

Minutes
Wylie Economic Development Corporation
Board of Directors Meeting

Wednesday, August 15, 2018 – 6:30 A.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 6:31 a.m. Board Members present were John Yeager, Marvin Fuller, Todd Winters, and Demond Dawkins.

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

Marvin Fuller 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 August 1, 2018 Minutes of the Wylie Economic Development Corporation (WEDC) Board of Directors Meeting.

MOTION: A motion was made by Todd Winters and seconded by John Yeager to approve the August 1, 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 July 2018 WEDC Treasurers Report.

Staff reviewed the items contained within the Treasurers Report and called the Board’s attention to the 4.6% decrease in sales tax received in August. However, staff informed the Board that in the Comptrollers Sales Tax Report there was an audit adjustment of just over \$90,000. Staff contacted the Comptroller’s office and was told this adjustment was for a construction business who had been paying taxes to the City of Wylie in error over the past 5 years. The adjustment reallocated the Sales Tax Revenue to the proper taxing entity. No further adjustments were anticipated from this entity. Without this adjustment, sales tax would have increased 4% over the prior year.

Staff informed the Board that a billing change had been made to the Club Corp account. In the future, the City issued credit card would no longer be used for this account, rather all charges will be paid on a personal card and business expenses reimbursed accordingly.

MOTION: A motion was made by John Yeager and seconded by Todd Winters to approve the July 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 approval of a Second Amended Performance Agreement between DCU, Inc. and the WEDC.

Staff reminded the Board that the WEDC entered into a Performance Agreement with DCU on September 22, 2017 and approved a First Amendment to the Agreement on March 21, 2018. The Agreement called for DCU to construct an 11,200 square foot manufacturing facility on Capital Street and extend a gas line to service the same. The First Amendment addressed increased costs associated with the gas line extension due to the distance required to service the property. The Agreement provided for the WEDC to pay the utility contractor directly. With a Certificate of Occupancy for the project issued on July 25, 2018, DCU met the performance criteria for Incentive No.1a & Incentive No. 1b which provides for the payment of development fees directly to the City of Wylie, payment to the utility contractor, and payment to DCU for relocation expenses.

Staff presented a Second Amendment to address a recently discovered issue. The Roadway Impact Fees estimate were calculated incorrectly based on the classification of the building as 'office space' rather than an 'industrial' use for the property. The Permit Fees for the agreement were initially estimated at \$31,533.93. When the use classification was corrected, Roadway Impact Fees were adjusted to a lower amount bringing the total fees of \$24,545.13. This change reflects a \$6,988.80 reduction in the fees owed. With the WEDC paying fees directly to the City, the Performance Agreement as written and approved will result in lowering the incentives to the project in the amount of \$6,988.80.

The total incentive package of \$107,858 was based upon the investment and costs for DCU, Inc. to construct the facility. Staff contended that had the fee estimate been calculated correctly the net \$6,988.80 would most likely have been placed within Incentive No. 2 or 3. Board members discussed whether or not this reduction in fees should be viewed as savings or whether we should maintain the approved level of incentive on this project with a change in payee.

Staff recommended reallocating the \$6,988.80 into Incentive No. 2 which was previously \$12,500.

MOTION: A motion was made by Marvin Fuller and seconded by Demond Dawkins to approve a Second Amendment to Performance Agreement amended to increase Incentive No. 3 by \$6,988.80. The WEDC Board voted 5 – FOR and 0 – AGAINST in favor of the motion.

DISCUSSION ITEMS

ITEM NO. 4 - Staff report: Staff reviewed issues surrounding WEDC Performance Agreement Summary, Hotel Occupancy Tax, Environmental Activity Summary, REVA Hospitality, KCS Strategic Partners Conference, WEDC website, Cross Development, public information requests, active project summary, and regional housing starts.

Staff updated the Board on WEDC projects and activities noting the addition of an “active projects” section and “Hotel Occupancy Tax” section of the Staff Report. With two hotels operational and a third scheduled to open within the next few months, staff has begun tracking the hotel occupancy tax receipts.

July highlights included:

Sales Tax receipts for both major shopping centers were up; and housing starts remained strong with sixty-three new homes permitted in Wylie.

The WEDC website is nearing completion with materials reviewed and work progressing on the implementation of a new commercial property tracking tool. Staff informed the Board that it estimates a 2-week delay in the previously anticipated date to “go live”.

Mr. Satterwhite and Mr. Greiner will be attending the KCS Strategic Partners Conference on September 18th – 19th. At the conclusion of the conference a special focus group consisting of transload operators, logistics consultants, KCS customers, and the KCS marketing/industrial group will meet to discuss/promote the Wylie distribution park. Staff has been asked to speak at the meeting to describe Wylie in general and address our interest in new distribution operations.

ITEM NO. 5 – 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. Staff mentioned that it anticipates a presentation to City Council on September 11th regarding the 544 property and the Interlocal Agreement between the City of Wylie and the WEDC.

EXECUTIVE SESSION

Recess into Closed Session at 7:09 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:

- Oak & Jackson
- Oak & Ballard
- 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 2016-10c
- Project 2018-6c
- Project 2018-8a
- Project 2018-8b
- Project 2018-8c

Marvin Fuller left at 7:32 a.m. and did not return.

RECONVENE INTO OPEN MEETING

The WEDC Board of Directors reconvened into open session at 8:09 a.m. and took no action.

ADJOURNMENT

With no further business, President Brokaw adjourned the WEDC Board meeting at 8:09 a.m.



Bryan Brokaw, President

ATTEST:



Samuel Satterwhite, Director