

GLADEWATER ECONOMIC DEVELOPMENT CORPORATION
REGULAR SESSION MINUTES
WEDNESDAY, JUNE 7, 4:00 P.M.

PRESENT: Luke Kimbrough, Jim Bardwell, John Paul Tallent, Mark Carpenter, Danny Darden, Michelle Palmer (Executive Director), Amanda Nobles (Consultant), Scott Owens (Ex-Officio), Kevin Clark (Ex-Officio), and Charlie Smith (Ex-Officio)

GUESTS: Lois Reed, Michael Venturelli, and James Draper (reporter)

1. **CALL TO ORDER:**
The meeting was called to order at 4:00 p.m.
2. **CITIZENS COMMENTS:**
None
3. **CONSENT AGENDA:**
 - (a) Acceptance May 10, 2023, Regular Meeting Minutes
 - (b) Acceptance of May 2023 Financial report

Danny Darden requested clean unmarked copies of the financial reports be provided going forward. Mark Carpenter made a motion to accept the May 10th regular meeting minutes and the May '23 financial report. Danny Darden seconded. The motion passed 5-0.

4. **DISCUSSION and POSSIBLE ACTION to amend Performance Agreement with Imperial Industries dba PMM:**

Michelle Palmer explained that PMM had a misunderstanding of the contract language which led to a discrepancy on their property improvement amounts. They more than compensated for the underspend in their FF&E so she recommended the board approve an adjustment of the property improvement & FF&E amounts on their contract.

Mike Venturelli addressed the board as PMM's representative. He shared their plans for Phase II of the project explaining the permanent changes that would be implemented to the property would include a 40' x 40' reinforced 12" thick concrete support structure for a 150' silo farm. The silo farm will include 12 silos holding 50 tons each. A weigh hopper, mixer, surge hopper and automated bagging station will be installed inside to produce between 16,000 to 32,000 bags per day. An additional warehouse structure of approximately 35,000 sqft. will be added as well to house raw materials and finished goods. Mr. Venturelli noted that in their planning 3 years ago Phase II was estimated to cost \$6M. With today's inflation they are anticipating it to ring in at an even higher price.

In closing Mr. Venturelli spoke about his fondness for Gladewater and how proud PMM is to be a part of the community. He congratulated the GEDCO Board, City Council, and city leaders for doing an amazing job. He also thanked Michelle Palmer for her hard work, noting she was the difference maker in their choice of location.

Mark Carpenter inquired how many jobs they had created thus far. Mr. Venturelli reported 3 positions were currently filled and 2 more were being added on Monday. Mrs. Palmer noted the 3 jobs complied to the performance agreement and the next 2 jobs were being filled ahead of schedule.

Jim Bardwell made a motion to proceed with approval of the Second Amendment to the Performance Agreement. John Paul Tallent seconded. Motion passed 5-0.

Note: The amendment documents the board reviewed for approval had a typo. The document title said First Amendment. The document signed for legal action and ratified by the City Council said Second Amendment.

5. CONSIDERATION and POSSIBLE ACTION to renew sponsorship of Expedition Texas:

Michelle Palmer reported no new rating numbers or outreach projections were available to determine the show's effectiveness in boosting Gladewater tourism. She remarked the commercial spots were currently GEDCO's only outward marketing tool, so she recommended continuing the sponsorship another season. The price would continue to be split with the Chamber of Commerce costing each organization \$2,500.

Positive discussion was had amongst the board about the show's outreach, type of engagement, and effectiveness. The consensus was the price was fair.

Jim Bardwell made a motion to continue sponsorship of Expedition Texas. Luke Kimbrough seconded. Motion passed 5-0.

6. DISCUSSION and CONSIDERATION of using a Cost/Benefit analysis of all GEDCO expenditures above \$10,000. To approve the payout must be 10 years or less and/or ROI must be 10% or higher to qualify:

Mark Carpenter led the discussion stating his desire that GEDCO have a policy and procedure to rank expenditures based on their ROI. Mayor Scott Owens asked about the limitations of the current software GEDCO uses for that purpose. Michelle Palmer reported the current program used, Impact DataSource, is limited to the specific function of calculating the projected ROI of a prospect's financial impact on the city. Data is gathered through a 70-question form filled out by the prospect. The program is not set up to be used outside those specific parameters. Mrs. Palmer remarked that most of the things the corporation engages in don't fall within the scope of those questions. She said the program makes sense in the context of a new business potentially coming to town, but if you want to know what the ROI would be for enhancing our website or for the GROW Gladewater Grant Program it won't work.

Mr. Carpenter stated the \$10,000 limit would ensure the policy would only apply for major purchases or requests. Mayor Owens speculated that many quality-of-life projects would not be measurable in dollar amounts and cautioned the board against restricting their ability to have positive impacts based upon a stringent policy.

Further discussion was held about the abilities of Impact DataSource and the practices of neighboring EDCs regarding how they calculate ROI on major projects.

Jim Bardwell remarked that he thought the idea was good, but possibly premature without the correct software being in place. Luke Kimbrough agreed it's best practice to do some kind of benefit analysis but didn't believe hamstringing the board was wise.

Mark Carpenter made a motion to table the item. Jim Bardwell seconded. Motion passed 5-0.

7. EXECUTIVE SESSION: Convene into Executive Session in compliance with Texas Local Government Code, Section:
(a) §551.072 Deliberation About Real Property – Project 227

Closed session began at 4:29 p.m.

8. RECONVENE IN REGULAR SESSION and take any necessary action regarding items from Executive Session:
(a) §551.072 Deliberation About Real Property – Project 227

Open session resumed at 4:49 p.m.

Danny Darden made a motion to authorize the Board President to enter into agreement with Project 227 according to discussion had in executive session and authorize a feasibility study not to exceed \$30,000. Jim Bardwell seconded. Motion passed 4-1. Mark Carpenter opposed.

9. ADJOURN:

Jim Bardwell made a motion to adjourn. John Paul Tallent seconded. Motion carried 5-0. Meeting adjourned at 5:00 p.m.

Michelle Palmer, Executive Director

ATTEST:

Danny Darden, GEDCO Secretary/Treasurer