



Minutes from February 15, 2018 Regular Board Meeting
Palestine Economic Development Corporation Board of Directors

Attendance Record:

Larry Weber
Alan Herrington
Linda Dickens
John McDonald
Stuart Whitaker
Michael Page, absent

Others Attending:

Greg Laudadio, Interim Director, PEDC
Steve Groom, Finance Director
Mary Raum, Tourism & Marketing Manager
Terry Johnson, Coordinator, PEDC

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 Board Annual Meeting conducted on February 1, 2018 and Minutes from PEDC Regular Board Meeting on February 1, 2018 – Alan Herrington made motion to accept both sets of meeting minutes and seconded by Linda Dickens. Vote was unanimous to approve minutes from both meetings.

D. Consideration and Possible Action Concerning: Financial Report for January 2018. First motion to approve January financials was made by John McDonald and Linda Dickens seconded that motion. Vote was unanimous to approve January 2018 financials. Steve Groom reported on a questions from our February 1st meeting saying there are no limitations to our marketing budget on amounts used in any particular year. Steve also said PEDC is under budget for expenses and our sales tax revenue, along with our rentals, makes our revenue number look good. PEDC budget is on target, our audit is going along nicely. PEDC sales tax revenue is tracking well at above 3.6% from one year ago.

Steve then talked about the state of the City of Palestine budget saying our City Manager asked all managers to watch first quarter discretionary spending until we had four months of sales tax revenue

numbers. The City has diverted sales tax revenues thus far to fixing streets, legal costs, health insurance premium costs, and HVAC maintenance for the Palestine Mall. The street fixes alone total \$200,000 thus far. Current and future city projects include the former TXDOT building, relocation for IT, and \$100,000 for structural work on building at a city park.

E. Briefing and Discussion Concerning:

1. Economic Development Report

- a. Update to Old Memorial Hospital Abatement & Demolition Project – Terry Johnson stated bid will soon be published in PHP newspaper and all supporting paperwork for project will be located in a Drop Box Folder for review. This option will provide the companies that bid on the project free and quick access to necessary documentation. Bids will be received at City Secretary's Office until March 23, 2018 at 5pm and read aloud on March 26, 2018 5:30 pm at City Hall. Nate and Mike Hornes are working on Acquisition phase of project.
- b. Grant Applications will be advertised before May 2018, our usual time for grant information dissemination. Board Member John McDonald requested a black granite memorial with landscaping be created and placed on a ¼ to ½ acre portion of land where the Old Memorial Hospital now stands. Greg stated this request may fall under the \$50,000 parks grant purview.
- c. PEDC will meet with a new developer for additional housing inside Palestine City limits after this meeting.
- d. Hot Pepper Committee will be on a near future agenda to request funds up to \$10,000 for the 2018 Hot Pepper Festival.
- e. Dixon Construction – The City of Palestine has created a 380 Agreement and Anderson County has created a 381 Agreement. Chris Nichols, PEDC attorney can enact the forgivable loan to Dixon Construction.
- f. Business Retention & Expansion Report – Greg suggested Tim Kozik at Cartmall Home as our first candidate for business retention and expansion discussion and requested City council and PEDC Board members participate in these discussions.

2. Main Street Report

a. Project Updates

Greg is taking three new Main Street Board members to a training in Canton, Texas in February 2018. Will Young, President of Main Street Board, and Greg Laudadio, Main Street Manager, will visit Ennis Main Street Manager on February 26 to explore their avenues of success. Will and Greg will report their findings during a City Council work session.

3. Tourism Marketing Report

- a. Marketing update – December 2017 Hotel Occupancy Tax was up 15% over 2016, and up 11.8% over December 2015. Mary Raum reports the Civic Center payroll has moved to Marketing Department and out of Civic Center, and Mary has hired a new Event Coordinator who starts March 5, 2018. The new coordinator will set bookings for Palestine Civic Center and Museum of East Texas Culture, work with projects concerning the Texas Film Commission, work on the revitalization project for the Dogwoods in the city, among many other things. The Texas State railroad partnership with Western Railroad is working well and Daniel Adair is going to do the promotional work for TSRR excursions.

F. Consideration and Possible Action Concerning: Request for 2018 financial support for the Small Business Development Center, Trinity Valley SBDC.

Larry Weber made motion to provide \$5,000 in assistance to The Trinity Valley Small Business Development Center John McDonald seconded the motion. The vote was unanimous by the Board.

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

Greg provided the past client report requested by PEDC Board. Our office called all of the Texas based clients that Retail Strategies provided. All city economic development departments had high praise for Retail Strategies and some cities did see retail results. Greg went over the contract requirements for Year 1, 2, and 3. Larry Weber, PEDC Board President asked each attending Board Member their opinion for hiring the services of Retail Strategies explaining the first year cost of \$45,000 is the informational year, and that year 2 and year 3 would most likely see any results. Larry explained PEDC would be paying Retail Strategies to be a liaison for PEDC, putting us in touch with site selectors and businesses that want to locate in Palestine. Larry explained, with a 3.4% unemployment rate, Palestine needs housing growth, and with that growth, new retail growth will organically happen. We don't want to dilute our existing base of retail establishments and we are a pro local-owned city of businesses. No Board member was in favor of moving forward with this expenditure. Linda Dickens made first motion to decline hiring Retail strategies and Stuart Whitaker seconded the motion. The vote carried unanimously by the PEDC Board members.

H. Consideration and Possible Action Concerning: The PEDC Board of Directors' Goals and Priorities for 2018 and beyond.

Greg Laudadio asked the PEDC Board to create a list of 2018 goals and priorities. Greg will send an email to PEDC Board Members with a suggested list of goals and priorities. Larry asked the members to rank their priorities for the top 5 goals and send them back to Greg for compilation and reporting back to PEDC Board at next meeting. The list includes:

1. Targeted Infrastructure such as sewer, electrical, cable for high speed internet
2. Workforce Development such as CDL (Commercial Drivers License), HVAC (Heating, Ventilation, and Air Conditioning) and diesel mechanics, for creation and retention of primary jobs
3. Community Development or quality of life such as entertainment district, parks, blight removal
4. Grants, do we need to expand the amount of grants PEDC funds for the community or have targeted projects like the East Texas Museum of Culture. Tourism has funded a \$10,000 Hot Funds grant and an additional \$10,000 in grant funding for the Museum of East Texas Culture.
5. Local connectivity for internet and cell service
6. Willow Creek Business Park, what kinds of expansion and development do we need in our business park such as running internet fiber down the road inside our business park
7. Marketing and promotions such as an Uber service in Palestine.

I. 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

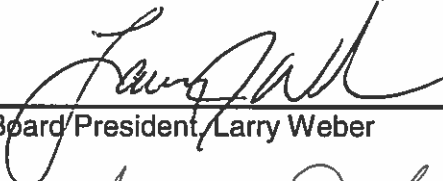
TAKE ACTION FROM EXECUTIVE SESSION: 1:05 pm

1. None


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

John McDonald
Paul Morris
Stuart Whitaker

I. Adjourn – adjourned at 1:05 pm.

 3-15-18 1:35 pm

PEDC Board President/Larry Weber Date Time

 3-15-18 1:35 pm

PEDC Administrative Assistant/Terry Johnson Date Time