseball have a great partnership.

F. Consideration and Possible Action Concerning: The request for financial support for the Small Business Development Center, Trinity Valley SBDC. Michael Ellsberry, SBDC Director.

Greg Laudadio reminded the PEDC Board Mike Ellsberry provided a letter explaining the 11% state budget cuts for SBDC, and requested funds of \$15,000 from PEDC, but \$10,000 in funds would help. Larry Weber, PEDC Board President, and Alan Herrington, Board Vice President, both requested information on Mike's TVCC Small Business Development budget, and Alan Herrington suggested a performance expectation to be in place if we provide any funding. The Board members agreed and no vote will be taken until more information is provided to PEDC Board.

G. Consideration and Possible Action Concerning: Contracting the services of "Retail Strategies", Brandon Cummings. Retail Strategies is a team of retail real estate experts that provide research, implement strategies, and leverage connections to bring in new business. Contract is renewable annually.

Mayor Presley recruited Retail Strategies to Palestine. He suggested reviewing a 3 year contract of \$135,000 because the company has a deep rolodex of site selectors, restaurants, and retail store contacts. They partner through ICSC conference of shopping centers. Larry Weber asked PEDC to contact other customers of Retail Strategies to learn whether their services were worth the expense it costs cities to hire them. Larry also asked Greg to find out more about the phases of the project and what each year of service would bring to PEDC. Larry Weber asked Greg to check on a statute that says

a certain percentage of marketing funds can be used for these kinds of projects. He also asked Greg to check on the amount of funds left in our PEDC marketing budget for our next meeting.

H. Consideration and Possible Action Concerning: The implementation of a Business Retention and Expansion program (BRE) aimed at retaining and growing existing businesses. Program to entail monthly meetings with business stakeholders and monthly report to the PEDC Board. Greg Laudadio plans to partner with Marc Mitchell at Palestine Chamber of Commerce to make business visits asking such questions as What can PEDC and City of Palestine do to help your business grow, and Do you plan to expand your workforce in the near future. Greg invited any Board members who would like to participate in these meetings to participate. Michael Page made the first motion to accept a PEDC Business Retention Plan and motion was seconded by Linda Dickens. Motion carried unanimously.

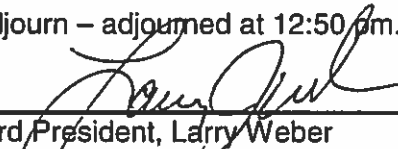
I. Consideration and Possible Action Concerning: Changing the Suite B lease term from 6 months to 12 months per the request of Cartmell Home. Effective 2/1/18 – 1/31/19. Larry Weber made first motion to change lease to 12 month lease and seconded by Alan Herrington. The vote was unanimous approval of motion.

J. Closed Session – The Board will retire into executive session pursuant to the provisions of Texas Government Code. In accordance with the authority contained in Section 551.071 (consultation with Attorney), 551.074 (Regarding personnel matters), 551.072 (Deliberations regarding Real Estate) and 55.087 (Deliberations regarding economic development).


1. None

H. Reconvene into Regular Session
TAKE ACTION FROM EXECUTIVE SESSION;
1. None

I. Adjourn – adjourned at 12:50 pm.

 2-15-18 1:08pm

PEDC Board President, Larry Weber Date Time

 2-15-18 1:08pm

PEDC Administrative Assistant, Terry Johnson Date Time