



Minutes from May 17, 2018 Regular Board Meeting
Palestine Economic Development Corporation Board of Directors

Attendance Record:

Larry Weber, Alan Herrington, Linda Dickens, John McDonald, Stuart Whitaker, Ben Campbell, Michael Page
Others Attending:

Gayle Cooper, Economic Development Director, PEDC
Greg Laudadio, Economic Development Asst. Director, Main Street Manager
Terry Johnson, Economic Development Coordinator, PEDC
Mary Raum, Tourism & Marketing Manager, PEDC
Rachel Nichols, Tourism Event Coordinator, PEDC
Mike Hornes, City Manager
Steve Groom, Finance Manager
Jack Coleman

A. Call to Order: 11:35 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. Board Report – Larry Weber reported the Real Estate Committee Meetings are very active and Ben Campbell reports the power generation company is doing their due diligence to make a deal in the Palestine area.

D. Staff Reports – Director Report

- Toured Main Street and PEDC Business Park with Palestine's zoning consultant Shai Roos
- Met with local realtor regarding 30 new homes for building near North Loop 256
- Met with Jean Mollard and Tracy Torma concerning advertising in County Line Magazine
- Continued potential project participation
- Participated in the Chamber Director selection committee
- Attended the City Council Retreat
- Visited Gene Dixon with his lender for the project
- Talked with another developer about housing at Loop 256
- Gayle and Greg met Jake Erickson and Jake reports he is happy with his new employees but needs good internet service
- Had a long discussion with John Stone, a Dallas contact who wants to bring business to Palestine
- Attended Leadercast, Main Street Board Meetings, special council meeting for food trucks, and Finance Department meeting concerning accounting for Hot Pepper Festival

Tourism Report –

- Hotel Revenue is up 8.2% when comparing March 2018 to March 2017 revenue
- Social Media numbers have moderate growth with audience engagement over 2%
- Visitor Center traffic is down 30% due to our new website that is mobile friendly
- Website Traffic had 84% new visitors and return visitors were 16%. User loyalty is an important metric because it fuels growth. For example, in March, our website had 2.46K users. Of those users, 81 came back in April. This means our loyalty rate in April was 4.42%, which is 72.90% higher than in March 2018.
- The current Tourism projects include: Palestine Tourism Assessment conducted by the Office of the Governor Economic Development and Tourism on May 22 & 23, 2018, submitting an RFP for the 2019 TACVB Marketing Symposium, rebranding the strategic planning for the Dogwood Trails Celebration, and implementing a filming permit and application process
- The Tourism website has the capability to building sites within their new website, so they will build a site for Hot Pepper Fest, Christmas in Palestine, and Dulcimer Festival since it is growing so fast.
- The Civic Center Update includes total booked revenue at \$41,177 for the fiscal year 2017-2018, or the 2018-2019 budget year. Not all funds will be collected in the same fiscal year due to payment timing. Several Civic Center enhancements have taken place that include: 4 chandeliers, 70' of pipe and drape, and live stream equipment for rooms outside the main stage. This live stream equipment gives the feel of a club type atmosphere for attending guests. The Civic Center has a goal to reinstate an arts commission utilizing Patti Smith, new resident for advertising. Rachel Nichols is seeking a Nutcracker performance for Christmas season in Palestine.

Main Street Report –

- The Second Annual Imagine the Possibilities Tour, which showcases available properties for lease or sale in Main Street Palestine, is being held on Friday, May 25th, from Noon to 4 pm. Mark Thacker, Restoration Architect and Special Guest Speaker, will be on hand as a special guest speaker at 12 noon. Sandwiches and refreshments will be provided to the public at The Redlands downtown. Grant information will be covered at the 12 pm introductory talk. Guests can take self-guided tour of available properties, or be escorted by Chamber Ambassadors to the properties that interest them most.
- May is Historic Preservation Month and Main Street took photographs showcasing businesses and buildings for the This Place Matters campaign. Among the multitude of images that demonstrate Main Street and the community, find your favorite post at the Palestine Main Street Facebook page.

- E. Consideration and Possible Action Concerning: Minutes from PEDC Regular Board Meeting conducted on April 19, 2018 – Alan Herrington moved to accept meeting minutes; seconded by Michael Page. Motion carried.
- F. Consideration and Possible Action Concerning: Financial Report for April 2018. Motion to approve April 2018 financials made by Ben Campbell; seconded by Linda Dickens. Motion carried. Steve Groom, City Finance Manager, stated the City of Palestine property and sales tax revenues were on track, and PEDC had 1.6 million in cash at the bank. The City of Palestine had 11 million in cash two years ago. Steve would like to safely invest some of the money at Prosperity Bank into higher yielding CD's. Larry Weber asked Steve Groom to check on the PEDC bond covenants before investing any of the PEDC bank funds.
- G. Briefing and Discussion Concerning: Infrastructure Improvements in Downtown Palestine.

The downtown area of Palestine has been neglected for many years. Water and sewer improvements have not been made for at least 12 years, and the roads and curb and gutter for almost as long. PEDC and Main Street are attempting to attract business into the downtown; however, the deteriorated state of infrastructure hampers those efforts. Business owners and investors expect a city to take pride and invest in itself prior to others doing so. Staff is requesting that a minimum of \$250,000 be allocated from the \$1,948,380 in PEDC's fund balance toward downtown blight minimization and infrastructure upgrades. Staff will apply for grants from Federal and State sources to match disbursed funds. Monies will be allocated to targeted areas rather than in a haphazard fashion in order to maximize impact.

Tim Perry, Public Works Director, provided details and suggestions for a plan to begin the infrastructure Process by saying some water and sewer mains pre-date 1880. All water and sewer lines are in bad shape and there are drainage and accessibility issues. We need to fix the roads in the Main Street area, but we must fix what is underneath the roads first. Tyler Engineering firm Schaumburg & Polk has completed several projects for City of Palestine thus far, and Tim recommends this firm to do our work. Oncor and Century Link will replace their infrastructure work and upgrades while water and sewer Engineering firms have the ground torn up. Palestine has to do the work block by block for affordability's Sake, and a study must first be completed to get this project under way. This is where we think PEDC's Funds till help to get the project started. Atmos replaced lines in downtown Palestine 20 years ago, so Atmos should be in good shape. The City of Palestine also has grant requests out for infrastructure Assistance. Tim suggests our target streets include nine short blocks going north to south that border Queen to Sycamore Streets and six long blocks going east to west that border Spring to Crawford Streets.

Larry Weber, PEDC Board President, stated PEDC has two budget items, \$100,000 for infrastructure assistance and \$100,000 for potential projects that are available in our current 2017-2018 funds. Larry suggested these funds be set aside for infrastructure downtown and that Tim Perry provide a price for the infrastructure study. Larry Weber made a motion the \$200,000 in PEDC funds be earmarked for downtown infrastructure provided there is an infrastructure plan in place. Alan Herrington seconded the motion; motion carried.

H. Consideration and Possible Action Concerning: Compliance Issues

Gentle reminder to those Board members who have not yet completed Online Training re:
Public Information and Open Meetings Acts

Gayle Cooper stated the only courses required were the Open Meetings Act and the Public Information Act, and that the Tax Workshop was not required. Please get your two certification documents to Terry to keep on file in our office for compliance purposes.

I. Consideration and Possible Action Concerning: Multi-family housing

Staff has been working with developers who are planning to build both single family and multi-family Housing in the city. Staff is requesting a decision regarding the possibility of incentives for these developers.

Alan Herrington asked what other EDC's do in this area for housing incentives. Gayle Cooper will look into this matter and report back to Board. In the past, PEDC paid for a TIRZ Study and provided Chapter 380 Agreement on behalf of City of Palestine to a multi-family housing developer. Currently City of Palestine offers no tap fees to new housing builders. The City of Palestine has not budgeted for not

charging tap fees and asks that PEDC pick up these fees. No vote and no decision was made on the City Manager's tap fee request, or on further Incentives to housing developers and builders.

J. Consideration and Possible Action Concerning: Review of seven Applications for Community Development Grants

Greg Laudadio stated the PEDC has \$50,000 available for matching reimbursable funds to improve our community. There were seven applications this year and each Board member will receive copies in print, digital, or both formats. There is no action required today but votes will take place prior to next month's meeting. Greg will email the scoring document and Alan Herrington suggested the removal of the 10 points for joint applicants because it offers no relevance to the application. The summary of our grant requests include:

- Museum for East Texas Culture, a \$2000 matching fund request for \$4,000 project to renovate and combine rooms
- TYA or Texas Youth Advocates, requested \$25,000 for purchase of the former YMCA building
- City of Palestine, a \$34,000 matching fund request for \$68,000 project to refurbish Museum for East Texas Culture
- Meals on Wheels, a \$4615 matching fund request for \$10,795 project to create a walking trails and outdoor space for the elderly
- Gregg Link Building, a \$50,000 request for a ground floor rehab with total cost of \$200,000
- G-4orce Athletics, a \$4,424 matching fund request for an \$8,848 business expansion project for new equipment
- Innovation Academy, a \$48,000 request for an outdoor recreational and sports area for their students. The entire project cost for a new building and location will be between \$650,000 and 1.6 million.


K. 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).

Update of real estate item.
Executive Session began at 12:52 pm

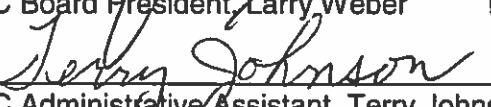
H. Reconvene into Regular Session at 1:10 pm
TAKE ACTION FROM EXECUTIVE SESSION:

1. Discussion of real estate item – Linda Dickens made motion to sell tract of land to buyer for \$5,000 subject to buyer proving a building plan and adhering to plan. Motion was seconded by John McDonald with Alan Herrington abstaining due to a potential conflict of interest. Motion carried.

I. Adjourn – adjourned at 1:12 pm.

 6-21-18 1:47 pm

PEDC Board President, Larry Weber Date Time

 6-21-18 1:47 pm

PEDC Administrative Assistant, Terry Johnson Date Time