

Minutes
Wylie Economic Development Corporation
Board of Directors Meeting
May 22, 2020 – 8:30 A.M.
300 Country Club Road, Building #100
Wylie, TX 75098

CALL TO ORDER

Announce the presence of a Quorum

President Demond Dawkins called the regular meeting to order at 8:33 a.m. Board Members present were John Yeager, Melisa Whitehead, Gino Mulliqi, and Tim Gilchrist.

Ex-officio Member City Manager Chris Holsted was present, arriving at 8:34 a.m.

WEDC Staff present included Executive Director Jason Greiner, BRE Director Angel Wygant, & Senior Assistant Rachael Hermes.

INVOCATION & PLEDGE OF ALLEGIANCE

BRE Director Angel Wygant gave the invocation and led the Pledge of Allegiance.

CITIZEN PARTICIPATION

With no citizen participation, President Dawkins moved to Consent Agenda.

CONSENT AGENDA

All matters listed under the Consent Agenda are considered to be routine by the WEDC Board of Directors and will be enacted by one motion. There will not be separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

- A. **Consider and act upon approval of the April 22, 2020 Minutes of the WEDC Board of Directors Meeting.**
- B. **Consider and act upon approval of the April 2020 WEDC Treasurer's Report.**

Board Action

A motion was made by John Yeager, seconded by Melisa Whitehead, to approve the Consent Agenda as presented. A vote was taken and passed 5-0.

ACTION ITEMS

- 1. **Consider and act upon a Development Agreement between North Texas Municipal Water District and the WEDC for the relocation of a waterline located near the intersection of Highway 78 and Brown Street.**

Staff Comments

Staff noted that the approval of a Development Agreement is the next step in the long process of relocating the waterline near the intersection of Highway 78 and Brown Street. Once approved, the NTMWD Board will be meeting on May 28, 2020 to consider the same Development Agreement. The City Manager has been notified to ensure that the WEDC and

City Council are on the same page related to this project. Staff stated that they will bring back cost estimates further along in this process and the WEDC will sign off on expenses along the way.

Board Action

A motion was made by Gino Mulliqi, seconded by John Yeager, to approve a Development Agreement between North Texas Municipal Water District and the WEDC for the relocation of a waterline located near the intersection of Highway 78 and Brown Street. A vote was taken and passed 5-0.

2. **Consider and act upon the purchase of abandoned right-of-way from the City of Wylie, consisting of 1.88 acres, or approximately 81,713 square feet, being 3- 20’ unimproved alleys within the F. DE LA PINA Survey, Abstract No. 688, and 2 – 70’ unimproved streets, within the J. TRUITT Survey, Abstract No. 920.**

Staff Comments

Staff referenced the property locations related to this purchase and reminded the Board of the adjacent properties owned by the WEDC. Staff noted that approval by the WEDC Board would allow City Council to consider approval of the purchase at the May 26th City Council meeting.

Board Action

A motion was made by John Yeager, seconded by Gino Mulliqi, to authorize the Executive Director to execute any and all documentation necessary to purchase 1.88 acres, or approximately 81,713 square feet, from the City of Wylie in the amount of \$81,713. A vote was taken and passed 5-0.

3. **Consider and act upon a Third Amendment to a Performance Agreement between the WEDC and Dank Real Estate, Ltd.**

Staff Comments

Staff discussed the process of reviewing Performance Agreements to ensure that none are at risk due to COVID-19. Staff noted the effects of the pandemic on Deanan Gourmet Popcorn and explained the benefits of addressing the current financial challenges by amending the Performance Agreement in order to pull funding forward. Staff explained that the intent is to better equip the business now so that they are in a good position to further advance their operations after the pandemic and give them the opportunity to meet their business goals.

The Board was in agreement about their commitment to Dank Real Estate, Ltd. and expressed interest in helping other local businesses survive if their Performance Agreements were at risk due to the pandemic.

Board Action

A motion was made by Tim Gilchrist, seconded by Melisa Whitehead, to approve a Third Amendment to a Performance agreement between the WEDC and Dank Real Estate, Ltd., and further authorize the WEDC Executive Director to execute said Agreement. A vote was taken and passed 5-0.

4. Consider and act upon a Fourth Amendment to a Performance Agreement between the WEDC and DCU, Inc.

Staff Comments

Staff explained that DCU, Inc. has a Performance Agreement with WEDC that is scheduled for payment in August 2020. Staff discussed DCU, Inc. and the manufacturing work and expansion associated with the corporation. Staff noted that an Amendment to the Performance Agreement would simply pull the payment forward, noting that the requirements for this incentive had already been satisfied.

Board Action

A motion was made by Gino Mulliqi, seconded by John Yeager, to approve a Fourth Amendment to a Performance Agreement between the WEDC and DCU, Inc., and further authorize the WEDC Executive Director to execute said Agreement. A vote was taken and passed 5-0.

5. Consider and act upon a Performance Agreement between the WEDC and CBC Property Holdings, LP.

Staff Comments

Staff discussed the location of the development adjacent to the Kroger Center, noting that the Performance Agreement in consideration is payable over a two-year period and is directly tied to the fees associated with the project. Staff noted the inclusion of an Economic Impact Analysis for their consideration. The EIA for this project indicates that for every \$1 that the WEDC invests, this developer is investing \$20.18 in our community.

Board Action

A motion was made by Gino Mulliqi, seconded by Tim Gilchrist, to approve a Performance Agreement between the WEDC and CBC Property Holdings, LP. Providing for a maximum infrastructure reimbursement incentive of \$50,000 and further authorizing the WEDC Executive Director to execute said Agreement. A vote was taken and passed 5-0.

Board Member Yeager filed a conflict of interest with Staff prior to the start of the meeting and stepped out of the meeting at 8:55 a.m. prior to consideration of Item 6.

6. Consider and act upon a Performance Agreement between the WEDC and Wylie Insurance Agency, Inc.

Staff Comments

Staff discussed the location of this property adjacent to the South Ballard Overlay and explained that the Performance Agreement in consideration is payable over a two-year period, with requirements and details as outlined in the Agreement. The Economic Impact Analysis for this project indicates that for every \$1 that the WEDC invests, this developer is investing \$4.72 in our community.

Board Action

A motion was made by Gino Mulliqi, seconded by Melisa Whitehead, to approve a Performance Agreement between the WEDC and Wylie Insurance Agency, Inc. Providing for

a maximum infrastructure reimbursement incentive of \$27,500 and further authorizing the WEDC Executive Director to execute said Agreement. A vote was taken and passed 4-0.

Board Member Yeager returned to the meeting at 9:00 a.m. following the vote on Item 6.

DISCUSSION ITEMS

7. Discuss issues surrounding the FY 2020-2021 WEDC Budget.

Staff discussed the FY 2020-2021 Budget process and will provide dates for the presentation of budget to City Council when available. Staff explained that the proposed budget was drafted with an expectation of sales tax revenue reduction, noting reduced expenses in Advertising, Community Development, and Land Acquisition accounts. Expenses have been reallocated to support the programs and initiatives associated with Business Retention & Expansion and redevelopment efforts.

Staff anticipates a beginning fund balance of approximately \$1,589,281 for FY 2020-2021 and has planned for a revenue decrease of approximately \$500,000 due to reduction in sales tax revenues. City Manager Chris Holsted updated the Board regarding sales tax projections and informed the Board that additional figures would be provided when available, noting that roughly 11% of the City's overall revenue is comprised of sales tax revenue. The Board discussed the Business Assistance Program and funding provided/available to local businesses.

Staff provided an overview of the proposed budget. Regarding Debt Service, Staff noted that they are open to further direction from the Board. Personnel Services will be brought back with additional information for the Board as it is available.

Operating Expenses were detailed, noting the need for an updated office copier/scanner. After discussion, the Board agreed to move forward with the lease or purchase of a copier within the FY 2019-20 Budget and plans to budget for monthly service fees for the copier in the FY 2020-2021 Budget. Overall, Staff explained that expenses are being reviewed with intent to lower costs when possible. Regarding Rental Expense, Staff noted that the lease agreement for WEDC offices will be brought back to the Board when it is up for renewal. Additionally, the lease is being reviewed to ensure that budgeted expenditures align with the agreement.

Staff detailed an overview of Incentives to be paid in FY 2020-2021, noting that this core program accounts for 23% of the overall budget.

Regarding Special Services, it was noted that this portion accounts for 3% of the overall budget. Staff stated that they will be reviewing the mowing contract/locations for WEDC-owned properties. Property Management/Leasehold Improvements/Demolition line items were discussed with the Board. Staff expressed interest in the Board's feedback regarding demolition versus continued lease of residential properties, with more details to be discussed in the Staff Report portion of the meeting. Staff noted the five-year Retail Coach contract that provides savings related to trade shows and events. The Board expressed interest in hearing a presentation from Retail Coach and Staff confirmed that a meeting with Retail Coach had been canceled due to COVID-19 but would soon be planned for the Board. Staff explained the Interlocal Agreement with the City of Wylie, detailing the partnership between the WEDC and the City of Wylie in regard to projects and objectives.

Related to Advertising, Staff explained both the ability to reduce the budget if needed and the overall process of reorganizing the expenses to align with the goals and objectives of the WEDC. Overall advertising expenses have been reduced and some expenses have been recategorized as a function of Community Development. Staff discussed the current website agreement and the need for continuous improvement. The Board inquired about website traffic versus the investment. Staff noted that some of the website functions create extra expense but are required to meet the IEDC data set standards, adding that the item can be brought back for further discussion if needed.

Community Development items were detailed, noting the organization of expenses into Community, Education, Workforce, and BRE Industry Events. Staff discussed the attempt to mirror the categories in the budget with the goals of the organization.

Travel and Training items were detailed. The Board was encouraged to inform staff if they are interested in attending TEDC Basic Training, Sales Tax Training, or any other training that they would find useful and would like to attend. Staff noted that additional cuts could be made to this account if necessary.

The Dues and Subscriptions line item was broken down into subcategories to include Professional Organizations, Community Organizations, Technology, and Miscellaneous, noting that the largest portion of these expenses is related to technology.

Audit & Legal was discussed, noting that additional funds had been allocated due to the increase of Performance Agreements and real estate contracts.

Engineering & Architecture has been restructured to include Surveys, Engineering, Environmental, and Miscellaneous. This account shows an increase due to Capital Outlay projects further detailed within the budget.

The Debt Service line item was detailed and relates to four current loans. The Woodbridge Parkway loan will be fully paid within FY 20-21 and an extension of interest-only payments on the Brown & 78 loan would result in a savings of \$200,000 in this next FY.

Infrastructure Projects were reviewed, noting that this item accounts for 29% of overall expenses.

The Board agreed to further review the proposed budget and bring back any questions and needed revisions at the next meeting. The Board discussed any room in the budget for property purchases. Staff noted the option of loan consolidation and the mounting costs of developing the properties currently owned.

City Manager Chris Holsted left the meeting at 9:55 a.m.

8. Staff report: WEDC Property Update, FBC Rodeo, Team Up to Fight Hunger, Union Pacific, WB/Oncor, WEDC Activities and Programs.

Staff updated the Board regarding sales tax revenues for March, stating that the numbers are up 5.44% over the same month last year.

WEDC Property Updates include the WEDC purchase of Collin County property associated with Brown/78 Redevelopment and the City ROW purchase that will be presented at the upcoming City Council Meeting. In relation to WEDC-owned rental properties, Staff asked the Board for their input regarding any late payments due to COVID-19. The Board agreed to waive any late fees associated with delay in payment. Staff asked the Board for their input regarding issuance of permits for improvements on residential rental properties and direction regarding the recently vacated property at 503 S Ballard. The Board determined that they would not allow any improvements or permitting on WEDC-owned rental properties and requested that Staff obtain demolition quotes for residential rental properties. The Board stated that they would like to provide tenants as much notice as possible prior to any demolition.

Staff updated the Board regarding the request from FBC Wylie for use of the WEDC-owned lot at 303 E. Marble St. for the FBC Rodeo. The Board agreed to allow the use if proper insurance and permitting was obtained.

Updates were provided to the Board related to Team Up To Fight Hunger and others who have joined in the effort. Staff provided a quote for the Team Up To Fight Hunger concept animation that had been discussed at the 4-22-20 Board meeting. The Board agreed to provide funds for the animation.

Staff informed the Board that the Union Pacific parking lot project is pending and additional updates will be provided at the next Board Meeting.

Staff discussed an issue with Whataburger/Oncor related to utility lines for the property and Whataburger's projected expense of \$52,596 to loop the utility line underneath Hwy 78. After discussion, the Board expressed willingness to assist with 25% of the cost.

WEDC Activities and Program updates include the nomination of the WEDC for the Workforce Excellence Award. The award is presented by the Texas Economic Development Corporation annually. This recommendation is a result of the WEDC receiving the Workforce Partner of the Year Award from NCTCOG and highlights the efforts of the WEDC to support the business community by enhancing workforce initiatives.

EXECUTIVE SESSION

Recessed into Closed Session at 10:26 a.m. in compliance with Section 551.001, et. seq. Texas Government Code, to wit:

Section 551.072 (Real Estate) of the Local Government Code, Vernon's Texas Code Annotated (Open Meetings Act). Consider the sale or acquisition of properties located at:

- State Highway 78 & Brown
- Jackson & Oak

Section 551.087 (Economic Development) of the Local Government Code, Vernon's Texas Code Annotated (Open Meetings Act). Deliberation regarding commercial or financial information that the WEDC has received from a business prospect and to discuss the offer of incentives for:

- Project 2017-10a

- Project 2018-2a
- Project 2018-10c
- Project 2019-11b
- Project 2019-12a
- Project 2019-12c
- Project 2020-4a
- Project 2020-4c
- Project 2020-5a
- Project 2020-5b
- Project 2020-5c
- Project 2020-5d

RECONVENE INTO OPEN MEETING

Take any action as a result from Executive Session

President Demond Dawkins reconvened into Open Session at 11:02 a.m.

ADJOURNMENT

With no further business, President Dawkins adjourned the WEDC Board meeting at 11:02 a.m.



Demond Dawkins, President

ATTEST:



Jason Greiner, Executive Director