

GLADEWATER ECONOMIC DEVELOPMENT CORPORATION
SPECIAL SESSION MINUTES
WEDNESDAY, NOVEMBER 15, 2023, 4:00 PM

PRESENT: Jim Bardwell, Mark Carpenter, Danny Darden, Michelle Palmer (Executive Director), Scott Owens (Ex-Officio), and Amanda Nobles (Consultant)

ABSENT: Luke Kimbrough, John Paul Tallent, Charlie Smith (Ex-Officio), and Kevin Clark (Ex-Officio)

GUESTS: Lois Reed, Martin Pessink, and Nathan Palmer

1. **CALL TO ORDER:**

The meeting was called to order at 4:00 PM.

2. **CITIZENS COMMENTS:**

None

3. **CONSENT AGENDA**

- (a) Acceptance of October 6, 2023, Special Meeting Minutes
- (b) Acceptance of September Financial Report
- (c) Acceptance of October Financial Report

Mark Carpenter made a motion to accept the consent agenda. Danny Darden seconded. Motioned passed 3-0.

4. **CONSIDERATION to approve updated version of the Grow Gladewater grant:**

Michelle Palmer stated the primary goal of the revision was to enhance its effectiveness by reallocating funds, particularly focusing on increasing support for the building component to stimulate revitalization and expansion efforts.

The discussion opened with a review of the targeted investment area, prompting considerations for clarification and potential expansion. Whether a map should be included for clarification was questioned. Mark Carpenter raised concern regarding the grant's application to demolishing houses by highlighting the need to adjust the language to clarify it could only be done for business purposes.

Mayor Owens inquired about a budget cap. The absence of a budget cap for the program was deliberated, with suggestions for implementing one and the need for council approval for grants exceeding a certain amount. Mr. Carpenter led the conversation that explored the program's objective of stimulating tax generation and job creation, emphasizing the importance of these factors in evaluating applications.

The discussion touched upon the idea of a cap on yearly funds and the potential for council oversight. Danny Darden suggested adding language to encourage applicants to address the program's objectives in their proposals, fostering alignment with the overall goals.

As the discussion unfolded, the board debated whether to proceed with a vote on the proposed changes or table the discussion for further refinement. Jim Bardwell made the suggestion to finalize the changes and present a complete proposal at the next meeting.

The board acknowledged the need for additional refinement and opted to table the discussion, recognizing the importance of presenting a comprehensive proposal at the next meeting for approval.

Mark Carpenter made a motion to table the item. Danny Darden seconded. Motion passed 3-0.

5. CONSIDERATION to approve Grow Gladewater grant application from USV, LLC:

Martin Pessink was invited to explain the project submitted and its alignment with the grant program.

Mr. Pessink began by detailing the growth of his business, USV, a liquidation company specializing in salvage groceries and auctions. USV had initially leased the old Catco building on the west side of town and later purchased it 18 months ago. He highlighted the improvements made, including painting and addressing structural issues, with the latest focus on expanding due to space constraints.

The proposed expansion involved constructing a 30 by 60 metal building behind the existing structure to accommodate a walk-in freezer. Mr. Pessink outlined the phased approach due to budget constraints, emphasizing the need for additional refrigeration and storage space. He explained the business model, focusing on repackaging distressed packaged items and the positive impact on the community.

The financials presented indicated substantial growth, with gross total income reaching \$695,000 in the nine months ending September 30. Mr. Pessink discussed the sales tax collection and its impact on the city, highlighting the need for additional employees as part of the expansion plan.

Board members expressed support for the project and proposed moving the application to a performance agreement. Mr. Pessink expressed a willingness to negotiate a performance agreement. Michelle Palmer suggested denying the grant application and proceeding with a performance agreement.

Jim Bardwell preferred to table the item leaving the grant application open and pursue discussions on a performance agreement. The board came to a consensus and Mr. Pessink thanked the board and reiterated his commitment to meeting or exceeding expectations under a performance agreement.

Mark Carpenter made a motion to table the item. Danny Darden seconded. Motion passed 3-0.

6. CONSIDERATION to approve JNL loan extension:

Jim Bardwell commended JNL for their steady and cooperative partnership with the board, acknowledging their transparency and determination.

Michelle Palmer explained that JNL had requested a three-month deferment due to a temporary decrease in income caused by a delay in production for orders scheduled after January. She informed the board that JNL had been proactive in seeking the deferment to prevent falling behind on payments during this challenging period.

Mrs. Palmer presented a new amortization schedule, crafted in anticipation of the board's approval. Mark Carpenter questioned the timeline for loan repayment. It was clarified that the intent was for JNL to pay off the loan by the end of 2026.

Mr. Bardwell emphasized JNL's dedication to promptly paying off their debt, as demonstrated during a previous reconfiguration of their loan. Mrs. Palmer expressed appreciation for the family's commitment to becoming debt-free and their open communication.

Mr. Bardwell highlighted a previous positive experience when JNL willingly provided two months' worth of payments, even though the request was only for one month. The board unanimously praised JNL as a company and family of character.

Danny Darden made a motion to approve JNL's loan extension. Jim Bardwell seconded. Motion passed 3-0.

7. EXECUTIVE SESSION: Convene into Executive Session in compliance with Texas Local Government Code, Section:

(a) §551.072 Deliberation About Real Property – Project 324c

Michelle Palmer informed the board there were no updates to share on this item, so a closed session was not needed. Jim Bardwell announced the item would be passed on and the board gave unanimous approval.

8. RECONVENE IN REGULAR SESSION and take any necessary action regarding items from Executive Session:

(a) §551.072 Deliberation About Real Property – Project 324c

Item was passed on.

9. ADJOURN:

Mark Carpenter made a motion to adjourn. Jim Bardwell seconded. Motion passed 3-0. Meeting adjourned at 4:52 PM.

Michelle Palmer, Executive Director

ATTEST:

Danny Darden, GEDCO Secretary/Treasurer