



Minutes from December 7, 2017 Regular Board Meeting
Palestine Economic Development Corporation Board of Directors

Meeting – 11:32 am call to order

Attendance Record:

Larry Weber
Alan Herrington
Linda Dickens
John McDonald
Paul Morris
Michael Page
Thomas Wright

No absences

Others Attending:

Greg Laudadio, Interim Director, PEDC
Nate Smith, Best Practices & Communications
Michael Ellsberry, SBDC Director
Mary Raum, Tourism Director
Terry Johnson, Coordinator, PEDC
Lacy Beasley, Retail Strategies
Brandon Cummings, Retail Strategies
Richard Welch, Project 108
Amanda Welch, Project 108
Teresa Herrera, City Secretary
Ben Campbell, Board Member for TSRR
Steve Presley, Mayor

A. Call to Order: 11:32 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 at 11:32 am. After Item E, The Economic Development Report, Mayor Presley spoke about how important the work at PEDC was to the community. Mayor Presley encouraged the

department to press forward with new and creative ways to make Palestine grow and prosper. He encouraged a five year and a ten year plan to share with City Council that demonstrates quality of life for local citizens, infrastructure for our city, and funding possibilities from PEDC and hotel occupancy tax.

C. Consideration and Possible Action Concerning:

Minutes from PEDC Special Board Meeting conducted on October 19, 2017 – Paul Morris made motion to accept meeting minutes and seconded by Michael Page. Vote was unanimous to approve minutes.

D. Consideration and Possible Action Concerning:

Financial Report for October 2017 –. First motion to approve October 2017 financials was made by Thomas Wright and Alan Herrington seconded that motion. Vote was unanimous to approve financials.

E. Briefing and Discussion Concerning:

1. Economic Development Report

- a. PEDC Board member applications – Four PEDC Board Members term will expire effective 12-31-17: Larry Weber, Alan Herrington, Michael Page, and Thomas Wright. Greg will send emailed applications out to everyone that would like to reapply for their current position, and asked that they be returned to him directly, or to Teresa Herrera at City Hall.
- b. Project 108 – Amanda & Richard Welch updated the Board on Project 108. Architectural renderings of the project will be available by December 22, 2017, and renderings operate as a major part of their sponsorship package. The architectural work will show the exact amount of need land for Project 108. PEDC must provide actual site location to move forward with their sponsorship package success.
- c. Erickson Truck Sales and Service Inc. update – Palestine City Council approved forgivable loan incentive of \$100,000 with an additional \$50,000 for making Palestine, Texas their headquarters. At December 11, 2017 meeting, City Council should approve the ordinance for Erickson reinvestment zone. There are claw back clauses in their contract to insure 20 new jobs in 2018 and 30 new jobs by end of 2019.
- d. Market rate multi-family residential update – Gene Dixon is ready to build a 136 unit market rate apartment complex and City Council approved the 380 Agreement necessary to get the project moving forward. Mr. Dixon's goal is to derive income from his apartment rentals, therefore keeping the properties he builds. There may be room for residential home development after the apartment complex is completed. A TIRZ zone can still be created but will not be used for this project. 45 acres have been set aside for a possible TIRZ and Travis Jones with TXP is performing analysis now for a possible TIRZ Zone for City of Palestine.
- e. Old Memorial Hospital Progress Report – Nate Welch completed application on 12-01-17 for remaining balance from PEDC Revolving Loan Fund, contract #705272, in the amount of \$402,506.30. He also completed the Environmental Review required to remove asbestos and demolish former Memorial Hospital. Teresa Herrera is working with the Civil Rights portion of the TX CDGB and the City Manager Mike Hornes and Nate Welch will work together on the acquisition portion. Terry Johnson will work the procurement portion of this process which will happen once we know the Environmental Review has been approved by Texas Department of Agriculture who works with Federal agencies. 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 over \$400,000 from the PEDC Revolving Loan Fund that moved over to City of Palestine. Nate Welch and Terry Johnson are the certified administrators under Texas Department of Agriculture state guidelines for the Texas Community Development Block Grant Program.

2. Main Street Report

- a. Santa's Magical Workshop – Santa and his workshop are located inside the Calhoun Building,

and Main Street offers a picture with Santa. Money made from this program goes to downtown beautification fund. We are partnering with O'Sweet Pea and the TSRR Polar Express to get families into Santa's Workshop.

- b. 4th Annual Wine Swirl – Main Street has partnered with a record number of Texas Wineries, 15 total wineries will be partnered with 15 local businesses, and they offer wine shopping and purchases inside our local businesses. Main Street offers a VIP Sparkling Wine and Food experience from 7 pm to 10pm in the Old Town area. As of this meeting, 248 tickets were sold, and we expect close to 400 tickets will be sold this year. The PISD Culinary students will present a food tasting inside the Calhoun Building, Eilenberger's Bakery will sample their sweets, and Hambone's Building will offer a special gumbo with their wine tastings. Chartwells will supply our cheese, cracker, dried fruit, and sweets trays at the VIP reception.
 - c. New business openings – Crème & Coffee has their second coffee shop next to Wells Creek Crossing, which opened during Hot Pepper Festival. The former Crimson Room at Oak and Main has a new consignment store. Larry Weber suggested we seek free radio adds to encourage citizens to shop local with such tag lines as, "Did you know every time you shop local, the money turns 7 times in the local economy?"
3. Tourism Marketing Report
- a. Polar Express update – Ben Campbell was guest speaker who discussed the following: With a shorter number of days this year, Polar Express will have the same ticket income as last year, perhaps more. The Western Group took over operations in May 2017 and they have done a fabulous job. Ben or his fellow TSRR Board members have not received complaints this year for any of the Polar Express rides. Lee Loveless has a concession for photography this year, and he had a prosperous year as well. The renovated Depot looks great and we thank you for the \$7,500 grant from Hot Funds, and the matching 2016 Community Development Grant of \$25,000, which made the renovations possible.
Mr. Campbell reported debt to City of Palestine and City of Rusk started in 2007, and the debt was funded in 2008 at \$500,000 each, from City of Palestine and City of Rusk. Each city is still owed approximately \$125,000 each. That debt will be paid with principal and interest by the January or February 2018 timeframe.
 - b. October Tourism Report – Mary Raum will attend the United Motor Coach Association conference in January 2018. Mary reported the number of visitor calls for month of November moved up 76% over a year ago. Her Social media followers have jumped to 7,349, and she continues to have good traffic for the Palestine Visitor's Center. Her website traffic is at 60%, mobile traffic at 27%, and tablet traffic at 13%.
 - c. Visitpalestine.com website update - .A new website for visitpalestine.com will go live by end of January 2018.

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

Mike Ellsberry provided a letter explaining the 11% state budget cuts for SBDC, and requested funds of \$15,000 from PEDC. Mike has a similar arrangement with City of Forney, who gave \$10,000 in funds. Mike supports Palestine, Athens, Kaufman, Mabank, and Forney, Texas. Larry Weber, PEDC Board President, tabled the discussion and vote for a future PEDC meeting.

G. Consideration and Possible Action Concerning: The services of "Retail Strategies", Brandon Cummings. Retail Strategies is a team of retail real estate experts that provide research, implement strategies, and leverage real estate connections.

Lacy Beasley, President and CEO of Retail Strategies, from Mobile, Alabama, gave presentation for PEDC Board of Directors. Retail Strategies is a team of retail real estate experts that if hired, would produce a retail recruitment plan for Palestine. The company works with 150 communities in 25 states,

with 12 being in Texas. There are four phases to their process which include: market analysis, strategic development, proactive retail recruitment, and progress and feedback. Lacy stated every retailer has a different site selection process. Retail Strategies reports leads to PEDC and PEDC must recruit the businesses to Palestine. Their flat rate includes all costs, and their goal is to become a long term partner with Palestine, Texas.

H. Consideration and Possible Action Concerning: Targeted infrastructure assistance connecting Willow Creek Parkway to access new residential development on property adjacent to WCBP. This item was tabled for next monthly meeting by Greg Laudadio.

I. Consideration and Possible Action Concerning: The options for leasing 100 Willow Creek Parkway, Suite B. Greg Laudadio presented price quotes from Jim Peterson Construction and Jeff King's Clear Choice Glass & Mirror (and construction). Greg proposed we lease the Suite B office space as is to Tim Kozik at Cartmell Home for a six month lease, and month to month lease thereafter. The rental rate proposed was \$1,500 per month. Linda Dickens made a motion to create a contract for Cartmell Home as stipulated in Greg's presentation. Paul Morris seconded the motion, and vote was unanimous by the PEDC Board. Our new tenant should move in sometime in January 2018. The tenant pays all expenses.

J. Consideration and Possible Action Concerning: Support for an effort to involve public discussion and input concerning possible future uses for a specific commercial property being promoted by Rosenthal Land Advocates. Greg Laudadio reported David Rosenthal from Rosenthal Land Advocates was hired by a bank to solicit public opinion for the highest and best use of the former Terry Manufacturing facility, a 43,000 sq. ft. property on the west side of town. A motion was made by Larry Weber and seconded by Linda Dickens to support Rosenthal Land Advocates with an online survey for best use of old Terry's Manufacturing Building, and to ask Nate Welch to publish a press release for the Palestine Herald Press use. The vote passed unanimously by the PEDC Board members.

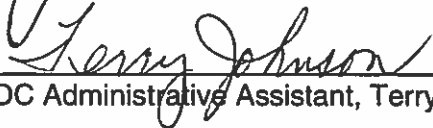
K. Closed Session – The Board will retire into executive session pursuant to the following Sections of Chapter 551, Texas Government Code. Closed session began at 1: 40 pm.

1. Discussion and possible action regarding the appointment, employment, evaluation, reassignment, duties, and/or dismissal of Palestine Economic Development corporation employees.

H. Reconvene into Open Session at 1: 48 pm
Take action from Executive Session: Paul Morris made a motion to approve the PEDC Director position and applications remain open until position is filled. The motion was seconded by Linda Dickens. Vote was unanimous by the PEDC Board.

I. ~~Adjourn~~ adjourned at 1:49 pm


PEDC Board President, Larry Weber 2-1-18 1:50 P M
Date Time


PEDC Administrative Assistant, Terry Johnson 2-1-18 12:50 P M
Date Time