

THE STATE OF TEXAS §
COUNTY OF ANDERSON §
CITY OF PALESTINE §

The City Council of the City of Palestine, Texas convened in a Work Session on Monday, March 1, 2018 at 12:00 p.m. in the Council Chambers at City Hall, 504 N. Queen Street, Palestine, Texas, with the following people present:

Steve Presley, Mayor
Doug Smith, Mayor Pro Tem
Will Brule, Councilmember
Mitchell Jordan, Councilmember
Vickey L. Chivers, Councilmember

Michael Hornes, City Manager
Ronald D. Stutes, City Attorney

Others present: PEDC Board Members: Alan Herrington, Michael Page, Stuart Whitaker, and John McDonald; Finance Director Steve Groom, Communications Officer Nate Smith, PEDC Admin. Terry Johnson, PEDC Director Gayle Cooper, PEDC Asst. Director Greg Laudadio, Marketing Manager Mary Raum, Deputy City Secretary Ami Ashworth, and other interested citizens;

with the following members absent: Councilmembers Ann Connor and Joe Baxter. City Secretary Teresa Herrera was absent.

WORK SESSION

With a quorum present Mayor Presely called the work session to order at 12:04 p.m.

Discuss housing

Greg Laudadio summarized the recent efforts of PEDC to assist with the 380 Agreement and the County 381 Agreement. City Manager Mike Hornes said that PEDC could legally develop loft apartments for mixed use that would assist with housing downtown, and entertainment district plans. He added that Palestine is now considered a place to develop housing.

Discuss business recruitment

Greg Laudadio discussed the process the PEDC Board and staff went through to vet Retail Strategies as a lead consultant for new retail businesses to Palestine. The Board voted not to hire the company at this point because they felt organic growth would happen anyway. The financial incentives given to Erickson Truck N Parts were discussed. Also, it was discussed that there are spaces available at the Palestine Mall.

Discuss business retention and expansion

Greg Laudadio stated the PEDC Board approved a formal program to cultivate the existing companies in Palestine. The last business retention visit was Eagle Rail Car in Elkhart, a business that repairs tanker cars for the railroad. Since the business employs technical welders and PEDC identified they needed skilled welders, all it took was a plan of action from TVCC to provide the courses and certifications needed for trained welder curriculum. Nucor Vulcraft also employees skilled welders which brings the local wage competition up. Mike Hornes talked about the higher paid technical job of the police force, and how high school graduates should tap into this opportunity possibly through their PISD Career & Technology Program. Mayor Presley suggested PEDC look into owning more buildings in town and leasing them back to businesses, thus allowing the business to focus their financial capital on inventory and equipment, or anything to get the business up and running. He gave the former Terry Manufacturing building as an example of a possible purchase, where PEDC could lease the building to a company within the oilfield industry. Since PEDC has been successful with owning The Results Companies property and the property will be paid off in two more years, maybe it is time to own another commercial property.

PEDC also provides financial support to the Palestine Area Chamber of Commerce for their quarterly business presentations. Their latest presentation came from our SBDC group and it covered their Small Business Development Council market analysis tools that assist with business intelligence and financial analysis for our local businesses and bankers. PEDC also held a job fair in the Palestine Mall when Sanderson Farms needed

CDL truck drivers. Mike Hornes summarized this topic by saying we need more technical jobs similar to the jobs offered by Pentecom, a technical data consulting and conversion firm, because they offer higher wages.

Discuss infrastructure assistance

Greg Laudadio discussed PEDC's Community Development grant for \$50,000 in matching funds and the \$50,000 per year Parks Grant to Community Services Department.

PEDC Board Member, John McDonald requested the PEDC Board and Palestine City Council set aside from ¼ to ½ acre of land, across from the former home of Governor Campbell, who brought the Texas State Railroad to Palestine. The Old Memorial Hospital is located directly across from the Campbell house, now owned and visited, by Governor Campbell's great grandson, who is also an architect. John said PEDC could fund the landscaping of a black granite monument and memorial space on the land, leaving approximately 4.5 acres for other projects. This project should be done once the demolition of the old hospital takes place.

Mayor Presley mentioned fact that new TSRR ticket holders will get a free ticket to Heritage Railroad Museum and the Museum for East Texas Culture. This ticket should bring those riders into parts of Palestine not visited. Our Mayor and City Manager would like to see PEDC spend some of PEDC reserves on quality of life issues in Palestine. City Manager Mike Hornes said there will be funds available from a city portioned grant from Texas Parks & Wildlife that would provide funds needed for the entire Community Forest area including athletic fields, lakes, and camping grounds. To keep crime down, Mayor Presley would like to create a single entrance and exit to for each lake. Once crime is down, bike trails and a zip-line can be built on these properties. Mike Hornes reiterated we need PEDC Board willingness to spend down some of their reserves. PEDC Board Vice President, Alan Herrington, said there must be a professional plan in place before funds can be approved, perhaps involving an engineering firm. Mike Hornes stated way-finding signs are an important part of the Community Forest project and City Staff could do a large portion of the planning and mapping of the new projects. PEDC Board member Mike Page said we need to consider camping grounds for this area and Mayor Presley agreed that we are losing city revenue from the twelve million people within a two hour drive from Palestine. Councilman Mitchell Jordan suggested the City hire an Activity Director to manage kid activities such as a Whoop It Up Tournament that emphasizes basketball.

Discuss quality of life

Mike Hornes led the discussion of our first Tax Increment Refinance Zone and a plan to create a new kind of Main Street with different thoroughfares. No matter where the TIRZ is located, the incremental dollars that are funded would go back into our Main Street infrastructure project. Mike then asked the PEDC Board to consider spending any leftover budget dollars on infrastructure projects because we will always have these kinds of projects with funding needs.

Steve Groom, Finance Director, asked the City Council and the PEDC Board to begin prioritizing their budget needs and Greg Laudadio reported the PEDC Board will discuss their priority projects at the next March 15th Board Meeting. This will help the EDC department prioritize their budget needs.

Gayle Cooper, the new Economic Development Director, was introduced by Mike Hornes. Gayle stated that she sees a very conscientious group of Board members and City Council members and she regards infrastructure as an investment in our community.

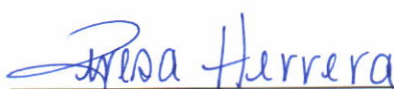
ADJOURN

With no other business to come before the Council, the meeting was adjourned at 2:12 p.m.

PASSED AND APPROVED THIS 11TH DAY OF JUNE, 2018.


Steve Presley, Mayor

ATTEST:


Teresa Herrera, City Secretary

