

Minutes
Wylie Economic Development Corporation
Board of Directors Meeting

Monday, January 21, 2019 – 12:00 P.M.
WEDC Offices – Conference Room
250 South Highway 78 – Wylie, Texas

CALL TO ORDER

Announce the presence of a Quorum

President Bryan Brokaw called the meeting to order at 12:04 p.m. Board Members present were Todd Wintters, John Yeager, Demond Dawkins and Marvin Fuller.

Ex-officio members Mayor Eric Hogue and City Manager Mindy Manson were present.

WEDC staff present was Executive Director Sam Satterwhite, Assistant Director Jason Greiner, and Senior Assistant Angel Wygant.

INVOCATION & PLEDGE OF ALLEGIANCE

President Brokaw gave an invocation and led the Pledge of Allegiance.

CITIZEN PARTICIPATION

With no citizen participation, President Brokaw moved to Action Items.

ACTION ITEMS

ITEM NO. 1 – Consider and act upon approval of the December 19, 2018 Minutes of the Wylie Economic Development Corporation (WEDC) Board of Directors Meeting.

MOTION: A motion was made by Todd Wintters and seconded by John Yeager to approve the December 19, 2018 Minutes of the Wylie Economic Development Corporation. The WEDC Board voted 5 – FOR and 0 – AGAINST in favor of the motion.

ITEM NO. 2 – Consider and act upon approval of the December 2018 WEDC Treasurers Report.

Sales Tax receipts for January continued to show strong increases over prior year receipts. Staff is optimistic that this trend will continue. Board Member Fuller requested that in addition to 2017 and 2018, 2016 be placed upon the Sales Tax Revenue Report in order to give a broader perspective.

MOTION: A motion was made by John Yeager and seconded by Demond Dawkins to approve the December 2018 Treasurer’s Report for the Wylie Economic Development Corporation. The WEDC Board voted 5 – FOR and 0 – AGAINST in favor of the motion.

ITEM NO. 3 – Consider and act upon issues surrounding the WEDC Annual Report.

Staff presented the 2018 Annual Report for review and input. Per the WEDC By-laws, the WEDC must present an annual report to the Wylie City Council no later than January 31st of each year. The report must include, but is not limited to, a review of all expenditures made by the Board, a review of accomplishments, and a review of other than direct economic development.

Board Member Wintters suggested that the Goals for 2019 include ongoing multi-year projects such as the sale of the remaining pad site on Highway 78, the Eubanks property, Downtown alley improvements, and a drainage study for the Downtown area.

MOTION: A motion was made by John Yeager and seconded by Todd Wintters to approve the 2018 WEDC Annual Report and present the same to the Wylie City Council for their review. The WEDC Board voted 5 – FOR and 0 – AGAINST in favor of the motion.

ITEM NO. 4 – Consider and act upon a Property Management Agreement between the WEDC and Robert Heath.

Staff informed the Board that multiple properties acquired, and soon to be acquired, as part of the WEDC Brown & 78 redevelopment project have existing tenants. Staff proposed that the WEDC enter into a Property Management Agreement with Heath Management Company. The Property Management Agreement outlined the services that Heath Management will provide such as the collection of rent, property management, and interaction with tenants.

The term of the Agreement begins immediately and may be terminated upon ninety (90) days written notice by either party. Heath Management will collect all monies from tenants and remit those same funds to the WEDC, less expenses and a 20% management fee of gross rents, on a monthly basis. Staff recommended that the WEDC Board of Directors authorize the Executive Director to execute the Property Management Agreement between the WEDC and Heath Management Company.

In addition to entering into the Property Management Agreement, the Board directed staff to amend new lease agreements to include a 6-month notice to vacate.

MOTION: A motion was made by Todd Wintters and seconded by John Yeager to authorize the Executive Director to execute the Property Management Agreement as amended between the WEDC and Heath Management Company. The WEDC Board voted 5 – FOR and 0 – AGAINST in favor of the motion.

ITEM NO. 5 – Consider and act upon issues surrounding the disposition of WEDC property located at 300 Brown Street.

A major component of the 13-acre tract on Brown Street is a property previously utilized as a nursing home. Staff presented multiple options for disposition of the improvements on this property for Board consideration. The first option was to accept an offer from Mr. Bob Heath and Mr. Bobby Heath to remodel and lease the facility. This option would not result in added expense to the WEDC for the remodeling and would generate a small amount of income over the next 2 years. The second option was to demolish the structure in preparation for redevelopment.

As presented throughout the due diligence period, the structure is significantly impacted by asbestos as evaluated by Farmers Environmental, a licensed environmental consulting & compliance company which was on-site November 30, 2018 through December 3, 2018.

The Farmers report was provided to Intercon Demolition, NorthStar Demolition & Remediation, and Midwest Wrecking Company. It was requested of all entities to provide pricing for all labor, material, equipment and insurance necessary for the asbestos remediation, demolition, and hauling off all debris to a regulated landfill associated with the structure located at 300 Brown Street. The bids received were as follows:

MOTION: A motion was made by Marvin Fuller to retain the property ‘as is’ until redevelopment was imminent. The Motion failed due to the lack of a second.

A motion was made by Todd Winters and seconded by Demond Dawkins to authorize the Executive Director to enter into a contract with Intercon Demolition for the asbestos remediation and demolition of all improvements located at 300 Brown Street in an amount not to exceed \$385,000 with a start date on or about February 5, 2019. The WEDC Board voted 4 – FOR and 1 – AGAINST in favor of the motion with Marvin Fuller dissenting.

ITEM NO. 6 – Consider act upon FY 2018 – 2019 WEDC Budget Amendment #1.

To accommodate unanticipated revenues and expenses associated with recent land acquisition and remediation/demolition activities, the following amendments are required for the FY 2018 - 2019 Budget.

The \$4.5 mm loan from The American National Bank of Texas will be accounted for with an increase to Bank Note Proceeds in the same amount. Sale of Land is being amended to more accurately reflect the potential sale of a WEDC pad site and the potential sale of an additional parcel to be discussed within Executive Session. An increase to Rental Income reflects lease income from properties within the Brown & 78 redevelopment area.

Future Project monies were reduced within Incentives to partially fund Brown Street remediation and demolition which is also accounted for with increases to Special Services. Transfer to (City) General Fund was reduced from the budgeted amount of \$20,000 to \$5,000 which funds an existing Interlocal Agreement for administrative services between the City and WEDC.

The budget for Debt Service was amended to address the new ANB loan associated with Brown & 78 acquisitions (\$262,969 for the remainder of the fiscal year), and the early payoff of the Peddicord/White loan (\$494,954) as recommended by ANB to meet certain cash flow requirements. The Principal Reduction budget was reduced from \$1.2 mm to \$749,240 to accommodate the shift in priorities.

Streets & Alleys is amended to reflect the carry-over of the Ballard Street alley project from the prior fiscal year (new start date the week of 1-28-19), the Eubanks water line improvements, and a savings of \$1,320 on the Hensley Lane roadway improvements.

MOTION: A motion was made by Marvin Fuller and seconded by Todd Winters to approve WEDC Budget Amendment #1 for FY 2018 – 2019. The WEDC Board voted 5 – FOR and 0 – AGAINST in favor of the motion.

DISCUSSION ITEMS

ITEM NO. 7 - Staff report: review issues surrounding WEDC Performance Agreement Summary, Hotel Occupancy Tax, Environmental Activity Summary, Active Project Summary, and Regional Housing Starts.

Staff updated the Board on WEDC projects and activities noting that year-over-year sales tax receipts received in December for the Woodbridge Crossing shopping center increased 44.15% and Woodbridge Centre experienced an increase of 53% over the same time period. Housing starts remained strong with sixteen new homes permitted in Wylie.

ITEM NO. 8– Discussion of issues to be placed on a future WEDC Board Meeting agenda (no substantial consideration/discussion allowed).

No Board Member requested any items to be placed on future Agendas.

President Bryan Brokaw recessed into Executive Session.

EXECUTIVE SESSION

Recess into Closed Session at 1:27 p.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 & 5th Street

- Birmingham & 78

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 2013-3a
- Project 2017-10c
- Project 2018 8b
- Project 2018-10b

Todd Wintters left the meeting at 1:44 p.m.

RECONVENE INTO OPEN MEETING

Take any action as a result from Executive Session

The WEDC Board of Directors reconvened into open session at 1:49 p.m.

ADJOURNMENT

With no further business, President Brokaw adjourned the WEDC Board meeting at 1:49 p.m.


Bryan Brokaw, President

ATTEST:


Samuel Satterwhite, Director