

Minutes
Wylie Economic Development Corporation
Board of Directors Meeting

August 19, 2015 – 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 7:05 a.m. Board Members present were John Yeager, Mitch Herzog, Demond Dawkins and Todd Wintters.

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

WEDC staff present was Executive Director Sam Satterwhite and Sr. Assistant Angel Wygant.

CITIZEN PARTICIPATION

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

ACTION ITEMS

ITEM NO. 1 – Consider and act upon approval of the July 31, 2015 Minutes of the Wylie Economic Development Corporation (WEDC) Board of Directors Meeting.

MOTION: A motion was made by Mitch Herzog and seconded by Todd Wintters to approve the July 31, 2015 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 2015 WEDC Treasurer’s Report.

MOTION: A motion was made by John Yeager and seconded by Todd Wintters to approve the July 2015 WEDC Treasurer’s report. The WEDC Board voted 5 – FOR and 0 – AGAINST in favor of the motion.

ITEM NO. 3 – Consider and act upon approval of an amended Certificate of Corporate Resolution 2015-01 (R) approving Loan Documents, including but not limited to, a Promissory Note and Security Agreement required to borrow the sum of \$387,317.13 from The American National Bank of Texas, pledge as security the use and sales tax revenue the WEDC receives from the City of Wylie for repayment of said Loan, and further authorize President Marvin Fuller to execute all documents necessary to effectuate all Loan Documents.

Staff reminded the Board that on July 31, 2015, the WEDC Board of Directors approved a Resolution authorizing the borrowing of funds from American National Bank in the amount of \$387,317.13 to fund the purchase of property from Cora Jones and to refinance a note held by Hobart Investments. While the motion made by the Board identified the Jones property being located at 106 N. Birmingham, the Resolution identified the property being located at ‘106 N. *Buckingham*’.

Staff requested that the WEDC Board of Directors approve an amended Resolution with a corrected address along with all Loan Documents. Following approval of the amended WEDC Resolution and Loan documents, the Wylie City Council will be required to authorize, via resolution, the WEDC entering into debt in the amount of \$387,317.13 and the pledge of sales tax receipts as security for said Loan with ANB. The tentative date for City Council consideration is August 25, 2015.

Staff recommended that the WEDC approve an amended Certificate of Corporate Resolution 2015-01(R) approving the terms and conditions of the Loan Documents, including but not limited to a Loan Agreement, Promissory Note, and Security Agreement in order to borrow the sum of \$387,317.13 from American National Bank of Texas to fund a portion of the purchase price for land and improvements located at 106 N. Birmingham Street and to refinance an existing note held by Hobart Investments, in addition to the pledge of sale and use tax received by the WEDC as security for the loan, *further authorizing* WEDC President Fuller and WEDC Secretary Yeager to execute all documents necessary to effectuate the Loan Documents.

MOTION: A motion was made by Mitch Herzog and seconded by John Yeager to approve an amended Certificate of Corporate Resolution 2015-01 (R) as presented. The WEDC Board voted 5 – FOR and 0 – AGAINST in favor of the motion.

DISCUSSION ITEMS

ITEM NO. 4 – Staff report: review issues surrounding Performance Agreements between the WEDC and: Woodbridge Crossing, Ascend Custom Extrusions, CSD Woodbridge, Exco Tooling Solutions, Von Runnen Holdings, 605 Commerce, Active Project Status Report, and regional housing starts.

Woodbridge Crossing

Attached for the Board’s review was the Sales Tax Reimbursement Report which identifies all sales taxes received through July 2015 within Woodbridge Crossing for the City General Fund, the WEDC, and the 4B. As a reminder, the City and WEDC reimbursed 85% of all sales tax generated within Woodbridge Crossing through September 2013 with the reimbursement percentage reduced to 65% thereafter. Due to the default under the Amended and Restated Performance Agreement, Woodbridge Crossing is only eligible to receive up to \$6 million in sales tax reimbursement through September 2021 as opposed to the maximum reimbursement of \$12 million originally contemplated.

\$2,996,428 in reimbursement has been earned through July 2015 with net receipts of \$1,887,569 after reimbursements. As well, it is estimated that \$2.5 mm has been paid in ad valorem taxes to the City of Wylie (excluding the WISD).

As shown on the Sales Tax Reimbursement Report, \$103,639.99 was generated in sales tax in May 2015 versus \$88,966.88 in May 2014. This increase represents a 16% gain over 2014 receipts.

Ascend Commercial Lease and Performance Agreement

Attached for review was the Ascend Custom Extrusion Critical Dates Analysis and Performance Agreement Monitoring Procedures. Payment #4 of 5 for the Economic Incentives has been funded with Ascend meeting all Performance Obligations within Sections A and B of the attachment.

Also attached for your review is the summary of a second Performance Agreement between the WEDC and ACE which was approved in December 2013. Payment #2 of 4 has been funded with Ascend meeting all Performance Obligations within Section A of the attachment.

CSD Woodbridge Performance Agreement

On July 15, 2013 a certificate of occupancy (CO) was issued for Kroger Marketplace. Beginning October 1, 2013 and ending October 1, 2023, Clark Street Development is eligible to receive a ½ cent sales tax reimbursement from the WEDC (City of Wylie not part of sales tax reimbursement agreement). Quarterly payments will be made to Clark Street based upon the data provided by the Comptroller. In addition to the \$100,000 reimbursement incentive paid by the WEDC at CO, Clark Street is eligible to receive cumulative incentives of \$1,100,000 over the life of the Agreement.

Along with a summary of the Performance Agreement, a Sales Tax Reimbursement Report was included for the Board's review. The impact of The Rock Wood Fired Kitchen will not be evident for another month.

Exco Tooling Solutions

Exco has begun construction of its 30,000 square foot facility within Premier Business Park. All indications point to an October completion date. As provided in the Summary of Performance Obligations, the WEDC will fund an \$87,000 incentive upon issuance of a CO followed by four payments of \$20,000 over the following four years.

Von Runnen Holdings

Von Runnen Holdings is constructing a 12,047 square foot commercial building near the intersection of Hooper and F.M. 544. A Certificate of Occupancy (CO) is required to be issued no later than January 31, 2016 with construction cost of no less than \$1.25 mm. At CO a

\$20,000 incentive payment will be made with two (2) \$10,000 payments made annually thereafter so long as there is a \$1 mm minimum valuation and property taxes are current.

605 Commerce

WEDC property located at 605 Commerce is currently enrolled in the TCEQ Voluntary Cleanup Program. Within the next 30 days, all soil and air samples will be submitted to the TCEQ for analysis.

Active Project Status Report

Staff created and reviewed with the Board an Active Project Status Report. After so much time had been dedicated to the Industrial Court redevelopment project, staff has begun to document the status of active projects in an effort to be more organized and to better prioritize activities.

Regional Housing Starts

Thirty-Six homes were permitted in Wylie for July 2015. Sachse, Lavon, and Murphy permitted a combined twenty-eight homes over the same period.

No action is requested by staff for this item.

EXECUTIVE SESSION

Recessed into Closed Session at 7:21 a.m. in compliance with Section 551.001, et.seq. Texas Government Code, to wit:

Board Member Wintters left the meeting at 7:55 a.m.

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

- Project 2015-2a

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:

- Cooper Drive and State Highway
- Business Way and Commerce

RECONVENE INTO OPEN MEETING

The WEDC Board of Directors reconvened into open session at 7:59 a.m. and took no action.

ADJOURNMENT

With no further business, President Fuller adjourned the WEDC Board meeting at 7:59 a.m.



Marvin Fuller, President

ATTEST:



Samuel Satterwhite, Director