

Minutes
Wylie Economic Development Corporation
Board of Directors Meeting

Monday, October 10, 2016 – 7:00 A.M.
WEDC Offices – Conference Room
250 South Highway 78 – Wylie, Texas

CALL TO ORDER

Announce the presence of a Quorum

President Marvin Fuller called the meeting to order at 7:01 a.m. Board Members present were John Yeager, Mitch Herzog, and Todd Wintters.

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.

CITIZEN PARTICIPATION

With no citizen participation, President Fuller proceeded to Action Items.

ACTION ITEMS

ITEM NO. 1 – Consider and act upon approval of the September 23, 2016 Minutes of the Wylie Economic Development Corporation (WEDC) Board of Directors Meeting.

MOTION: A motion was made by Mitch Herzog and seconded by John Yeager to approve the September 23, 2016 Minutes of the Wylie Economic Development Corporation. The WEDC Board voted 4 – FOR and 0 – AGAINST in favor of the motion.

Demond Dawkins joined the meeting at 7:10 a.m.

DISCUSSION ITEMS

ITEM NO. 2 – Consider issues surrounding the purchase of 4.79 acres from Dallas Whirlpools, Ltd.

Staff explained that the WEDC is under contract with Dallas Whirlpools, Ltd. (Wallace Family) to purchase 4.79 acres located across F.M. 544 from the Greenway Center and east of Commerce Street for \$2,200,000. The Due Diligence period will expire on November 12th with a Phase I environmental site assessment and a limited Phase II to be completed on or about October 17th. Further consideration by the Board will be held on October 28th and potentially another Special Called Meeting on the issue within the first two weeks of November. Following Board approval, Council consideration and approval will also be required. Staff has requested an extension of the Due Diligence period to November 15th to

accommodate a postponement of the Wylie City Council meeting from November 8, 2016 to November 14, 2016 due to the election.

Should the Board approve the purchase, American National Bank has presented a financing package with interest only payments for 3 years and then principal & interest payments for 2 years at a fixed rate of 4% based upon a 10-year amortization. ANB has suggested interest only payments to give the WEDC more flexibility within the existing and future budgets. Staff expressed optimism that the redevelopment project will have a short life-span, however it is difficult to determine if the completion time frame will be 2, 3, or 7 years.

Assuming the WEDC is paying \$200,000 in cash and financing \$2,000,000, interest only payments will equal \$80,000 annually with P&I payments equaling \$243,000 in years 4 and 5. The WEDC FY 2016 – 2017 Budget was developed with adequate debt service to account for the required interest only payments.

Staff sought direction from the Board for the term associated with interest only payments. ANB has suggested 3 years due to the WEDC being somewhat leveraged with other redevelopment projects that are financed and nearing completion such as the Highway 78 pad sites. While staff would prefer to be reducing principal immediately, staff commented that there is value in flexibility. Should the WEDC sell a portion of this property within 6 – 8 months and reduce the outstanding debt significantly, staff will recommend transitioning to P&I payments shortly thereafter. The Board agreed that the flexibility associated with the interest only payments was valuable and directed staff to pursue a three-year interest only option.

Staff also informed the board it is investigating potential flood plain issues on the adjoining City tract which may impact development of the Wallace tract. The eastern portion of the City property is within Zone 'A' which is defined as a special flood hazard area subject to inundation by the 1% annual chance of flood with *no base flood elevations determined*. Existing elevations for the property are currently being evaluated by a hydrologist to determine if the property can be removed from Zone 'A'. Staff will provide the Board with further information on this issue at the October 28th Board Meeting.

Staff had no recommendation associated with this Discussion Item and no action was taken.

EXECUTIVE SESSION

Recessed into Closed Session at 7:18 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 near the intersection of:

- Highway 78 & Birmingham

Section 551.087 (Economic Development) of the Local Government Code, Vernon's Texas Code Annotated (Open Meetings Act).

- Project 2016-10a
- Project 2016-10b

RECONVENE INTO OPEN MEETING

The WEDC Board of Directors reconvened into open session at 7:53 a.m.

ADJOURNMENT

With no further business, President Fuller adjourned the WEDC Board meeting at 7:53 a.m.



Marvin Fuller, President

ATTEST:



Samuel Satterwhite, Director