



Minutes from July 19, 2018 Regular Board Meeting
Palestine Economic Development Corporation Board of Directors

Attendance Record:

Larry Weber, Alan Herrington, John McDonald, Linda Dickens, Ben Campbell, and Stuart Whitaker

Absent was Michael Page

PEDC Attending: Gayle Cooper, Economic Development Director; Asst. Director, Terry Johnson, Economic Development Coordinator; Mary Raum, Tourism & Marketing Manager; and Rachel Nichols, Tourism Event Coordinator

City of Palestine Staff Attending: Teresa Herrera, City Secretary; Patsy Smith, Director Community Services; and Mark Miers, Chief Building Inspector

Visitors Attending: None

A. Call to Order: 11:33 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: - None

C. Consideration and Possible Action Concerning:

Minutes from PEDC Regular Board Meeting conducted on June 21, 2018 – Alan Herrington made motion to accept June 21, 2018 minutes, seconded by Ben Campbell, and motion carried.

Financial Report for June 2018 – Ben Campbell made motion to accept June 2018 financials, seconded by John McDonald, and motion carried.

D. Board Report – An opportunity for members of the Board to relay activities participated in and comments received regarding economic development during the past month.

- Ben Campbell reported Rob Thames has bid from contractor for \$60,000 to fix the Main Street area curb and gutter project. More discussion will take place under item G.
- Larry Weber reported the Real Estate Committee Meeting was cancelled, so nothing to report.
- Alan Herrington reported the home development is under way on East Murchison Street. This is not city owned property. This project may move further down to Gillespie.
- John McDonald reported our City Inspector visited the downtown Main Street rooftops and it was

determined the Texas Historical Commission must approve the work on the downtown building roofs. Mark Miers, Chief Building Inspector, suggested roof renovators to use a 1 in 12 pitch for the roofs.

- Ben Campbell reported the Texas State Railroad was one of last year's grant recipients. Their last Board meeting reported a 40% increase in ridership while Polar Express sold over 112% tickets year to date over last year. Most of the December 2018 rides are sold. TSRR now has a profit.

E. Staff Reports – Director Report – Gayle Cooper

- Met with the new Education Chair, Dr. Kathy Ray, who will start their meetings in September 2018. The goal of the education committee is to support efforts to get our city and county educational programs in great shape for our future workforce.
- Attended the Northeast Texas Economic Developers Roundtable Meeting in Athens
- Meeting tomorrow with the Palestine Herald Press for an interview about her first 120 days on the job.
- The 2018-2019 Budget is the main priority in our meeting today.

Tourism Report – Mary Raum

- Hotel Revenue is down .7% Year-To-Date (October through September) because we had a slow January and February, but the months of March, April and May were strong hotel revenue months
- Social Media numbers are steady
- Visitor Center traffic is down due to our new website that is mobile friendly
- August 2018 has lots of upcoming events for the public. Some of the events include Peter Pan live at the Texas Theatre, the Neches Wilderness Canoe Race, Hidden Treasures and Market Days at the Farmers Market, and the Dogwood Jamboree at the PHS Auditorium. Our Performing Arts Center will host a Worship Concert, Xtream Auction, and Comedy Night during August, 2018.
- The Visitor Center is generating more leads because the TSRR provides leads to us. There were 340 mailed leads, up 81.8% from May 2017.
- Website traffic for June 2018 performance is up on page views by 2.8%, users up by 74.8%, and website sessions up by 67.3%. 28.88% of our site traffic is from the Referral channel. Within Referral, cityofpalestinetx.com is 45.12% of website sessions. This demonstrates locals are using our website. Our international website traffic is from interest in the Texas State Railroad. Our website traffic sources are strongest with Goggle Organic searches, which are generic google searches such as Palestine, Texas. The next most used website traffic source is our direct website visitpalestine.com
- The Tourism digital marketing campaign is active in many Texas cities such as Austin, Houston, Galveston, Dallas, Shreveport, and Waco.
- The Performing Arts Center is fully booked on Saturdays through 2018.
- TSRR has the only Polar Express running in Texas. The average ticket price in June/July is \$70 and their marketing team is going top down ticket sales. Ticket revenue is higher due to this sales approach and do to an increase in the ticket price. It costs \$3000 to run the steam engine roundtrip. In 2015, June/July net revenue was \$5,400 and this improved in 2018 to net revenue of \$9,600.
- For the May TSRR rides, the Rusk Depot served 677 lunches and in June served 731 lunches. These lunches are another way to bring in revenue. Tourism also learned the riders plan their train excursions while they are traveling, so trains will not cancel rides just a few days out from ride day. The seats will always be filled.

- Changes to the 2018-2019 Hot Fund Budget include: adding historic preservation and restoration to budget for \$5,000, adding \$25,000 for wayfinding, investing \$30,000 in Performing Arts Center contracts, and \$45,000 for new digital marquee for Performing Arts Center (where digital ads can be sold).
- Mary Raum became accredited in her profession with the Texas Destination Marketer Certification Program.

Civic Center Report – Rachel Nichols

- Performing Arts Center of Palestine has booked The Nutcracker ballet performance for December 20 and 21. The seating arrangement is modeled after the Piney Woods Art Center, and tickets will sell from \$25 to \$35 per seat. Tickets go on sale August 1, 2018.
- We are currently building out our performance schedule and plan to utilize grants through the Texas Commission for the Arts and other grants when applicable.

Main Street Report – Gayle Cooper

- Greg Laudadio is working on a video with Jean Mollard at The Redlands. Jean will be nominated for the Texas Downtown Association President's Award. Nominations are in two categories: Best Renovation/Restoration/Rehabilitation and Downtowner of the Year
- Grants are coming up for review today and are mentioned in our agenda
- Main Street needs PEDC financial assistance and we have this item on our agenda today as well

F. Consideration and Possible Action Concerning: Increases in 2018-19 Budget for Infrastructure Improvements and Matching Funds Grants and Other Budget Considerations.

Gayle Cooper suggested we no longer have our regular small grants and we move to larger matching grants for our downtown business and building owners. For example, a \$150,000 downtown project would have the business owner paying \$75,000 and PEDC funding \$75,000. PEDC will take liens on the business property and there will be claw back clauses inside the performance agreements. Providing higher funded grants is the best way to show a strong impact for Main Street.

Larry Weber added there will be no changes to the way the Board operates our grant programs, but there will be changes in our grant program. For example, the Palestine Area Chamber of Commerce will become the business retention and expansion arm for the City of Palestine. PEDC will continue to provide the \$25,000 funding for the program the Palestine Chamber of Commerce wants to put in place for business retention and expansion. The Community Services Department under the leadership of Patsy Smith will continue to receive their \$50,000 each year for park improvements. Our Community Development grant amount will remain at \$50,000 but primarily be used for nonprofits for the upcoming 2018-2019 year and beyond. The Community Event funding of \$10,000 is in place for 2018 Hot Pepper Festival. Some of the grant changes include removing the existing smaller grants such as Façade Improvement Grant for \$30,000 and the Bat and Pigeon Abatement Grant for \$25,000, and possibly others. We will increase our grant amounts in total dollars available but have fewer grant names. Our emphasis is the rehabilitation of downtown buildings for budget year 2018-2019 and years to come.

Larry Weber stated there is no action today. PEDC will create an Excel document that is easy for the Board to review so that we can vote on these important changes to our grant process and budget changes for 2018-2019.

Other Budget considerations included a discussion of funding a minimum of \$15,000 towards the \$25,000 budget needed for the Main Street Budget for 2018-2019. The General Fund for the City of Palestine can commit to \$10,000 for the new budget year. Gayle Cooper, ED Director suggested the Board give approval

for funding the entire \$25,000 from the PEDC funds. Some Main Street Programs are funded by the local Economic Development Corporation. No action taken on this budget request.

The next budget consideration request came from Mark Miers, Chief Building Inspector. Gayle Cooper stated PEDC can fund demolition costs and recommended we allocate \$50,000 to the budget for blight and demolition purposes. These funds could be used for weeding removal in the downtown areas, for demolition of buildings, demolition of homes within the city limits, and other blight removal issues. Larry Weber suggested an amount of \$25,000 be allocated to home demolition efforts of Mark Miers department. This fund would be used to demolish the substandard homes around the city. Mark estimates the dumpster costs per house in the \$2,000 range and more than 40 homes need to be torn down. We don't want these properties to come back to the city, but when they do, we need to remove the blight condition. No action was taken on this budget request.

The final budget consideration request came from Patsy Smith, Community Services Director. Patsy's department received \$50,000 for park improvements throughout the City of Palestine for 2017-2018 budget year. These funds will primarily be used for the Green's Park project. Larry Weber requested the full \$50,000 amount for budget year 2017-2018 be funded as soon as possible. Some of the future projects that Patsy discussed include resurfacing the tennis courts at Reagan Park and creating a multi-use surface at a court close to the tennis courts. Her department needs to tear down and rebuild pavilions by Reagan Park and the Gazebo/Band Stand needs to be repainted. There are other small projects at Tiffany Park, Mitchell Campbell Park, Phillips Park, and Willie Meyers Park that need to be completed for budget year 2018-2019. Larry Weber stated the PEDC has \$50,000 set aside in next year's budget to fund park projects for 2018-2019.

G. Consideration and Possible Action Concerning: Painting and repair of curbs in the downtown area – quote of \$60,000

Ben Campbell proposed spending \$60,415 for painting and repair of curbs for two primary streets downtown, Oak Street and Main Street. He also proposed taking one of the streets, Oak Street with two side streets, for total cost of \$35,800 to begin this curb work. Larry Weber asked to table the discussion until Tim Perry, Public Works Director, could attend a PEDC meeting to explain the water and sewer repair plan the city is currently working on. We need to know the starting point or starting block where the water and sewer work will begin before we can vote on any curb repair funding.

H. Consideration and Possible Action Concerning:

- Gregg-Link Building, Façade Improvement Grant
- Pint & Barrell. Historic Preservation Grant

The grant vote was tabled for next meeting due to time spent on 2018-2019 budget plan changes.

1. 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).

Recommended Personnel Budget.
Executive Session began at 2:02 pm

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

John McDonald
Ben Campbell
Stuart Whitaker

J. Reconvene into Regular Session at 2:08 pm

TAKE ACTION FROM EXECUTIVE SESSION: A motion was made by Ben Campbell, seconded by Alan Herrington, and motion carried to recommend a salary increase for Terry Johnson to \$37,500 per year.

K. Adjourn – adjourned at 2:10 pm.


PEDC Board President, Larry Weber

Date

Time

8-16-18 1:48pm


PEDC Administrative Assistant, Terry Johnson

Date

Time

8-16-18

1:48pm