

Wylie Economic Development Corporation

FY 2023 Annual Report

March 20, 2024

## **Financial Condition**

The Wylie Economic Development Corporation (WEDC) places a priority on financial reporting each year. According to the WEDC Bylaws, a review of all expenditures, accomplishments, and non-direct economic development activities must be presented to the City Council no later than April 1st each year.

At the end of each fiscal year, the WEDC undergoes an annual audit of its financial practices and transactions by a third-party firm chosen by the Wylie City Council and facilitated by the City of Wylie's Finance Department. The FY 2023 audit revealed no discrepancies or irregularities, as confirmed by the absence of notifications to the WEDC. To ensure a greater opportunity for a 'clean' audit, WEDC staff works closely with the Finance Department throughout the year so that there is a complete understanding of all WEDC activities by Finance staff and the same can be more accurately documented and communicated to the auditors.

The WEDC began the fiscal year with an anticipated fund balance of \$9,821,687, and the audited fund balance was later adjusted up to \$10,747,516. In FY 2023, sales tax receipts were up 11.25% over FY 2022 receipts with sales tax revenue totaling \$4,611,796 of available WEDC revenue. Other revenues included rental income of \$116,558, \$996 from Miscellaneous Income, \$75,397 from the gain/loss sale of assets, and allocated interest of \$381,356. Total FY 2023 available operating funds totaled \$5,186,102.

Expenditures for WEDC operations were as follows: Personnel: \$471,210, Administrative costs: \$166,978, Marketing & Promotion activities: \$222,596, Debt Service: \$1,231,998, Land Acquisition: \$345,442 (which is offset by a Contra Capital adjustment: -\$345,442), Infrastructure Improvements/Utility Relocation: \$130,358, Direct Business Incentives: \$855,812, Payment to Taxing Units: \$119, and \$658,324 in Other expenses which included: engineering, surveys, flood/drainage studies, tree removal, environmental remediation on WEDC-owned properties, maintenance of WEDC-owned properties, and demolition of commercial/residential structures located at 908 Kirby, 605 Commerce, and 200 W Brown.

The Debt Service account includes three loans: the Jarrard Loan, due for full repayment in December 2026; the Series 2021 Note, for land acquisition; and the Series 2022 Note, for infrastructure improvements. On October 5, 2021, at the beginning of FY 22, the Series 2021 Note was funded, with loan terms of 240 months at a 3.48% interest rate with a 5-year call restriction. On July 20, 2022, the Series 2022 Note was funded, with loan terms of 240 months at a 4.8% interest rate with a 5-year call restriction. It is important to note that the WEDC Board may at its option prepay the principal amount of the Series 2021 Note in whole, or in part, on any payment date on or after November 5, 2026. Additionally, the WEDC Board may at its option prepay the principal amount of the Series 2022 Note in whole, or in part, on any payment date on or after August 20, 2027. The principal balance at year-end FY 2023 was \$15,482,193. With no additional principal reduction payments, total expenditures for FY 2023 were \$4,082,836.

As shown above, in FY 2023 the WEDC had \$855,812 in direct incentive payments. Within that figure, \$29,377 was paid as part of ongoing sales tax reimbursement programs, \$257,000 for industrial projects, and \$569,434 for office/medical/general commercial. The WEDC also forgave a loan payment of \$20,000 pertaining to the LUV-ROS land purchase. Of the incentive payments made, \$571,434 represented either a one-time commitment or the final payment on a multi-year agreement.

After the current FY land transactions including 106 N. Birmingham Street to Glen Echo Brewing, 2200 W. Alanis Drive to Stealth Finishing, and the acquisition of Lot 2R of the Helmberger Industrial Park, the WEDC owns and manages 41.3978 acres of land with 30,736 square feet of improvements at a cost basis of \$16,006,004. In evaluating land that may be acquired, the WEDC Board of Directors assesses the sites' potential for business park development, the need for a site to be redeveloped based upon the current state of aging improvements, and/or a strategic intervention to protect the property from development which may not reflect the highest and best uses for an identified area. The remaining debt associated with real estate at year-end FY 2023 was \$7,664,256.

The FY 2024 WEDC Budget projects \$7,353,131 in total revenues. Sales tax receipts, being the primary revenue source, are budgeted at \$4,536,561, sale of WEDC property at \$2,655,970, and rental income of \$48,600. Total Expenses are budgeted at \$16,427,451, with Land Purchases at \$1,000,000, Infrastructure Projects at \$10,324,000, Debt Service at \$1,231,998, Personnel \$629,900, and Incentives \$1,929,250. Within the Incentives budget, there are 11 ongoing projects and \$300,000 set aside for Future Projects. Any additional incentive or infrastructure project not contemplated within the Budget and later approved by Council and the WEDC Board in FY 2024 will be funded from the end of year FY 2023 unallocated revenues equaling \$12,625,716.

As an ongoing performance indicator, staff tracks all commercial values as a percentage of the total assessed valuation. In 2023, commercial and industrial properties were valued at \$1.057B, or 12.9% of the total \$ 9.2B market value (less tax-exempt properties). Over the past five years, commercial and industrial values have increased by \$287MM (37.23%). Over the same period, total valuation has increased by \$3.9B or a 75.31% increase.

### **High-Impact Initiatives**

#### **Woodbridge Parkway Corridor**

In 2014, the WEDC partnered with the City of Wylie, the City of Sachse, and Collin County to extend Woodbridge Parkway from Hensley Lane and provide direct access to State Highway 78. The WEDC borrowed \$976,000 to fund Woodbridge Parkway and the final principal payment was made in FY 2021.

On March 23, 2021, the City of Wylie entered into a Chapter 380 Agreement with Creekside Fine Grill, LLC to remodel the former Rock Wood Fire Pizza restaurant located at 2600 W. FM 544. Creekside opened in late FY 2023 and is the last addition to the Woodbridge Centre.

The WEDC funded a Sales Tax Reimbursement Agreement with Clark Street Development (owner/developer of Woodbridge Centre). In FY 2023, the final reimbursement amount of \$29,377 was paid to Clark Street. Including the infrastructure reimbursement of \$100,000, the total incentive paid from July 2013 to early FY 2023 was \$1,100,000. To date, the center is generating \$24MM in taxable sales on an annual basis and is projected to generate \$7.4MM for the City over the next 10 years.

#### 544 Gateway Project

In 2016, the WEDC and the City began the process of assembling approximately 12 acres for redevelopment. Fronting FM 544 just west of Highway 78, the City acquired a 4.79-acre tract through a tax foreclosure that previously had EPA Superfund status. The remaining 7.42 acres were acquired by the WEDC from 2 property owners with frontage on FM 544 and Commerce Street.

To date, the following tasks have been completed: receipt of a Ready for Reuse Certificate from EPA, removal of  $\pm 2$  acres from the flood plain, creation of a Municipal Setting Designation, receipt of two Certificates of Completion via the Voluntary Cleanup Program from the TCEQ, demolition of dilapidated structures, relocation/expansion of previously existing tenant to Regency Business Park, and completion of significant fill and site work.

In early FY 2022, WEDC paid off the remaining balance associated with the acquisition of the WEDC-owned properties with the loan proceeds from the Series 2021 Note and purchased the 4.79-acre tract, formerly owned by the City Wylie for \$3,000,000. Since the project's inception, the WEDC has acquired 12.2 acres of land at \$5.7MM and paid for the remediation, demolition, dirt work, and maintenance of the property. Additionally, in June 2022, the WEDC completed the extension of the water line from the east along FM 544. This project not only enhances service to the 12-acre tract but also loops the water system to the east along Cooper Drive to Highway 78.

In early FY 2023, the WEDC entered into a contract for sale of the 1.56 AC Lot 2 with SCSD in the amount of \$1,295,256.60. In FY 2024, the WEDC sold the 3 AC Lot 6 to Phoenix Ascending in the amount of \$650,000 (\$250,000 cash to close/\$450,000 promissory note).

In January 2024, the WEDC approved a contract for the construction of John Yeager Way in the amount of \$1,766,920. The new street will connect traffic from FM 544, through the property and connect Business Way and Commerce Drive. The construction project should start in the next few weeks and will provide direct access to all seven lots.

### Jackson Street

The WEDC continues to market its 1-acre property at the northeast corner of Jackson Avenue & Oak Street for an office and/or mixed-use development. While there has been little interest in a mixed-use vision originally proposed and contemplated, the WEDC has recently made progress on the concept.

Back in 2017, the WEDC closed on a 0.26-acre tract near the northwest corner of Jackson Avenue & Oak Street after negotiating with the property owner for over 2 years. In February 2019, the WEDC sold the lot to Rocking M, LLC to develop a 3,200-square-foot office building on the lot with the project receiving a Certificate of Occupancy in January 2020. The WEDC Board believed the office project will promote further investment in the downtown area and greatly complement the redevelopment of multiple residential structures into commercial uses.

To enhance future development in the downtown area, the WEDC invested in additional parking and alleyway improvements along N. Ballard Avenue and Jackson Streets. These investments totaled \$280,000 for alleyways extending along Jackson Avenue between Oak Street & Marble Street and N. Ballard Avenue between Jefferson Street & Brown Street.

To complement the ever-growing need for parking, the WEDC has made it a priority to identify and facilitate the construction of additional parking in the downtown area within walking distance of the proposed mixed-use project and Ballard Street shopping district. The WEDC is currently working with the City to dedicate additional parking along the railroad tracks.

### State Highway 78 & Brown Street

In December 2018, City Council authorized the WEDC to start acquiring property in the area for this major Redevelopment Project. In early 2021, the WEDC acquired the last remaining commercial tract from TxDOT, a small strip of right-of-way, close to the intersection of Hwy 78 & Brown Street. In the fall of 2021, the WEDC used the loan proceeds from the Series 2021 Note to pay off the \$4,067,890 remaining balance associated with the acquisition of these WEDC properties.

In May 2020, the WEDC entered into a Development Agreement with the NTMWD for the relocation of the 42" water line. The \$1.7MM project was completed in mid-2023.

In August 2020, the WEDC entered into an agreement with McClure Partners Construction Company for the 1.74-acre lot at the corner of Hwy 78 & Brown Street. The pending real estate agreement is tied to the completion of the water line relocation and the installation of the new infrastructure, but it will act as a catalyst project for the overall 12-acre redevelopment adjacent to Historic Downtown Wylie.

In March 2024, the WEDC approved a contract for TxDOT Improvements along Hwy 78 between Oak Street and Brown Street in the amount of \$1,038,488. The project will include the realignment

of Marble Street, three deceleration lanes, and two hooded left-hand turns to accommodate the development of Cooper Plaza. The construction project should start in the next few weeks and will provide direct access to all seven lots.

### *State Highway 78 – Wylie Logistics Park*

Over the years, the WEDC has experienced great success in attracting investment and primary jobs via the development of business parks. Between the development of Premier Business Park, 544 Industrial Park, and Premier Business Park South, the WEDC facilitated the development of 862,000 square feet of new construction, over 800 new/retained jobs, and nearly \$100MM in taxable value - on only 70 acres.

The \$64MM Wylie Intermodal Terminal opened in 2015 and expanded in 2018. In early 2023, the \$31 billion merger between Canadian Pacific Railway (CP) and Kansas City Southern (KCS) received a green light from the Surface Transportation Board, which created CPKC. The merger created the first truly North American Railroad, with the US-Mexico-Canada rail network connecting Wylie to 128 million consumers in Mexico as well as 38 million consumers in Canada. In late 2023, construction started on a 30-acre automotive facility at the 500-acre Wylie Intermodal Terminal. With roughly 200 acres of prime real estate along Hwy 78, Wylie is an ideal location for high-efficiency, multi-commodity, transload, and logistics investments.

### **Performance Agreements & Infrastructure Reimbursement**

**Fuel City Wylie, LLC.** Fuel City opened its 9,340 SF facility in early January 2023, and its 6,214 SF car wash opened shortly after. Fuel City invested more than \$15MM on the project over 12 months and the Agreement outlined a reimbursement incentive of \$500,000 for the installation of qualified infrastructure associated with the project. The Economic Impact Analysis (EIA) indicates that this project will generate an estimated \$1.9MM in overall tax revenue for the City of Wylie over the next 10 years. For every \$1 that the WEDC invests, this business invests \$3.80 in our community.

**American Entitlements, LLC.** American Entitlements completed the 1,300 SF expansion of its downtown office and invested over \$200,000. They are still eligible to receive \$1,000 for each new job created, with a maximum incentive of \$35,000, payable over a three-year period. The Economic Impact Analysis (EIA) indicates that the project will generate approximately \$272,490 in overall tax revenue for the City of Wylie over the next 10 years. For every \$1 that the WEDC invests, this business invests \$7.78 in our community.

### **New Projects for FY 2023**

**MLKJ Investments LLC - Purchase & Sale Agreement & Performance Agreement:** In late 2022, WEDC approved a PSA with MLKJ Investments in the amount of \$500,000 (\$300,000 cash

to close/\$200,000 promissory note) for the sale of Lots 2, 3, and 4 of Wyndham Estates, Phase III at Squire Drive/Eubanks Lane. This Purchase and Sale Agreement was later amended to allow adequate time for the seller to obtain construction costs and to allow the WEDC tenant to relocate. (MLKJ Investments closed on this property in FY 2024, on December 1, 2023.) In November 2023, the WEDC approved a PA with MLKJ the amount of \$80,000 to construct a minimum of 45,000 SF of office/warehouse flex space with an anticipated capital investment in excess of \$5MM. The Economic Impact Analysis (EIA) indicates that this project will generate an estimated \$411,393 in overall tax revenue for the City of Wylie over the next 10 years. For every \$1 that the WEDC invests, this developer invests \$1.47 in our community.

**CLF II LI Wylie Owner, LLC - Wylie Business Center/Lovett Development)/Performance Agreement:** In November 2022, the WEDC approved a PA with Lovett Development to construct the [Wylie Business Center](#), an industrial/warehouse facility containing 274,416 SF of space with an anticipated capital investment of \$20,000,000. In January 2023, the WEDC and Lovett entered into an Agreement outlining a reimbursement incentive of \$1.3MM for the installation of qualified infrastructure associated with the project. The Economic Impact Analysis (EIA) indicates that this project will generate an estimated \$4.4MM in overall tax revenue for the City of Wylie over the next 10 years. For every \$1 that the WEDC invests, this developer invests \$3.38 in our community.

**Wylie Insurance Agency/Performance Agreement:** In December 2022, the WEDC entered into a PA with Wylie Insurance for the construction of a 5,361 SF office building with an anticipated capital investment of \$500,000. Wylie Insurance Agency soon after received its CO and the \$30,000 infrastructure reimbursement incentive for this project. The Economic Impact Analysis (EIA) indicates that this project will generate an estimated \$132,537 in overall tax revenue for the City of Wylie over the next 10 years. For every \$1 that the WEDC invests, this developer invests \$4.41 in our community.

**Glen Echo Brewing LLC/Real Estate Sales Contract & Performance Agreement:** In early 2023, the WEDC entered into a Real Estate Contract with Glen Echo Brewing in the amount of \$290,000 (\$190,000 cash to close/\$100,000 promissory note) for the sale of the existing 4,125 SF building at 106 N. Birmingham Street in Wylie. The WEDC later approved a PA with Glen Echo in the amount of \$100,000 for the renovation of the former automotive repair building by retrofitting it for a brewery, installing a new foundation, and adding a fire suppression system with an anticipated capital investment in excess of \$1MM. The Economic Impact Analysis (EIA) indicates that this project will generate an estimated \$342,202 in overall tax revenue for the City of Wylie over the next 10 years. For every \$1 that the WEDC invests, this business invests \$1.71 in our community.

**Dank Real Estate (Deanan Popcorn)/Performance Agreement:** In April 2023, the WEDC entered into a PA with Deanan Popcorn in the amount of \$30,000 for their new equipment investment in excess of \$650,000 and the creation of four additional FTEs. The Economic Impact Analysis (EIA) indicates that this project will generate an estimated \$59,504 in overall tax revenue

for the City of Wylie over the next 10 years. For every \$1 that the WEDC invests, this business invests \$1.98 in our community.

**Jolt MSS LLC (Jolt Printing & Embroidery)/Performance Agreement:** In April 2023, the WEDC entered into a PA with Jolt Printing in the amount of \$7,000 for the relocation of their business. The one-time expense was based solely on the relocation of the business operations and the retention of the employees in our community.

**Firewater Investments, LLC (Herman Marshall)/Performance Agreement:** In June 2023, the WEDC entered into a PA with Firewater Investments in the amount of \$300,000 for relocation of the business operations to Wylie. The \$1.5MM project included the renovation of their new facility, new equipment investment, the installation of over \$300,000 of qualified infrastructure, and the creation of 10 additional jobs. The Economic Impact Analysis (EIA) indicates that this project will generate an estimated \$1MM in overall tax revenue for the City of Wylie over the next 10 years. For every \$1 that the WEDC invests, this business invests \$3.36 in our community.

**Sanden International (U.S.A.), Inc./Performance Agreement:** In September 2023, the WEDC entered into a PA with [Sanden International](#) in the amount of \$500,000 for their facility renovation, new equipment investment in excess of \$25MM, and the retention of 240 FTEs. The Economic Impact Analysis (EIA) indicates that this project will generate an estimated \$812,616 in overall tax revenue for the City of Wylie over the next 10 years. For every \$1 that the WEDC invests, this business invests \$1.63 in our community.

### **BRE, Entrepreneurship, and Community Development**

In an environment of continuous growth across Collin County, the WEDC, alongside our key community partners—the City of Wylie, Wylie ISD, Wylie Chamber of Commerce, and Collin College—is dedicated to addressing the evolving needs of our local businesses. Through direct engagement with these businesses, including visits and discussions, we gain essential insights into their current activities and future plans, enabling us to anticipate and meet their requirements more effectively. This proactive approach is the foundation of our Business Retention and Expansion (BRE) initiative, relying on the strong relationships we have established.

Additionally, the WEDC takes advantage of national events to introduce targeted programs for specific business sectors. Our Small Business Week and Manufacturing Day events are designed to offer support and create opportunities for businesses to engage with the community, develop their workforce, and explore expansion possibilities.

The [Small Business Week](#) in 2023 included a series of events aimed at celebrating and supporting small businesses and enhancing their visibility within the community. This included official recognitions from the Wylie City Council and the State of Texas, and the Taste of Wylie event, which not only highlighted the diverse culinary scene but also supported local food pantries. The



week also focused on providing small businesses with educational resources, particularly in digital marketing and on increasing visibility for businesses on N. Ballard Avenue.

Throughout the year, we support career exploration and talent development initiatives for Wylie ISD students, offering programs that connect students with real-world career opportunities. These include [Build Your Future Career Day](#) and Internship Signing Day, events that introduce students to various career fields and encourage early engagement with potential employers. These events also compliment other hiring events held by Collin College and Workforce Solutions of North Central Texas, like the annual powerhouse hiring event for Veterans [RED, WHITE, and You!](#) To date, these programs have exposed more than 600 students to 20+ companies hiring in the field of study students are pursuing.

In 2023, the WEDC, along with our community partners, hosted a Legislative Leadership VIP Dinner. This event aimed to strengthen ties between Wylie's leadership and state legislators, facilitating a valuable exchange of legislative updates and fostering collaboration.

Observing [National Manufacturing Day](#) in October allowed us to challenge misconceptions about the manufacturing sector and highlight the dynamic and skilled nature of manufacturing careers through educational activities and tours. These efforts are also aimed at providing insight into current industry and increasing engagement within the community.

The inaugural Hope Under the Stars event, in partnership with Hopes Gate, further showcased the WEDC's commitment to community engagement and business promotion. This event highlighted local businesses and supported a noble cause, demonstrating the WEDC's multifaceted approach to economic development.

The year concluded with the continuation of our Shop Local campaign and the Discover Wylie Gift Guide, broadening its reach to include more businesses. Coupled with the engaging 'Wylie Grinch' social media campaign, these initiatives successfully encouraged local shopping during the holiday season, highlighting the WEDC's ongoing commitment to nurturing a thriving, supportive business community in Wylie.

## 2024 Goals & Objectives

### Downtown Revitalization and Expansion

- TxDOT - Median Improvements / Decel Lane Installation - *Mid 2024*
- Cooper Plaza - Infrastructure Installation & Market/Sell Lots – *Late 2024*
- Jackson Street Engineering & Design – *Late 2024*
- UP - Plan/Install Additional Parking - *TBD*
- Birmingham Street & Jefferson Avenue – Road Extensions – *TBD*

### 544 Gateway Addition, and Regency Business Park

- 544 Gateway / John Yeager Way - Infrastructure Installation – *Late 2024*
- Market/Sell WEDC Properties

### Hwy 78 Developments (Eubanks to Wylie East)

- Atmos Gas - Main Line Extension and Installation - *Mid 2024*
- TxDOT Median Improvements / Decel Lanes Installation – *Late 2024 to Early 2025*

### Expand/Promote BRE and Workforce Programs

- Expand relationships with Community Resource Partners
  - Career Fair / Hiring Events / Seminars
  - HR Roundtable / CEO Roundtable / Community Roundtable
- Grow MFG Day/Month & Training Opportunities Locally
  - Expand Tour Options, Locations, and Hours for the General Public
  - Expand the Workforce Luncheon, MFG Dinner, and Networking Event
- Expand/Promote Entrepreneurship and Small Business Assistance Programs
  - Expand Training & Enrichment Programs with the Chamber of Commerce
  - Grow Small Business Week Awareness and Promote EconDev Week
  - Grow the Entrepreneur Expo