



Minutes from August 24, 2017
Palestine Economic Development Corporation Workshop

A. Call To Order - 11:30 am the workshop start time called to order by Larry Weber, PEDC Board President.

B. Introduction of Participants and Guests: Each person attending Workshop introduced themselves and stated their business title.

Attendance Record:

Larry Weber
John McDonald
Linda Dickens
Paul Morris

Absent:

Alan Herrington
Thomas Wright
Michael Page

Palestine Councilmen & Mayor

Steve Presley - Mayor
Will Brule – District 1
Mitchell Jordan – District 2
Vickey Chivers – District 3
Joe Baxter – District 4
Doug Smith – District 5
Ann Connor – District 6

Michael Hornes – Asst. City Manager
Teresa Herrera – City Secretary
Nate Smith – Communications & Best Practices
Tom Manskey – Director of Economic Development
Greg Laudadio – Asst. Dir. Of Economic Development & Main Street Manager
Mary Raum – Tourism & Marketing Manager
Terry Johnson – Economic Development Assistant
Jeremy Janz – Local Citizen

C. Conduct Workshop Regarding Economic Development with Palestine City Council – Tom Manskey, Director of PEDC, kicked off our workshop with information about Type B economic development sales tax as it relates to economic development programs. Tom explained this tax revenue program serves over 600 Texas communities and the Texas state legislature creates laws that tell PEDC how we should conduct our day to day business operations.

The second topic presented by Tom covered the benefits of our software tool, Impact DataSource, which helps our office determine the impact in dollars of a business within our community. Tom gave an example of a recent proposal our office completed that would bring manufacturing jobs to Palestine and Anderson County. The company wanted a 250,000 square foot manufacturing building and a 10,000 square foot office building. The Site Selector for the company received over 200 proposals and 150 of the 200 proposals were Greenfield Projects, which means no existing infrastructure or building availability, and the company must build from the ground up. Since the manufacturing company preferred a site selection with existing infrastructure, our office, along with many other EDC's in the southern states, received letters saying our community was eliminated due to no existing infrastructure.

Next, Tom went through the process we would take if we had won the bid proposal. He reminded our group that at the site selector level, PEDC operates without knowing who the company is. He also talked about the tax abatement point assessment process and showed how the manufacturing proposal we were trying to win scored 969 points, and stated anything over 600 points would receive additional tax abatements. When we won the Sanderson Farms bid for example, their points were extremely high, so they could ask for additional tax abatements from the city and the county. Sanderson Farms received a negotiated tax abatement, which translates to a higher incentive package from city and county governments.

Next, Tom went through some of the major incentives for site selectors choosing a business location for their clients. Skilled labor is the number one incentive for a site selector, and we have information from Trinity Valley Community College that they plan to start an HVAC program at some point in the future. Housing is another key incentive for the site selection process and PEDC has a 2015 market feasibility report for multi-family market rate apartments on hand. PEDC continues to work with builders and investors who want to invest in the City of Palestine. This is an on-going process within PEDC. Council member Mitchell Jordan stated housing was a major problem for Palestine. He personally knows residents employed by Sanderson Farms that drive long distances to work.

And last, Tom mentioned PEDC has two line item budgets, one called Potential Projects Support, and another called Infrastructure, where we have funded in the past to projects like Pentecom in Palestine.

Greg Laudadio discussed Palestine Main Street Program, the Façade Improvement Grant, showing images of more than a dozen FIP projects in the downtown main street area that we have funded in the past. He talked about the Palestine Main Street Board and the Texas Historic Commission, and their role in the public and private partnership of programs like the Façade Improvement Grant.

Questions and suggestions came from Palestine City Council.

1. Doug Smith asked whether a company or organization can receive an FIP grant in multiple years, and the answer is yes.
2. Ann Connor suggested the Main Street Manager with Board approval rewrite the application and guidelines for more clarity.
3. Joe Baxter suggested that we work in tandem with the local realtors selling downtown property so that the realtors can tell the buyers they can apply for FIP grants for the historic building that they may want to purchase. Also inform them of the state and federal tax credits that may be able to apply for once they

purchase.

The second portion of Greg's discussion covered Community Development Grants. Greg furnished two handouts showing images of past projects and a copy of the 2017 CDG application and guidelines. He stated the PEDC Board members score each application separately and independently. Tom stated the staff has no involvement in the scoring process, and that Greg creates a summary sheet of scores and shares that information with the PEDC Board members at our PEDC meetings. The PEDC Board votes on who receives the grant money based on the scoring, and then the vote goes to City Council.

Greg also talked about needing a vote from City Council concerning moving forward or halting the downtown feasibility study with KSA. Council will vote on this issue in a future City Council Meeting.

Questions and suggestions came from Palestine City Council. They were:

1. Vicki Chivers wanted to see city money spent towards making park improvements such as piers for Upper and Lower Lakes.
2. Will Brule stated the phase 1 downtown feasibility study was inaccurate at times and should have been held by a higher standard from KSA management.

Tom mentioned the \$400,000 of Texas Department of Agriculture grant still available for asbestos removal and demolition of old Memorial Hospital. At the Tuesday, August 22nd public forum discussion, the citizens of Palestine supported the removal of asbestos and demolition of the hospital. Finding the additional money necessary to complete the job will not be easy.

There was an overall consensus by City Council, PEDC Board, and Michael Hornes, Assistant City Manager, we continue to fund the ball fields for tournaments, and lake development projects within the city limits of Palestine. Michael would also like to see PEDC become involved in Main Street projects that involve underground infrastructure such as water and sewer, and underground fiber for high speed internet. He feels this kind of project is best served by working on one block at a time. The water and sewer pipes are a priority, and it takes high speed technology to attract businesses to the downtown area.

It was determined by everyone present, we should hold these workshop meetings on a quarterly basis and at a minimum, twice per year. Everyone agreed the workshop was helpful to our communication and decision making process. The workshop was adjourned by Larry Weber, PEDC Board President at 1pm.

 9-7-17 1:36pm

PEDC Board President, Larry Weber Date Time

 9-7-17 1:36pm

PEDC Administrative Assistant, Terry Johnson Date Time