

Larry Weber, President
Ben Campbell, Interim Vice-President
Linda Dickens, Interim Secretary-Treasurer
Michael Page, Board Member
Kurt Herrington, Board Member
Charles Drane, Board Member



Lisa Denton, ED Director
Terry Johnson, ED Project Manager

Minutes from September 22, 2020 Board Meeting
Palestine Economic Development Board of Directors

The Economic Development Board convened in a Virtual Regular Meeting on Tuesday, September 22, 2020 at 11:30 am, with five PEDC Board members present: President Larry Weber, Charles Drane and Linda Dickens present at City Council Chambers and via Zoom; Ben Campbell and Michael Page attended via Zoom.

Others present: Economic Development Director Lisa Denton; Interim City Manager Teresa Herrera, Interim Finance Director Andrew Sibai, ED Project Manager Terry Johnson; PEDC Counsel Chris Nichols and Timothy Triplett.

- A. CALL TO ORDER** – With a quorum present, Larry Weber called the meeting to order at 11:34 am.
- B. PROPOSED CHANGES OF AGENDA ITEMS** – none
- C. PUBLIC COMMENTS** – none
- D. CONFLICT OF INTEREST DISCLOSURES** – None
- E. ITEMS FROM BOARD** – Larry Weber mentioned the meet and greet with Congressman Lance Gooden and the fact that everyone is working on better internet in Texas, but progress is slow. Congressman also mentioned the Texas State Railroad derailment progress.
- F. DIRECTOR'S REPORT** – Lisa Denton provided the August 2020 report for Economic Development, Tourism/Visitor's Center, and Main Street. Ms. Denton updated the board on staff reduction in the Main Street position. Cori Conrad will now split her duties 25% Main Street and 75% Tourism. She has created new Main Street informational packets and is working on code enforcement downtown, with assistance from Sergeant Jenkins, Kelly Hughes, PFD Fire Marshal and Mark Miars. Tourism reports HOT was down only 22% for July 2020; occupancy was up for August 5.4%. HOT tax is down 18.3% for the year.
- G. DISCUSSION AND ACTION ITEMS**
1. Consider approval of PEDC minutes dated August 20, 2020 and August 31, 2020 – Linda Dickens motioned to approve minutes; seconded by Charles Drane; motion carried 5-0.
 2. Consider approval of financial statements dated August 2020. – Ben Campbell motioned to approve the August 2020 summary spreadsheet and balance sheet; seconded by Michael Page; motion carried 5-0. Ben Campbell requested clarification on the long-term liabilities for PEDC from City Finance Department.
Michael Page left the Zoom Meeting at 12:02; a quorum was maintained.
 3. Discuss and take action to confirm the appointment of McCall, Parkhurst & Horton as Bond Counsel for PEDC by Resolution and authorize President to execute engagement letter, as

approved by PEDC Counsel. Larry Weber the made motion; seconded by Charles Drane; motion carried 4-0.

4. Discuss and take action regarding the following PEDC Downtown Grants Projects:

a. Compliance review of Timothy Triplett project – Charles Drane motioned to approve compliance of the Timothy Triplett project and move forward with payment of \$26,740 in fiscal year 2019/2020 budget; seconded by Ben Campbell; motion carried 4-0.

b. Compliance review of Martha Hunt project – Linda Dickens motioned to approve compliance of the Martha Hunt project and move forward with payment of 50% of the actual total invoices, not to exceed \$7,918, upon receipt of Certificate of Occupancy; motion seconded by Ben Campbell; motion carried 4-0.

c. Compliance review of M. Craig Allen-First Class Renovations project - Lisa Denton and Terry Johnson completed a walk-through inspection on 9-21-20. Grantee reports that 50% of the work has been completed. Upon further research, it was determined that the building permit has not yet been issued for the improvements, and no inspections have been made to date. Staff will bring back to board for compliance review upon full completion of project, with all requirements met. No action on item 4c.

5. Discuss and take action regarding the PEDC Performance Agreements:

a. Amended Economic Development Performance Agreement with The Overlook Lifestyle Apt. Homes LLC -- Project asked for changes in Performance Agreement due to delays from COVID-19 and HUD. Developers are asking for an extension on commencement of site work to 12-31-21, although they hope to begin sooner. PEDC legal counsel has amended performance agreement accordingly and is waiting for review by project counsel. Linda Dickens made motion to approve amended economic development performance agreement upon final review and approval by PEDC counsel. Seconded by Charles Drane; motion carried 4-0.

b. Economic Development Performance Agreement with Tahwahkaro Distilling Co. – Owners have requested payment on the front end of the project, to reduce loan requirements. Payment to be made upon issuance of permit for construction. PEDC counsel recommends forgivable loan tied to front loaded incentives. Collateral will be equipment valued at or above \$200,000, and PEDC will have first lien. Loan will be forgiven upon issuance of Certificate of Occupancy. Charles Drane motioned to approve pending final review and approval by PEDC counsel; Linda Dickens seconded motion; motion carried 4-0.

6. Discuss and take action regarding TIRZ Consulting Services with TXP

Linda Dickens motioned to approve the expenditure of \$45,000, contingent upon City Council approval of a TIRZ, to be implemented by 12-31-2020, with the city responsible for legal fees associated with the TIRZ process; seconded by Charles Drane; motion carried 4-0.

7. Discuss and take action regarding potential Public-Private Partnership with broadband provider – Larry Weber motioned to move forward with researching a potential Public-Private Partnership with ETEX; seconded by Linda Dickens; motion carried 4-0. The partnership plan would involve PEDC funding some portion of construction costs, with reimbursement made through a revenue sharing agreement with ETEX, at an agreed upon percentage.

8. Discuss and take action regarding PEDC Budget for FY 2021. – Larry Weber made motion to approve the 2020-2021 budget with the correction of adding all PEDC debt service to the budget; seconded by Charles Drane; motion carried 4-0. PEDC carryover for downtown grants includes First Class Renovations for \$51,646, and Mary Mollard Properties for \$39,459. PEDC carryover for other incentives includes SCC Development for \$50,000, and The Overlook Apartments for \$70,000. A line item needs to be added for \$45,000 for TIRZ professional services.

J. CLOSED SESSION – 1:40 pm

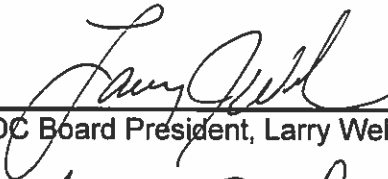
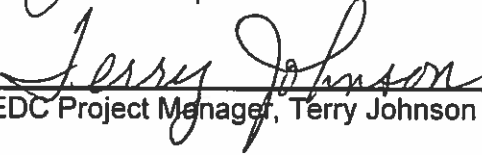
The Board will go into Closed Session pursuant to Texas Government Code, Chapter 551, Subchapter D, Section 551.087 regarding Economic Development

1. Discussion regarding Prospect 1001
2. Discussion regarding Prospect 1008
3. Discussion regarding Prospect 1009

K. RECONVENE INTO REGULAR SESSION – 2:10

1. Take any action necessary regarding Prospect 1001 – no action taken
2. Take any action necessary regarding Prospect 1008 – no action taken
3. Take any action necessary regarding Prospect 1009 -- no action taken

K. ADJOURNMENT – 2:10 pm

	10-22-20	2:32p
PEDC Board President, Larry Weber	Date	Time
	10-22-20	2:32pm
PEDC Project Manager, Terry Johnson	Date	Time