

Wylie Economic Development Corporation

Board Regular Meeting

January 06, 2022 – 8:30 AM

WEDC Office Conference Room - 250 South Highway 78, Wylie, Texas
75098



CALL TO ORDER

INVOCATION & PLEDGE OF ALLEGIANCE

COMMENTS ON NON-AGENDA ITEMS

Any member of the public may address Board regarding an item that is not listed on the Agenda. Members of the public must fill out a form prior to the meeting in order to speak. Board requests that comments be limited to three minutes for an individual, six minutes for a group. In addition, Board is not allowed to converse, deliberate or take action on any matter presented during citizen participation.

CONSENT AGENDA

All matters listed under the Consent Agenda are considered to be routine by the Board and will be enacted by one motion. There will not be separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

- A. Consider and act upon approval of Minutes from the November 17, 2021 Regular Meeting and the November 29, 2021 Work Session of the WEDC Board of Directors.
- B. Consider and act upon upon approval of the November 2021 WEDC Treasurer's Report.

REGULAR AGENDA

- 1. Consider and act upon a Second Amendment to the Purchase and Sale Agreement between the WEDC and Victory Group, LLC.
- 2. Consider and act upon issues surrounding the Performance Agreement between the WEDC and GDA Investments, LLC. – Series 53.
- 3. Consider and act upon a Performance Agreement between the WEDC and Fuel City Wylie, LLC.
- 4. Consider and act upon issues surrounding tree removal at Hwy 78/Brown.
- 5. Consider and act upon a flood study at Hooper/Steel.

DISCUSSION ITEMS

- DS1. Staff report: WEDC Property Update, Downtown Parking, Engineering Report, Upcoming Events, WEDC Bylaws, New Board Member Handbook, Policies and Procedures for WEDC, WEDC Annual Report, and WEDC Activities/Programs.

EXECUTIVE SESSION

Sec. 551.072. DELIBERATION REGARDING REAL PROPERTY; CLOSED MEETING.

A governmental body may conduct a closed meeting to deliberate the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on its negotiating position.

ES1. Consider the sale or acquisition of properties located at Ballard/Brown, Brown/Eubanks, FM 544/Cooper, State Hwy 78/Ballard, State Hwy 78/Birmingham, State Hwy 78/Brown, and State Hwy 78/Cooper.

Sec. 551.074. PERSONNEL MATTERS; CLOSED MEETING.

(a) This chapter does not require a governmental body to conduct an open meeting:

(1) to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or

(2) to hear a complaint or charge against an officer or employee.

(b) Subsection (a) does not apply if the officer or employee who is the subject of the deliberation or hearing requests a public hearing.

ES2. Evaluation of WEDC Staff.

Sec. 551.087. DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS; CLOSED MEETING.

This chapter does not require a governmental body to conduct an open meeting:

(1) to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or

(2) to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1).

ES3. Deliberation regarding commercial or financial information that the WEDC has received from a business prospect and to discuss the offer of incentives for Projects: 2017-10a, 2020-11b, 2021-4a, 2021-4b, 2021-5d, 2021-6a, 2021-6c, 2021-8a, 2021-9b, 2021-9e, 2021-9f, 2021-11a, and 2021-11b.

RECONVENE INTO OPEN SESSION

Take any action as a result from Executive Session.

FUTURE AGENDA ITEMS

ADJOURNMENT

CERTIFICATION

I certify that this Notice of Meeting was posted on December 31, 2021 at 5:00 p.m. on the outside bulletin board at Wylie City Hall, 300 Country Club Road, Building 100, Wylie, Texas, a place convenient and readily accessible to the public at all times.

Stephanie Storm, City Secretary

Date Notice Removed

The Wylie Municipal Complex is wheelchair accessible. Sign interpretation or other special assistance for disabled attendees must be requested 48 hours in advance by contacting the City Secretary's Office at 972.516.6020. Hearing impaired devices are available from the City Secretary prior to each meeting.

If during the course of the meeting covered by this notice, the Board should determine that a closed or executive meeting or session of the Board or a consultation with the attorney for the City should be held or is required, then such closed or executive meeting or session or consultation with attorney as authorized by the Texas Open Meetings Act, Texas Government Code § 551.001 et. seq., will be held by the Board at the date, hour and place given in this notice as the Board may conveniently meet in such closed or executive meeting or session or consult with the attorney for the City concerning any and all subjects and for any and all purposes permitted by the Act, including, but not limited to, the following sanctions and purposes:

Texas Government Code Section:

- § 551.071 – Private consultation with an attorney for the City.
- § 551.072 – Discussing purchase, exchange, lease or value of real property.
- § 551.073 – Discussing prospective gift or donation to the City.
- § 551.074 – Discussing personnel or to hear complaints against personnel.
- § 551.076 – Discussing deployment of security personnel or devices or security audit.
- § 551.087 – Discussing certain economic development matters.

Minutes
Wylie Economic Development Corporation
Board of Directors Meeting
 November 17, 2021 – 8:30 A.M.
 300 Country Club Road, Building #100
 Wylie, TX 75098

CALL TO ORDER

Announce the presence of a Quorum

President Demond Dawkins called the meeting to order at 8:34 a.m. Board Members present were Melisa Whitehead, Gino Mulliqi, Tim Gilchrist, and Blake Brininstool.

Ex-Officio Members Mayor Matthew Porter and Interim City Manager Brent Parker were present.

WEDC staff present included Executive Director Jason Greiner, BRE Director Angel Wygant, and Senior Assistant Rachael Hermes.

INVOCATION & PLEDGE OF ALLEGIANCE

Mayor Porter gave the invocation and Gino Mulliqi led the Pledge of Allegiance.

COMMENTS ON NON-AGENDA ITEMS

With no citizen participation, President Dawkins moved to Consent Agenda.

CONSENT AGENDA

All matters listed under the Consent Agenda are considered to be routine by the WEDC Board of Directors and will be enacted by one motion. There will not be a separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

- A. Consider and act upon approval of Minutes from the October 20, 2021 Regular Meeting, November 8, 2021 Special Called Meeting, and November 12, 2021 Special Called Meeting of the WEDC Board of Directors.**
- B. Consider and act upon approval of the October 2021 WEDC Treasurer's Report.**

Board Action

A motion was made by Melisa Whitehead, seconded by Blake Brininstool, to approve the Consent Agenda as presented. A vote was taken, and the motion passed 5-0.

REGULAR AGENDA

President Dawkins moved to consideration of Items 2-5 prior to consideration of Item 1.

- 2. Consider and act upon the award of bid for the F.M. 544 waterline extension to CalHar Construction, Inc. in the amount of \$209,959 and further authorize the Executive Director to execute any and all necessary documents.**

Staff Comments

Staff reviewed the overall scope of the waterline extension project. Staff noted that this item was included in the previous fiscal year budget but would need to be considered for inclusion within an amended budget for FY 21-22.

Board Action

A motion was made by Gino Mulliqi, seconded by Tim Gilchrist, to award bid to CalHar Construction, Inc. in the amount of \$209,959, and further authorize the Executive Director to execute any and all necessary documents. A vote was taken, and the motion passed 5-0.

3. **Consider and act upon issues surrounding the disposition of WEDC property located at 103 S. Ballard.**

Staff Comments

Staff discussed the purchase of the property at 103 S. Ballard and the Board's direction to seek demolition options for the structure at this location. Staff noted that the sheet metal roofing on the structure had to be secured during recent high winds in the interest of public safety. Options were presented to either wreck & abate the property or to selectively demolish and abate the structure. Mayor Porter discussed the need to provide information to the public as it relates to this demolition so that there is an understanding regarding the safety concerns and overall condition of this property. Staff noted that there would be coordination with the Public Information Office to ensure that a press release is provided. Staff reviewed the overall scope of the demolition project and noted that additional costs for asbestos remediation and monitoring/containment are not included in the bid.

Board Action

A motion was made by Tim Gilchrist, seconded by Blake Brininstool, to award a contract to Intercon Demolition in the amount of \$43,500 and further authorize the Executive Director to execute any and all necessary documents. A vote was taken, and the motion passed 5-0.

4. **Consider and act upon issues surrounding the disposition of WEDC property located at 410 E. Brown and 502 E. Brown.**

Staff Comments

Staff reviewed the purchase of property at 410 E. Brown and 502 E. Brown, noting that both properties have been vacated. Staff discussed the process of obtaining separate quotes for both demolition and tree removal at Hwy 78 & Brown, with the cost-saving opportunity to mobilize for both at the same time. Quotes were presented to the Board for their review. Staff noted that this item would need to be considered for inclusion within an amended budget for FY 21-22.

Board Action

A motion was made by Blake Brininstool, seconded by Gino Mulliqi, to award a contract to Eubanks Sand & Gravel in the amount of \$12,500 and further authorize the Executive Director to execute any and all necessary documents. A vote was taken, and the motion passed 5-0.

5. **Consider and act upon issues surrounding the disposition of WEDC property located at 401 N. Keefer.**

Staff Comments

Staff discussed the purchase of property at 401 N. Keefer and provided demolition quotes to the Board for their review.

Board Action

A motion was made by Tim Gilchrist, seconded by Melisa Whitehead, to award a contract to Eubanks Sand & Gravel in the amount of \$8,500 and further authorize the Executive Director to execute any and all necessary documents. A vote was taken, and the motion passed 5-0.

President Dawkins moved back to Item 1.

1. Consider and act upon FY 2021-2022 Budget Amendments.

Staff Comments

Staff discussed the need to carry forward some of the projects that were anticipated expenses in FY 20-21 but would fall within FY 21-22. Staff discussed the process of projecting the debt service for FY 21-22 while in the process of securing the loan with Government Capital. In sum, the WEDC amendments will adjust for items that were either anticipated to occur in FY 20-21 but were delayed or need to be amended following receipt of loan proceeds and subsequent real estate transactions from the Series 2021 Note. Additionally, staff noted that the projects just approved by the Board via Items 2-5 will be accounted for within the budget amendment. The budget amendments will go before City Council for approval on December 14, 2021.

Board Action

A motion was made by Gino Mulliqi, seconded by Melisa Whitehead, to approve the FY 2021-2022 Budget Amendments. A vote was taken, and the motion passed 5-0.

DISCUSSION ITEMS

DS1. Discussion regarding ICSC- Here, We Go. 2021.

Staff discussed the upcoming ICSC conference that will take place December 5-7 in Las Vegas, NV. The schedule for the event has been released and there will be classes available in addition to scheduled meetings. Staff noted that additional information would be provided at the November 29th Board Meeting in preparation for the event.

In discussion regarding ICSC participation, Board Member Whitehead expressed her concern and desire that Board Members also make themselves readily available for local events and training. Board Member Whitehead inquired about the expectations from her peers while attending events. Mayor Porter discussed the expectation of professionalism and participation while representing the City of Wylie. President Dawkins discussed opportunities that have presented themselves while participating in networking events at conferences and the need to plan meetings in order to be proactive with developing strategy. Board Member Whitehead discussed the opportunity for branding and her expectation that Board Members attend the full event, participate in networking opportunities, provide focused attention and are engaged in being proactive about perception. Board Members reinforced their full intent on participating in such conferences to properly represent the City of Wylie. Staff discussed the scope of events and opportunities available during ICSC. President Dawkins suggested that specific participation be discussed further once the ICSC schedule has been created for the Board.

DS2. Discussion regarding the establishment of protocols/standards for notification and exchange of documents for Temporary Access Agreements with WEDC.

Staff noted that this Item was added at the request of Board Member Whitehead. Staff discussed TML insurance and the opportunity to meet with a TML representative or the City of Wylie Purchasing Manager if necessary. Board Member Whitehead discussed her concern that previous requirements to obtain a Temporary Access Agreement were not fully met. Board Member Mulliqi discussed his preference to maintain flexibility based on use. Mayor Porter discussed the option to provide a checklist when applying for the Agreement that would provide a set process for requirements specifically based on the individual request. Board Member Whitehead and Board Member Brininstool discussed appropriate guidelines and the use of umbrella policies versus event policies. Mayor Porter discussed

the option to create a subcommittee to review this policy. Board Member Gilchrist discussed his desire for structure as well as maintaining a positive perception with the public. Board Member Mulliqui discussed the social component and his preference for the option to make adjustments to policy as needed. Interim City Manager Brent Parker discussed his experience with special events and highlighted the complications that come with insurance requirements, as well as the need to be prepared to either enforce requirements or be willing to be flexible. Board Member Whitehead discussed the need to protect the financial interests of the organization for the benefit of the taxpayers. President Dawkins discussed the need to be consistent with the approval of Temporary Access Agreements and recommended revisiting this discussion at the upcoming Work Session.

DS3. Discussion regarding the Purchase and Sale Agreement between the WEDC and Hanalei Texas, LLC.

Staff noted that there are currently no lease updates available for this Item and more information will be provided at the upcoming Work Session and/or the December meeting.

DS4. Staff report: WEDC Property Update, Downtown Parking, WEDC Office/Insurance Claim, Engineering Report, Upcoming Events, New Board Member Handbook, WEDC Work Session and Board Tour, and WEDC Activities/Programs.

Staff highlighted the October sales tax, noting that revenues are up almost 31% and the projected ending sales tax number is up nearly 19%. The GDA/Mintrex Performance Agreement will need to be reviewed at the next meeting to consider either an extension or expiration due to flood plain issues impacting the performance agreement deadlines. Staff will also prepare information to potentially address flood plain issues at Steel/Hooper and Alanis. Staff discussed the technology of live-streaming and President Dawkins recommended adding a discussion item at the upcoming work session to review a breakdown of the cost of equipment for the WEDC Conference Room versus conducting meetings at City Hall. Staff reviewed Manufacturing Day events, including the Legacy Manufacturing Award presented to Greg Lutz, and the opportunities that were created for students to tour local manufacturers and local industry. Staff discussed attendance at the Site Selectors Guild in Dallas and noted the emphasis on supply chain logistics and industrial development. Staff referenced articles of interest and the implementation of the Discover Wylie 2021 Holiday Gift Guide.

EXECUTIVE SESSION

Recessed into Closed Session at 9:58 a.m. in compliance with Section 551.001, et. seq. Texas Government Code, to wit:

Sec. 551.072. DELIBERATION REGARDING REAL PROPERTY; CLOSED MEETING.

ES1. Consider the sale or acquisition of properties located at Brown/Eubanks, FM 544/Cooper, Jackson/Oak, State Hwy 78/Ballard, and State Hwy 78/Brown.

Sec. 551.087. DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS; CLOSED MEETING.

ES2. Deliberation regarding commercial or financial information that the WEDC has received from a business prospect and to discuss the offer of incentives for Projects: 2017-10a, 2020-11b, 2021-4a, 2021-6a, 2021-6c, 2021-8a, 2021-8b, 2021-9e, and 2021-9g.

RECONVENE INTO OPEN SESSION

WEDC – Minutes
November 17, 2021
Page 5 of 5

Take any action as a result of the Executive Session.

President Demond Dawkins reconvened into Open Session at 10:41 a.m.

FUTURE AGENDA ITEMS

There were no Items requested for inclusion on future agendas.

ADJOURNMENT

With no further business, President Dawkins adjourned the WEDC Board meeting at 10:41 a.m.

Melisa Whitehead, Vice-President

ATTEST:

Jason Greiner, Executive Director

Minutes
Wylie Economic Development Corporation
Board of Directors Work Session
 November 29, 2021 – 8:30 A.M.
 300 Country Club Road, Building #100
 Wylie, TX 75098

CALL TO ORDER

Announce the presence of a Quorum

President Demond Dawkins called the Work Session to order at 8:34 a.m. Board Members present were Melisa Whitehead, Gino Mulliqi, and Tim Gilchrist. Board Member Blake Brininstool was present for observation purposes only via teleconference at 11:45 a.m. during Discussion Item DS4 and for the duration of the meeting.

Ex-Officio Member Interim City Manager Brent Parker was present. Ex-Officio Member Mayor Matthew Porter arrived at the 11:00 a.m. reconvening of meeting.

WEDC staff present included Executive Director Jason Greiner and Senior Assistant Rachael Hermes.

INVOCATION & PLEDGE OF ALLEGIANCE

President Dawkins gave the invocation and led the Pledge of Allegiance.

COMMENTS ON NON-AGENDA ITEMS

With no citizen participation, President Dawkins moved to Discussion Items.

DISCUSSION ITEMS

DS1. Discussion regarding WEDC Property Holdings and Future Development.

Recess the WEDC Board Work Session to conduct a driving tour to WEDC-owned properties and sites around Wylie. The driving tour will conclude by 11:00 a.m. with Work Session Discussion resuming in the Council Conference Room at that time. A quorum of the Wylie Economic Development Board may or may not be present for this Tour, and no action will be taken during this Tour.

The following locations will be part of the driving tour: State Hwy 78 & Brown, State Hwy 78 & Marble, State Hwy 78 & Ballard, State Hwy 78 & Birmingham, Jackson & Oak, Ballard & Brown, South Ballard, Stone & Ballard, State Hwy 78 & Eubanks, Brown & Eubanks, State Hwy 78 & Anson, State Hwy 78 & Martinez, State Hwy 78 & Alanis, State Hwy 78 & Sanden, State Hwy 78 & Westgate, FM 544 & State Hwy 78, FM 544 & Cooper, FM 544 & Commerce, FM 544 & Westgate, FM 544 & Sanden, FM 544 & FM 1378, FM 544 & Hooper, FM 544 & Regency, Regency & Capital, FM 544 & Springwell, FM 544 & Woodbridge Pkwy.

Staff Comments

Staff discussed an overview of the WEDC and the intent of the creation of an EDC. Staff discussed the growth and development of the Wylie community and demographic shifts that have occurred over time. The Board discussed what brought them to Wylie and what aspects of the community they enjoy. Staff discussed the concept of site selection and the association of marketing and attraction paired with existence of infrastructure in the area, providing examples dating back to the early establishment of the railroad to provide access to agriculture. Infrastructure creates opportunities for industry, resulting in job creation, rooftops follow jobs, and commercial activity follows residential growth. Staff discussed the removal of the railroad tracks along the Highway 78 thoroughfare in the early 2000's to allow for development as well as the importance of strategic planning and partnerships. Staff highlighted the

major developments and redevelopment projects completed or underway in Wylie and the WEDC's involvement in associated projects. Staff discussed future planning and projections for Wylie.

The Board recessed into a driving tour to WEDC-Owned properties and sites around Wylie at 9:05 a.m.

The Board reconvened into the Work Session at 11:00 a.m.

Mayor Porter joined the work session at 11:00 a.m. and stepped out of the meeting at 11:04 a.m.

The Board agreed to allow Board Member Blake Brininstool to connect via teleconference for observation purposes only.

Staff Comments

Staff reviewed WEDC Property Holdings following the driving tour. The Board directed staff regarding the following properties: Steel Road - hold and market property; FM 544 Gateway- assemble correct users, complete waterline installation; Kirby - provide 60-day notice to current tenant upon approval of contract; Alanis- continue with flood study; Cooper/S of Cooper- hold, bring back drainage plan, bring back options; Cooper/Current Leased Properties - continue month-to-month, bring back potential users, provide 60-day notice to current tenants upon approval of contract; Birmingham - let Jackson develop and reassess; 103 S Ballard- demolish, put up signage; Brown/State Hwy 78- tree removal, put up signage; Jackson - put up signage; Squire - continue to allow current use and put up signage. Overall, the Board directed staff to put up signage on lots that were ready for development and continue to bring concepts and users back for their consideration.

DS2. Discussion regarding WEDC Properties, Future Land Use, and the Comprehensive Plan Advisory Committee.

Staff Comments

Staff provided the current City of Wylie Comprehensive Plan, Thoroughfare Plan, Parks Master Plan, and NCTCOG Downtown Study for Board reference and review. Staff noted that associated updates regarding the Comprehensive Plan Advisory Committee would be made available to them. Staff discussed future land use considerations.

President Dawkins moved to Discussion Item DS4.

DS4. Discussion regarding WEDC Bylaws.

Mayor Porter returned at 11:33 a.m. during Discussion Item DS4.

Board Member Brininstool joined via teleconference at 11:45 a.m. during Discussion Item DS4.

Staff Comments

Staff provided the Board with the current WEDC Bylaws and examples of bylaws from other Type A Corporations. The Board discussed reviewing the current bylaws to provide further clarification and make any necessary adjustments. Staff noted that any changes to the bylaws would be taken to City Council for their review/approval. The Board discussed the option of cross-referencing bylaws and a handbook. The Board opted to plan for individual review of the WEDC Bylaws and will bring the item back at the January Board Meeting to compare notes and further discuss. Staff advised that electronic editable copies would be provided to the Board for their review purposes. Mayor Porter advised that any potential revisions should be provided to legal counsel for their review. The Board discussed the

option to provide specific board member expectations/understanding when applying for the WEDC Board. The Board will make any necessary bylaw revisions from January-March and provide proposed amendments to City Council in April.

DS5. Discussion regarding Board Member Responsibilities, Vision/Mission Statement, Action Plan, and Board Member Handbook.

Staff Comments

Staff provided the Board with the WEDC Mission Statement/Overview and examples of board member handbooks from other Type A Corporations. Staff will provide electronic editable copies for the Board for their review purposes. The Board will individually review the handbooks and will bring the item back at the January Board Meeting to compare notes and further discuss. The Board discussed the implementation of a handbook with the intent of providing a framework for additional guidance regarding board member expectations.

The Board discussed and reviewed the WEDC Mission Statement. Mayor Porter noted the opportunity to include emphasis on retention within the WEDC Mission Statement. The Board requested that staff provide the mission statements of other Type A Corporations and noted the need to add retention to the current mission statement. The Board discussed the consideration of role rotations and commented that this change would likely be reflected in bylaws rather than in a handbook.

DS6. Discussion regarding Processes and Procedures for WEDC.

Staff Comments

Staff discussed previous review of the Temporary Access Agreement protocols/standards. The Board discussed utilizing a checklist for temporary use of WEDC-owned property and talking with a TML Attorney to discuss insurance requirements. After further discussion, the Board directed staff to defer applicants to the City of Wylie for completion of the Special Event Permit application prior to requesting use of WEDC-owned properties. Consideration of specific insurance requirements for Temporary Access Agreements will be based on requested use.

DS7. Discussion regarding ICSC- Here, We Go. 2021.

Staff Comments

Staff provided the Board with a schedule of events for “ICSC- Here We Go. 2021.” and will send calendar invites for appointments to those that will be attending. Staff noted that this event will be structured differently and have a different participation level than ICSC RECon. Staff discussed classes available and typical expectations and opportunities at ICSC events. Mayor Porter stressed the importance of maintaining confidentiality regarding projects.

DS3. Discussion regarding Strategic Planning and Long-Term Goals.

Staff Comments

Staff discussed annual or semi-annual review of the Strategic Plan. Staff discussed the Comprehensive Planning Advisory Committee and provided IEDC information on Economic Development. Staff reviewed the 2007 Strategic Plan and the role of WEDC in accomplishing objectives in the community. Staff discussed the implementation of Goals & Objectives and will further review with the Board in January in preparation for the annual report.

WEDC – Minutes
November 29, 2021
Page 4 of 4

FUTURE AGENDA ITEMS

There were no Items requested for inclusion on future agendas.

ADJOURNMENT

With no further business, President Dawkins adjourned the WEDC Board meeting at 1:25 p.m.

Melisa Whitehead, Vice-President

ATTEST:

Jason Greiner, Executive Director



Wylie Economic Development
Board

AGENDA REPORT

Meeting Date:	<u>January 6, 2022</u>	Item Number:	<u>B</u>
Prepared By:	<u>Jason Greiner</u>	Account Code:	<u></u>
Date Prepared:	<u>12/27/21</u>	Exhibits:	<u>4</u>

Subject

Consider and act upon approval of the November 2021 WEDC Treasurer's Report.

Recommendation

Motion to approve the November 2021 WEDC Treasurer's Report.

Discussion

Presented for the Board's review and approval is the November 2021 Treasurer's Report detailing the month and year-to-date financial transactions and performance against budget. In this report you will find the Revenue and Expense Report, Statement of Net Position, Balance Sheet, and Sales Tax Report.

Note: The Series 2021 Note was finalized on October 5th. As a result, revenues and expenses will be adjusted via a Budget Amendment to reflect the receipt of additional revenue within Bank Note Proceeds and subsequent expenses within Principal/Interest, Land, and Special Services. This Budget Amendment was approved by the WEDC Board on 11-17-21 and ratified by City Council on 12-14-21. Therefore, the approved Budget Amendment will be reflected in the December Treasurer's Report.

REVENUES:

Sales Tax Revenue earned in September allocated in November, was \$411,813.32, an increase of 6.98% over the same period in 2020.

EXPENSES:

Land- Purchase Price

\$10,000- Earnest Money 104 S Ballard

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
Fund: 111 - WYLIE ECONOMIC DEVEL CORP							
Revenue							
Category: 400 - Taxes							
111-4000-40210	SALES TAX	3,789,966.00	3,789,966.00	0.00	0.00	-3,789,966.00	100.00 %
Category: 400 - Taxes Total:		3,789,966.00	3,789,966.00	0.00	0.00	-3,789,966.00	100.00%
Category: 460 - Interest Income							
111-4000-46110	ALLOCATED INTEREST EARNINGS	6,000.00	6,000.00	139.65	359.34	-5,640.66	94.01 %
Category: 460 - Interest Income Total:		6,000.00	6,000.00	139.65	359.34	-5,640.66	94.01%
Category: 480 - Miscellaneous Income							
111-4000-48110	RENTAL INCOME	132,240.00	132,240.00	0.00	7,235.00	-125,005.00	94.53 %
111-4000-48410	MISCELLANEOUS INCOME	0.00	0.00	0.00	9.96	9.96	0.00 %
111-4000-48430	GAIN/(LOSS) SALE OF CAP ASSETS	2,601,116.00	2,601,116.00	0.00	0.00	-2,601,116.00	100.00 %
Category: 480 - Miscellaneous Income Total:		2,733,356.00	2,733,356.00	0.00	7,244.96	-2,726,111.04	99.73%
Category: 490 - Transfers In & Other Financing Sources							
111-4000-49325	BANK NOTE PROCEEDS	0.00	8,108,000.00	0.00	8,108,000.00	0.00	0.00 %
Category: 490 - Transfers In & Other Financing Sources Total:		0.00	8,108,000.00	0.00	8,108,000.00	0.00	0.00%
Revenue Total:		6,529,322.00	14,637,322.00	139.65	8,115,604.30	-6,521,717.70	44.56%
Expense							
Category: 510 - Personnel Services							
111-5611-51110	SALARIES	286,558.00	286,558.00	27,963.99	39,282.75	247,275.25	86.29 %
111-5611-51140	LONGEVITY PAY	729.00	729.00	724.00	724.00	5.00	0.69 %
111-5611-51310	TMRS	44,530.00	44,530.00	4,446.62	6,201.02	38,328.98	86.07 %
111-5611-51410	HOSPITAL & LIFE INSURANCE	49,304.00	49,304.00	4,694.13	7,823.55	41,480.45	84.13 %
111-5611-51420	LONG-TERM DISABILITY	1,707.00	1,707.00	0.00	0.00	1,707.00	100.00 %
111-5611-51440	FICA	18,623.00	18,623.00	1,591.72	2,217.82	16,405.18	88.09 %
111-5611-51450	MEDICARE	4,355.00	4,355.00	372.24	518.66	3,836.34	88.09 %
111-5611-51470	WORKERS COMP PREMIUM	378.00	378.00	0.00	351.92	26.08	6.90 %
111-5611-51480	UNEMPLOYMENT COMP (TWC)	1,080.00	1,080.00	0.00	0.00	1,080.00	100.00 %
Category: 510 - Personnel Services Total:		407,264.00	407,264.00	39,792.70	57,119.72	350,144.28	85.97%
Category: 520 - Supplies							
111-5611-52010	OFFICE SUPPLIES	5,000.00	5,000.00	107.70	157.70	4,842.30	96.85 %
111-5611-52040	POSTAGE & FREIGHT	300.00	300.00	0.00	0.00	300.00	100.00 %
111-5611-52810	FOOD SUPPLIES	6,100.00	6,100.00	681.01	1,405.32	4,694.68	76.96 %
Category: 520 - Supplies Total:		11,400.00	11,400.00	788.71	1,563.02	9,836.98	86.29%
Category: 540 - Materials for Maintenance							
111-5611-54610	FURNITURE & FIXTURES	2,500.00	2,500.00	0.00	0.00	2,500.00	100.00 %
111-5611-54810	COMPUTER HARD/SOFTWARE	5,500.00	5,500.00	0.00	0.00	5,500.00	100.00 %
Category: 540 - Materials for Maintenance Total:		8,000.00	8,000.00	0.00	0.00	8,000.00	100.00%
Category: 560 - Contractual Services							
111-5611-56030	INCENTIVES	1,043,973.00	1,043,973.00	0.00	0.00	1,043,973.00	100.00 %
111-5611-56040	SPECIAL SERVICES	118,156.00	297,156.00	320.86	113,923.60	183,232.40	61.66 %
111-5611-56080	ADVERTISING	129,100.00	129,100.00	2,246.04	7,046.04	122,053.96	94.54 %
111-5611-56090	COMMUNITY DEVELOPMENT	52,050.00	52,050.00	6,062.12	6,062.12	45,987.88	88.35 %
111-5611-56110	COMMUNICATIONS	6,400.00	6,400.00	399.66	399.66	6,000.34	93.76 %
111-5611-56180	RENTAL	27,000.00	27,000.00	0.00	2,250.00	24,750.00	91.67 %
111-5611-56210	TRAVEL & TRAINING	74,600.00	74,600.00	6,557.73	7,310.28	67,289.72	90.20 %
111-5611-56250	DUES & SUBSCRIPTIONS	39,810.00	39,810.00	21,524.27	32,505.50	7,304.50	18.35 %
111-5611-56310	INSURANCE	6,303.00	6,303.00	0.00	5,155.01	1,147.99	18.21 %
111-5611-56510	AUDIT & LEGAL SERVICES	33,000.00	33,000.00	0.00	0.00	33,000.00	100.00 %
111-5611-56570	ENGINEERING/ARCHITECTURAL	87,500.00	87,500.00	12,000.00	12,000.00	75,500.00	86.29 %

01/06/2022 Item B.

Budget Report

For Fiscal: 2021-2022 Period Ending: 11/30/2021

	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
111-5611-56610 UTILITIES-ELECTRIC	2,400.00	2,400.00	0.00	0.00	2,400.00	100.00 %
Category: 560 - Contractual Services Total:	1,620,292.00	1,799,292.00	49,110.68	186,652.21	1,612,639.79	89.63%
Category: 570 - Debt Service & Capital Replacement						
111-5611-57410 PRINCIPAL PAYMENT	694,127.33	5,403,249.03	25,891.88	4,737,469.60	665,779.43	12.32 %
111-5611-57415 INTEREST EXPENSE	315,135.79	326,452.12	24,157.12	36,126.58	290,325.54	88.93 %
Category: 570 - Debt Service & Capital Replacement Total:	1,009,263.12	5,729,701.15	50,049.00	4,773,596.18	956,104.97	16.69%
Category: 580 - Capital Outlay						
111-5611-58110 LAND-PURCHASE PRICE	0.00	3,718,392.59	10,000.00	3,248,392.59	470,000.00	12.64 %
111-5611-58210 STREETS & ALLEYS	2,175,000.00	2,425,000.00	0.00	0.00	2,425,000.00	100.00 %
111-5611-58995 CONTRA CAPITAL OUTLAY	0.00	0.00	0.00	-3,238,392.59	3,238,392.59	0.00 %
Category: 580 - Capital Outlay Total:	2,175,000.00	6,143,392.59	10,000.00	10,000.00	6,133,392.59	99.84%
Expense Total:	5,231,219.12	14,099,049.74	149,741.09	5,028,931.13	9,070,118.61	64.33%
Fund: 111 - WYLIE ECONOMIC DEVEL CORP Surplus (Deficit):	1,298,102.88	538,272.26	-149,601.44	3,086,673.17	2,548,400.91	-473.44%
Report Surplus (Deficit):	1,298,102.88	538,272.26	-149,601.44	3,086,673.17	2,548,400.91	-473.44%

12/27/2021 11:29:21 AM

Page 2 of 4

15

Budget Report

For Fiscal: 2021-2022 Period Ending: 11/30/2021

Group Summary

Categor...	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
Fund: 111 - WYLIE ECONOMIC DEVEL CORP						
Revenue						
400 - Taxes	3,789,966.00	3,789,966.00	0.00	0.00	-3,789,966.00	100.00%
460 - Interest Income	6,000.00	6,000.00	139.65	359.34	-5,640.66	94.01%
480 - Miscellaneous Income	2,733,356.00	2,733,356.00	0.00	7,244.96	-2,726,111.04	99.73%
490 - Transfers In & Other Financing Sources	0.00	8,108,000.00	0.00	8,108,000.00	0.00	0.00%
Revenue Total:	6,529,322.00	14,637,322.00	139.65	8,115,604.30	-6,521,717.70	44.56%
Expense						
510 - Personnel Services	407,264.00	407,264.00	39,792.70	57,119.72	350,144.28	85.97%
520 - Supplies	11,400.00	11,400.00	788.71	1,563.02	9,836.98	86.29%
540 - Materials for Maintenance	8,000.00	8,000.00	0.00	0.00	8,000.00	100.00%
560 - Contractual Services	1,620,292.00	1,799,292.00	49,110.68	186,652.21	1,612,639.79	89.63%
570 - Debt Service & Capital Replacement	1,009,263.12	5,729,701.15	50,049.00	4,773,596.18	956,104.97	16.69%
580 - Capital Outlay	2,175,000.00	6,143,392.59	10,000.00	10,000.00	6,133,392.59	99.84%
Expense Total:	5,231,219.12	14,099,049.74	149,741.09	5,028,931.13	9,070,118.61	64.33%
Fund: 111 - WYLIE ECONOMIC DEVEL CORP Surplus (Deficit):	1,298,102.88	538,272.26	-149,601.44	3,086,673.17	2,548,400.91	-473.44%
Report Surplus (Deficit):	1,298,102.88	538,272.26	-149,601.44	3,086,673.17	2,548,400.91	-473.44%

Fund Summary

Fund	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)
111 - WYLIE ECONOMIC DEVEL COR	1,298,102.88	538,272.26	-149,601.44	3,086,673.17	2,548,400.91
Report Surplus (Deficit):	1,298,102.88	538,272.26	-149,601.44	3,086,673.17	2,548,400.91

Wylie Economic Development Corporation
Statement of Net Position
As of November 30, 2021

Assets

Cash and cash equivalents	\$ 3,499,159.42	
Receivables	\$ 60,000.00	<i>Note 1</i>
Inventories	\$ 15,673,662.29	
Prepaid Items	\$ -	
	<u> </u>	
Total Assets	\$ 19,232,821.71	

Deferred Outflows of Resources

Pensions	\$ 95,608.55	
	<u> </u>	
Total deferred outflows of resources	\$ 95,608.55	

Liabilities

Accounts Payable and other current liabilities	\$ 49,146.49	
Unearned Revenue	\$ 1,200.00	<i>Note 2</i>
Non current liabilities:		
Due within one year	\$ 293,534.51	<i>Note 3</i>
Due in more than one year	\$ 8,209,835.91	
	<u> </u>	
Total Liabilities	\$ 8,553,716.91	

Deferred Inflows of Resources

Pensions	\$ (47,711.41)	
	<u> </u>	
Total deferred inflows of resources	\$ (47,711.41)	

Net Position

Net investment in capital assets	\$ -	
Unrestricted	\$ 10,727,001.94	
	<u> </u>	
Total Net Position	\$ 10,727,001.94	

Note 1: Includes incentives in the form of forgivable loans for \$60,000 (LUV-ROS)

Note 2: Deposits from rental property

Note 3: Liabilities due within one year includes compensated absences of \$20,727

Balance Sheet

Account Summary

As Of 11/30/2021

Account	Name	Balance
Fund: 111 - WYLIE ECONOMIC DEVEL CORP		
Assets		
111-1000-10110	CLAIM ON CASH AND CASH EQUIV.	3,497,159.42
111-1000-10115	CASH - WEDC - INWOOD	0.00
111-1000-10135	ESCROW	0.00
111-1000-10180	DEPOSITS	2,000.00
111-1000-10198	OTHER - MISC CLEARING	0.00
111-1000-10341	TEXPOOL	0.00
111-1000-10343	LOGIC	0.00
111-1000-10481	INTEREST RECEIVABLE	0.00
111-1000-11511	ACCTS REC - MISC	0.00
111-1000-11517	ACCTS REC - SALES TAX	0.00
111-1000-12810	LEASE PAYMENTS RECEIVABLE	0.00
111-1000-12950	LOAN PROCEEDS RECEIVABLE	0.00
111-1000-12996	LOAN RECEIVABLE	0.00
111-1000-12997	ACCTS REC - JTM TECH	0.00
111-1000-12998	ACCTS REC - FORGIVEABLE LOANS	60,000.00
111-1000-14112	INVENTORY - MATERIAL/ SUPPLY	0.00
111-1000-14116	INVENTORY - LAND & BUILDINGS	15,673,662.29
111-1000-14118	INVENTORY - BAYCO/ SANDEN BLVD	0.00
111-1000-14310	PREPAID EXPENSES - MISC	0.00
111-1000-14410	DEFERRED OUTFLOWS	453,367.00
	Total Assets:	19,686,188.71
		<u>19,686,188.71</u>
Liability		
111-2000-20110	FEDERAL INCOME TAX PAYABLE	631.73
111-2000-20111	MEDICARE PAYABLE	241.16
111-2000-20112	CHILD SUPPORT PAYABLE	0.00
111-2000-20113	CREDIT UNION PAYABLE	0.00
111-2000-20114	IRS LEVY PAYABLE	0.00
111-2000-20115	NATIONWIDE DEFERRED COMP	0.00
111-2000-20116	HEALTH INSUR PAY-EMPLOYEE	10,925.02
111-2000-20117	TMRS PAYABLE	2,097.30
111-2000-20118	ROTH IRA PAYABLE	0.00
111-2000-20119	WORKERS COMP PAYABLE	0.00
111-2000-20120	FICA PAYABLE	1,031.22
111-2000-20121	TEC PAYABLE	0.00
111-2000-20122	STUDENT LOAN LEVY PAYABLE	0.00
111-2000-20123	ALIMONY PAYABLE	0.00
111-2000-20124	BANKRUPTCY PAYABLE	0.00
111-2000-20125	VALIC DEFERRED COMP	0.00
111-2000-20126	ICMA PAYABLE	0.00
111-2000-20127	EMP. LEGAL SERVICES PAYABLE	0.00
111-2000-20130	FLEXIBLE SPENDING ACCOUNT	2,031.20
111-2000-20131	EDWARD JONES DEFERRED COMP	0.00
111-2000-20132	EMP CARE FLITE	12.00
111-2000-20133	Unemployment Comp Payable	0.00
111-2000-20151	ACCRUED WAGES PAYABLE	0.00
111-2000-20180	ADDIT EMPLOYEE INSUR PAY	149.40
111-2000-20199	MISC PAYROLL PAYABLE	0.00
111-2000-20201	AP PENDING	0.00
111-2000-20210	ACCOUNTS PAYABLE	32,027.46
111-2000-20530	PROPERTY TAXES PAYABLE	0.00
111-2000-20540	NOTES PAYABLE	453,367.00
111-2000-20810	DUE TO GENERAL FUND	0.00

As Of 11/30/2021

Balance Sheet

Account	Name	Balance
111-2000-22270	DEFERRED INFLOW	0.00
111-2000-22275	DEF INFLOW - LEASE PRINCIPAL	0.00
111-2000-22280	DEFERRED INFLOW - LEASE INT	0.00
111-2000-22915	RENTAL DEPOSITS	1,200.00
	Total Liability:	503,713.49

Equity

111-3000-34110	FUND BALANCE - RESERVED	0.00
111-3000-34590	FUND BALANCE-UNRESERV/UNDESIG	16,095,802.05
	Total Beginning Equity:	16,095,802.05
Total Revenue		8,115,604.30
Total Expense		5,028,931.13
Revenues Over/Under Expenses		3,086,673.17
	Total Equity and Current Surplus (Deficit):	19,182,475.22
	Total Liabilities, Equity and Current Surplus (Deficit):	<u>19,686,188.71</u>

As Of 11/30/2021

Balance Sheet

Account	Name	Balance
Fund: 922 - GEN LONG TERM DEBT (WEDC)		
Assets		
922-1000-10312	GOVERNMENT NOTES	0.00
922-1000-18110	LOAN - WEDC	0.00
922-1000-18120	LOAN - BIRMINGHAM	0.00
922-1000-18210	AMOUNT TO BE PROVIDED	0.00
922-1000-18220	BIRMINGHAM LOAN	0.00
922-1000-19050	DEF OUTFLOW TMRS CONTRIBUTIONS	37,997.29
922-1000-19051	DEF OUTFLOW SDBF CONTRIBUTIONS	1,800.00
922-1000-19075	DEF OUTFLOW - INVESTMENT EXP	0.48
922-1000-19100	DEF OUTFLOW - ACT EXP/ASSUMP	55,810.78
922-1000-19125	(GAIN)/LOSS ON ASSUMPTION CHGS	-46,839.41
922-1000-19126	DEF INFLOW SDBF CONTRIBUTIONS	-872.00
	Total Assets:	47,897.14
		<u>47,897.14</u>
Liability		
922-2000-20310	COMPENSATED ABSENCES PAYABLE	11,572.98
922-2000-20311	COMP ABSENCES PAYABLE-CURRENT	20,727.84
922-2000-21410	ACCRUED INTEREST PAYABLE	9,604.44
922-2000-28205	WEDC LOANS/CURRENT	263,202.23
922-2000-28220	BIRMINGHAM LOAN	0.00
922-2000-28230	INWOOD LOAN	0.00
922-2000-28232	ANB LOAN/EDGE	0.00
922-2000-28233	ANB LOAN/PEDDICORD WHITE	0.00
922-2000-28234	ANB LOAN/RANDACK HUGHES	0.00
922-2000-28235	ANB LOAN	0.00
922-2000-28236	ANB CONSTRUCTION LOAN	0.00
922-2000-28237	ANB LOAN/ WOODBRIDGE PARKWAY	0.00
922-2000-28238	ANB LOAN/BUCHANAN	0.00
922-2000-28239	ANB LOAN/JONES:HOBART PAYOFF	0.00
922-2000-28240	HUGHES LOAN	0.00
922-2000-28242	ANB LOAN/HWY 78:5TH ST REDEV	0.00
922-2000-28245	ANB LOAN/DALLAS WHIRLPOOL	0.00
922-2000-28246	GOVCAP LOAN/KIRBY	7,846,537.60
922-2000-28247	JARRARD LOAN	144,081.16
922-2000-28250	CITY OF WYLIE LOAN	0.00
922-2000-28260	PRIME KUTS LOAN	0.00
922-2000-28270	BOWLAND/ANDERSON LOAN	0.00
922-2000-28280	CAPITAL ONE CAZAD LOAN	0.00
922-2000-28290	HOBART/COMMERCE LOAN	0.00
922-2000-29150	NET PENSION LIABILITY	199,184.17
922-2000-29151	SDBF LIABILITY	8,460.00
	Total Liability:	8,503,370.42
Equity		
922-3000-34590	FUND BALANCE-UNRESERV/UNDESIG	-4,964,678.88
922-3000-35900	UNRESTRICTED NET POSITION	-120,264.00
	Total Beginning Equity:	-5,084,942.88
Total Revenue		-8,108,000.00
Total Expense		-4,737,469.60
Revenues Over/Under Expenses		-3,370,530.40
	Total Equity and Current Surplus (Deficit):	-8,455,473.28
	Total Liabilities, Equity and Current Surplus (Deficit):	<u>47,897.14</u>

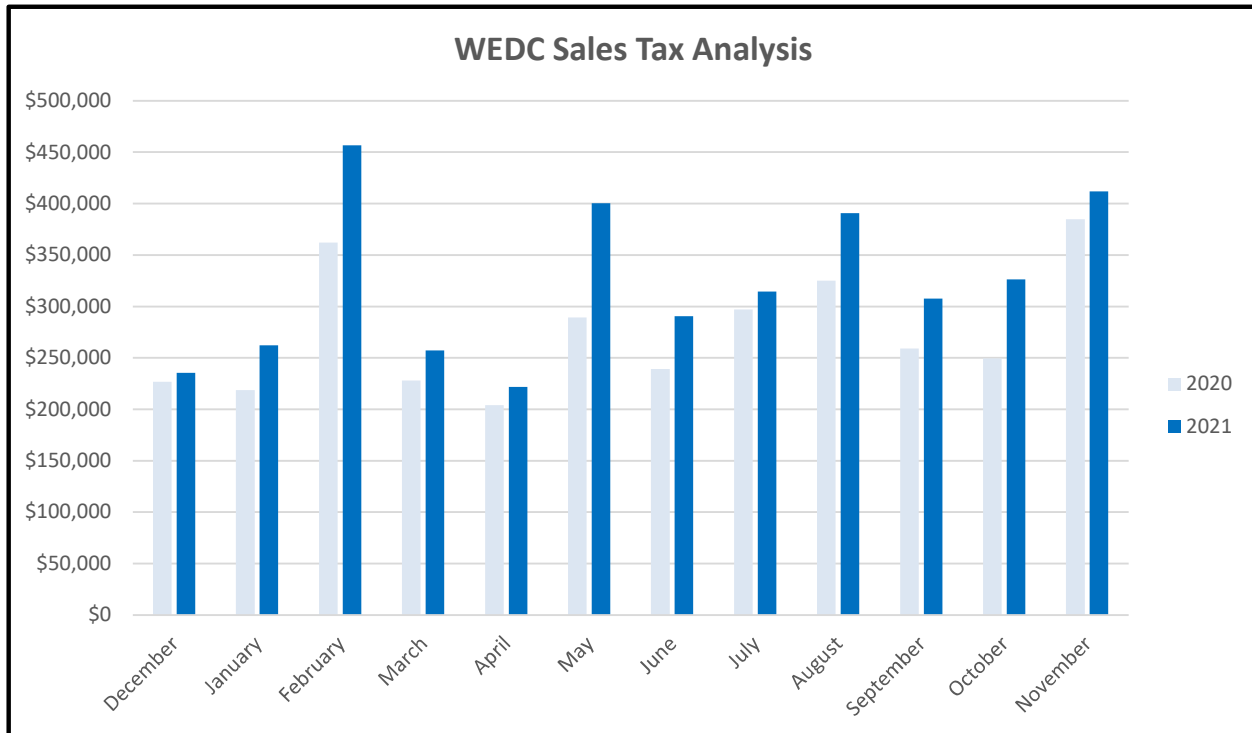
Wylie Economic Development Corporation

SALES TAX REPORT

November 30, 2021

BUDGETED YEAR

MONTH	FY 2018	FY 2019	FY 2020	FY 2021	DIFF 20 vs. 21	% DIFF 20 vs. 21
DECEMBER	\$ 184,848.59	\$ 214,867.15	\$ 226,663.94	\$ 235,381.33	\$ 8,717.39	3.85%
JANUARY	\$ 191,895.71	\$ 223,749.61	\$ 218,520.22	\$ 262,263.52	\$ 43,743.30	20.02%
FEBRUARY	\$ 275,667.83	\$ 307,366.66	\$ 362,129.18	\$ 456,571.35	\$ 94,442.17	26.08%
MARCH	\$ 182,852.50	\$ 208,222.32	\$ 228,091.34	\$ 257,187.91	\$ 29,096.57	12.76%
APRIL	\$ 163,484.89	\$ 182,499.53	\$ 203,895.57	\$ 221,881.55	\$ 17,985.98	8.82%
MAY	\$ 203,707.17	\$ 274,299.18	\$ 289,224.35	\$ 400,371.70	\$ 111,147.35	38.43%
JUNE	\$ 199,412.29	\$ 234,173.88	\$ 239,340.35	\$ 290,586.92	\$ 51,246.57	21.41%
JULY	\$ 213,976.64	\$ 215,107.94	\$ 296,954.00	\$ 314,559.10	\$ 17,605.10	5.93%
AUGUST	\$ 249,589.63	\$ 283,602.93	\$ 325,104.34	\$ 390,790.76	\$ 65,686.42	20.20%
SEPTEMBER	\$ 213,425.79	\$ 243,048.40	\$ 259,257.89	\$ 307,681.15	\$ 48,423.26	18.68%
OCTOBER	\$ 210,701.71	\$ 224,875.38	\$ 249,357.02	\$ 326,382.38	\$ 77,025.36	30.89%
NOVEMBER	\$ 273,196.62	\$ 308,324.41	\$ 384,953.89	\$ 411,813.32	\$ 26,859.44	6.98%
Sub-Total	\$ 2,562,759.35	\$ 2,920,137.37	\$ 3,283,492.09	\$ 3,875,470.98	\$ 591,978.89	17.84%
Total	\$ 2,562,759.35	\$ 2,920,137.37	\$ 3,283,492.09	\$ 3,875,470.98	\$ 591,978.89	17.84%



*** Sales Tax collections typically take 2 months to be reflected as Revenue. SlsTx receipts are then accrued back 2 months.
Example: November SlsTx Revenue is actually September SlsTx and is therefore the 12th allocation in FY21.



Wylie Economic Development Board

AGENDA REPORT

Meeting Date: January 6, 2022; Department: WEDC; Prepared By: Jason Greiner; Date Prepared: 12/30/21; Item Number: 1 (Staff Use Only); Account Code; Exhibits: 1

Subject
Consider and act upon a Second Amendment to the Purchase and Sale Agreement between the WEDC and Victory Group, LLC.

Recommendation
Motion to approve a Second Amendment to the Purchase and Sale Agreement between the WEDC and Victory Group, LLC for the sale of approximately .29-acre of real property and further authorize the WEDC Board President to execute all documentation necessary to effectuate the transactions.

Discussion
The Board approved the Purchase and Sale Agreement with Victory Group, LLC for the sale of property at 201 Industrial Court on July 21, 2021 and then amended the agreement on October 20, 2021. As the Board will recall, the "Approval Period" (Section 2.06a) in the contract was extended from ninety (90) days to December 15, 2021.
Original Analysis of the Agreement:
• Lot: .2901 acres or approximately 12,637 square feet
• Sales Price: \$20.58/SF or \$260,036
• Feasibility Period: 45 Days after Effective Date
• Approval Period: 90 Days (plus up to two additional 30-day periods at additional fee of \$3,500 ea)
• Closing Date: 30 Days after expiration of Approval Period
• Effective Date: July 30, 2021
Victory Group is again requesting to extend the "Approval Period" (Section 2.06a) in the contract from December 15, 2021 to February 9, 2022. Below is a screen shot from the original PSA as well as the proposed amendment language.
Below:
Section 2.06a
First Amendment language
Attached:
Second Amendment

Current PSA:

Section 2.06 Approvals.

(a) Seller shall allow Purchaser a period of time expiring ninety (90) days following the Effective Date (the "Approval Period") during which Purchaser shall seek to obtain all "Approvals" (as defined below).

(b) Seller shall cooperate and participate with Purchaser in connection with Purchaser's efforts to obtain the Approvals (as defined below), including without limitation, participation in any required hearings or meetings with governmental officials and in the submittal and execution of any documentation required by governmental authorities.

(c) If Purchaser has not fully obtained the Approvals within the initial Approval Period, then Purchaser may extend the Approval Period for up to two (2) additional periods of thirty (30) days each by, prior to the expiration of the Approval Period (as extended), (i) delivering a written notice of the extension of the Approval Period ("Approval Period Extension Notice") to Seller, and (ii) depositing Three Thousand Five Hundred and 00/100 Dollars (\$3,500.00) (the "Approval Extension Fee") for each extension, which will be non-refundable (except in the event this Agreement is terminated due to a Seller default, casualty or condemnation), but applicable to the Purchase Price at Closing.

(d) If the Approvals cannot be fully obtained by Purchaser prior to the expiration of the Approval Period (as extended), then Purchaser may terminate the Agreement at any time before the expiration of the Approval Period (as extended) by delivering written notice to Seller of Purchaser's termination of the Agreement, in which event, Purchaser shall receive the Earnest Money and Seller shall receive all of the Approval Extension Fees that Purchaser has paid prior to terminating the Agreement.

First Amendment:

AGREEMENT

For and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

1. Approval Period. The Approval Period, (as defined in Section 2.06(a) of the Agreement) is hereby extended until 5:00 P.M. Central Daylight Time (CDT) on December 15, 2021.

This amendment will allow adequate time for them to receive City Council approval at one of the three meetings on January 11, 2022, January 25, 2022, or February 8, 2022.

SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT

This SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT (this "**Amendment**") is entered into and effective as of February 9, 2022, (the "**Effective Date**"), by and between **VICTORY GROUP, LLC**, a Nevada limited liability company, or its assignee ("**Purchaser**") and **WYLIE ECONOMIC DEVELOPMENT CORPORATION**, a Texas corporation ("**Seller**").

BACKGROUND

Seller and Purchaser entered into that certain Purchase and Sale Agreement effective July 30, 2021 (as amended, the "**Agreement**") in connection with the sale of certain real property located in the City of Wylie, Collin County, Texas, and as more particularly described in the Agreement. Seller and Purchaser desire to amend the Agreement as provided below.

AGREEMENT

For and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

1. **Approval Period.** The Approval Period, (as defined in Section 2.06(a) of the Agreement) is hereby extended until 5:00 P.M. Central Daylight Time (CDT) on the earlier of: (i) one (1) day after the Wylie City Council approves Purchaser's Approvals, or (ii) February 9, 2022.
2. **Miscellaneous.**
 - (a) Capitalized terms not otherwise defined herein shall have the same meanings as in the Agreement.
 - (b) In all other respects, the terms of the Agreement remain unchanged and in full force and effect.
 - (c) The parties acknowledge that to each parties' actual knowledge, without investigation, neither Seller nor Purchaser is in default under the Agreement.
 - (d) Seller and Purchaser acknowledge and agree that there are no unwritten, oral agreements between the parties.
 - (e) In the event of any conflict between the meaning of any provision of this Amendment and any provision of the Agreement, the provisions of this Amendment shall control.
 - (f) All the covenants, terms, and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns.

(g) This Amendment may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same instrument. Facsimile and Portable Document Form (PDF) signatures shall be effective for purposes of this Amendment.

[Remainder of page intentionally left blank – signatures on next page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under proper authority and effective and binding as of the date first set above.

PURCHASER: **VICTORY GROUP, LLC,**
a Nevada limited liability company

By: _____
Tony Ramji, Manager

Date: _____

SELLER: **WYLIE ECONOMIC**
DEVELOPMENT CORPORATION,
a Texas corporation

By: _____
Name: _____
Title: _____
Date: _____



Wylie Economic Development Board

AGENDA REPORT

Meeting Date:	<u>January 6, 2022</u>	Item Number:	<u>2</u>
Department:	<u>WEDC</u>		<i>(Staff Use Only)</i>
Prepared By:	<u>Jason Greiner</u>	Account Code:	<u></u>
Date Prepared:	<u>1/4/21</u>	Exhibits:	<u>1</u>

Subject

Consider and act upon issues surrounding a Performance Agreement between the WEDC and GDA Investments, LLC. - Series 53.

Recommendation

Motion to approve a First Amendment to a Performance Agreement between the WEDC and GDA Investments, LLC. – Series 53, and further authorize the WEDC Executive Director to execute said Agreement.

Discussion

The Board approved the Performance Agreement with GDA Investments, LLC. – Series 53 on October 21, 2020. Staff has provided various updates on the project over the last year, but due to unanticipated delays, the project has not moved forward as originally planned.

Original Analysis

GDA requested assistance from the WEDC specifically related to the construction of a new 5,800 square foot office building in Regency Business Park, more specifically 53 Steel Road in Wylie, Texas. GDA plans to invest over \$1,000,000 on Phase I of the project over the next 18 months. The following Agreement outlines a \$30,500 infrastructure reimbursement incentive, payable over a two-year period.

The Performance Measures and Incentive Payments were identified as follows:

Incentive No. 1 \$20,000

- Proof of Certificate of Completion by December 31, 2021; and
- Proof of Qualified Infrastructure investment of no less than \$30,500
- Company is current on all ad valorem taxes and other property taxes.

Incentive No. 2 \$10,500

- Proof of Certificate of Occupancy one year from the anniversary of CC; and

- Proof of Certificate of Completion on an additional 5,000 square feet one year from the anniversary of CC; and
- Company is current on all ad valorem taxes and other property taxes.

Staff is recommending an extension of this agreement for twelve (12) months in order to provide time for the completion of the necessary flood study and to give GDA Investments time to complete construction and obtain a Certificate of Occupancy. Should the Board decide not to authorize an extension of this agreement, the prior agreement will be rendered null and void.

FIRST AMENDMENT TO PERFORMANCE AGREEMENT

THIS FIRST AMENDMENT TO PERFORMANCE AGREEMENT (this "First Amendment"), is entered into and is effective as of the 6th day of January 2022 by and between the **WYLIE ECONOMIC DEVELOPMENT CORPORATION** (the "WEDC"), a Texas economic development corporation, and **GDA Investments, LLC. - Series 53.**, a Texas limited liability corporation (the "Company").

W I T N E S S E T H:

WHEREAS, WEDC Board of Directors approved that certain Performance Agreement between WEDC and Company on October 21, 2020 to facilitate a 10,800-square foot expansion of their current facility (the "Project"); and

WHEREAS, WEDC and Company desire to modify and amend the Agreement in certain respects, as more particularly set forth in this First Amendment.

NOW, THEREFORE, in an effort to address unforeseen circumstances surrounding the beginning start date of the project, the WEDC and Company covenant and agree as follows:

1. **Defined Terms.** Capitalized terms used but not defined in this First Amendment will have the meanings given to them in the Agreement.

2. **Modification to Performance Obligations.** Notwithstanding anything to the contrary in the Agreement, the Eligibility Expiration Dates by which the Company must provide receipt of documentation to prove Compliance with the Performance Requirements associated with the project located in Wylie, Texas as defined in Section 2. A. (i, ii, & iii) and Section 2. B. (i, ii & iii) are hereby extended twelve (12) months from the date referenced within each Section.

3. **Ratification.** As expressly modified by this First Amendment, the Agreement is hereby ratified and confirmed by WEDC and Company.

4. **Counterparts; Transmission.** This First Amendment may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same agreement. Transmission of an executed signature page of this First Amendment by email will be effective to create a binding agreement.

[Signatures appear on next page]

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment the day and year first above written.

WEDC:

Wylie Economic Development Corporation, a Texas Corporation

By: _____
Name: _____
Title: _____

COMPANY:

GDA Investments, LLC. - Series 53
a Texas Limited Liability Corporation

By: _____
Name: _____
Title: _____



Wylie Economic Development Board

AGENDA REPORT

Meeting Date: January 6, 2022
Department: WEDC
Prepared By: Jason Greiner
Date Prepared: 12/29/21

Item Number: 3 (Staff Use Only)
Account Code:
Exhibits: 1

Subject
Consider and act upon a Performance Agreement between the WEDC and Fuel City Wylie, LLC.

Recommendation
Motion to table this item until the next meeting.

Discussion

AGENDA REPORT

Meeting Date:	<u>January 6, 2022</u>	Item Number:	<u>4</u>
Prepared By:	<u>Jason Greiner</u>	Account Code:	<u></u>
Date Prepared:	<u>1/3/22</u>	Exhibits:	<u></u>

Subject

Consider and act upon issues surrounding tree removal at Hwy 78/Brown.

Recommendation

Motion to award a contract to Eubanks Sand & Gravel in the amount of \$49,800 and further authorize the Executive Director to execute any and all necessary documents.

Discussion

Following Board direction and discussion, WEDC Staff is bringing this item back for consideration. Staff received multiple quotes for tree removal, but there are only two viable options at this point:

- Tree removal between Brown & Marble on Hwy 78 - \$49,800
 - Erosion Control
 - Grub Trees & Root Balls
 - Grind all material
 - Haul off and Disposal
 - Smooth and Level Disturbed Landscape
- Table this item and wait for bid pricing and scope from NTMWD

Since the tree removal was originally included in the scope of work for NTMWD, this item was not budgeted in FY 22. If approved, a Mid-Year Budget Amendment will be necessary to fund this project in the current fiscal year.



Wylie Economic Development Board

AGENDA REPORT

Meeting Date: January 6, 2022
Prepared By: Jason Greiner
Date Prepared: 1/3/22

Item Number: 5
Account Code:
Exhibits:

Subject
Consider and act upon a flood study at Hooper/Steel.

Recommendation
Motion to table this item until the next meeting.

Discussion
The Wylie Economic Development Corporation is investigating potential infrastructure improvements to help attract light industrial development to the area. The intersection of Steel and Hooper shows several undeveloped lots along the western side and there is a stream that runs from north to south through the middle of this undeveloped area. The stream is unmapped by FEMA within this specific area but shows to be Zone A downstream of Hooper Road. There should be no FEMA coordination needed.
In order to meet the City of Wylie Engineering Standards, this stream needs to be studied to identify the existing and fully developed flow rates and to establish the local floodplain limits. It is anticipated that reclamation is desired to understand what these properties may be able to achieve in order to develop. In addition, the culvert crossings under both Steel and Hooper are thought to be undersized and may need to be improved to help with potential floodplain reclamation. This scope will investigate potential upsizing of these crossings.
There have been a couple of prior hydrologic and hydraulic studies performed in this area associated with individual developments. Both were prepared by the same engineer but show very different results in flow rates due to differences in time of concentration. This flow rate change drastically changes the limits of the floodplain.
WEDC Staff will provide additional information and cost estimates, but additional time is needed to visit with our engineering department. Staff recommends that the Board table this item until the next meeting.



Wylie Economic Development Board

AGENDA REPORT

Meeting Date: January 6, 2022

Item Number: DS1

Prepared By: Jason Greiner

Account Code:

Date Prepared: 1/3/22

Exhibits:

Subject

Staff report: WEDC Property Update, Downtown Parking, Engineering Report, Upcoming Events, WEDC Bylaws, New Board Member Handbook, Policies and Procedures for WEDC, WEDC Annual Report, and WEDC Activities/Programs.

Recommendation

No action is requested by staff for this item.

Discussion

Staff report: WEDC Property Update, Downtown Parking, Engineering Report, Upcoming Events, WEDC Bylaws, New Board Member Handbook, Policies and Procedures for WEDC, WEDC Annual Report, and WEDC Activities/Programs.

2021 November **Board Meeting - 17th**

Day	Time	Meeting/Event
1-5		CDFA Virtual National Summit (virtual) – jh
2	8:30 am	WDMA Meeting- aw, jg
3-5		<i>TDA Annual Conference – Denton - jm, jg</i>
4		<i>Red, White & YOU! 10th Anniversary Hiring Event (TWC) – Midlothian & Virtual</i>
5		Chamber of Commerce CORNAMENT
8	8:30 am	WEDC- Special Called Board Meeting
8-10		<i>Site Selectors Guild- Dallas- jg</i>
11		Veterans Day
11		Leadership Wylie- City/WEDC Day
11	6:00 pm	CPAC: Housing, Special Planning Areas, Land Use Categories
12	8:00 am	WEDC- Special Called Board Meeting
15	6:00 pm	City Council
16		National Entrepreneur’s Day
17	8:30 am	WEDC- Board Meeting
17	11:30 am	CTE Advisory Meeting
19		Discover Wylie 2021 Gift Guide Debuts
25-26	CLOSED	Thanksgiving Holiday
29		WEDC- Work Session & Board Tour

2021 December

Day	Time	Meeting/Event
4	9am-4pm	Wylie Arts Festival- Olde City Park (9am-4pm)
5-7		<i>ICSC RECon – Vegas – mp, dd, mw, bp, jg</i>
5	6:00 pm	Christmas Parade and Tree Lighting
7	8:30 am	WDMA Meeting – aw
14	6:00 pm	City Council
23-24	CLOSED	Christmas Holiday
31	CLOSED	New Year’s Eve

2022 January **Board Meeting – 6th & 19th**

Day	Time	Meeting/Event
4	8:30 am	WDMA Meeting - aw
7	8:30 am	WEDC- Board Meeting (<i>December</i>)
11	6:00 pm	City Council
13	6:00 pm	CPAC Meeting: Future Land Use, Transportation
19	8:30 am	WEDC – Board Meeting
19	11:30 am	Chamber Lunch ‘n Learn – Social Media 101
20		<i>Workforce Solutions Career Fair – Virtual</i>
25	6:00 pm	City Council – Annual Report, Work Session & Executive Session
30-Feb 1		<i>IEDC Leadership Summit</i>

Around the Corner...

- ICSC @ Red River- February 1-3
- TEDC Winter Conference- February 16-18
- RILA – LINK2022 – February 20-23
- TEDC 2022 Winter Basic Economic Development Course- February 22-25 (Round Rock)
- WISD “Boots ‘N Barbecue”- February 26
- Collin College “Stetson Stiletto Standoff” - February 26

[Home](#) [Media News](#)

Kansas City Southern Stockholders Approve Merger with CP

December 10, 2021

KANSAS CITY, Mo., December 10, 2021. Kansas City Southern (NYSE: KSU) (“KCS”) announced that the Company’s stockholders have voted to approve the previously announced combination with Canadian Pacific Railway Limited (TSX: CP) (NYSE: CP) (“CP”) at today’s virtual Special Meeting of Stockholders (“Special Meeting”). Of the 64.5 million shares voting at the Special Meeting, approximately 99.6% were cast in favor of the adoption of the proposed merger agreement.

The transaction is expected to close on Tuesday, December 14, 2021. KCS stockholders will receive \$90 in cash and 2.884 CP shares for each KCS common share held and \$37.50 in cash for each KCS preferred share held. Immediately upon close, ownership of KCS will be held in a voting trust pending the Surface Transportation Board’s review and approval of CP’s proposed control of KCS, which is expected to occur in the fourth quarter of 2022.

On December 8, CP’s stockholders voted to approve the issuance of the CP common shares to KCS stockholders in connection with the proposed merger.

For information on the benefits of a CP-KCS combination, visit FutureForFreight.com.

FORWARD LOOKING STATEMENTS AND INFORMATION

This news release includes certain forward looking statements and forward looking information (collectively, "FLI") to provide CP and KCS stockholders and potential investors with information about CP, KCS and their respective subsidiaries and affiliates, including each company's management's respective assessment of CP, KCS and their respective subsidiaries' future plans and operations, which FLI may not be appropriate for other purposes. FLI is typically identified by words such as "anticipate", "expect", "project", "estimate", "forecast", "plan", "intend", "will", "target", "believe", "likely" and similar words suggesting future outcomes or statements regarding an outlook. All statements other than statements of historical fact may be FLI.

Although we believe that the FLI is reasonable based on the information available today and processes used to prepare it, such statements are not guarantees of future performance and you are cautioned against placing undue reliance on FLI. By its nature, FLI involves a variety of assumptions, which are based upon factors that may be difficult to predict and that may involve known and unknown risks and uncertainties and other factors which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by these FLI, including, but not limited to, the following: the timing and completion of the transaction; the realization of anticipated benefits and synergies of the transaction and the timing thereof; the success of integration plans; the focus of management time and attention on the transaction and other disruptions arising from the transaction; changes in business strategy and strategic opportunities; estimated future dividends; financial strength and flexibility; debt and equity market conditions, including the ability to access capital markets on favourable terms or at all; cost of debt and equity capital; potential changes in the CP share price which may negatively impact the value of consideration offered to KCS stockholders; the ability of management of CP, its subsidiaries and affiliates to execute key priorities, including those in connection with the transaction; general Canadian, U.S., Mexican and global social, economic, political, credit and business conditions; risks associated with agricultural production such as weather conditions and insect populations; the availability and price of energy commodities; the effects of competition and pricing pressures, including competition from other rail carriers, trucking companies and maritime shippers in Canada, the U.S. and Mexico; North American and global economic growth; industry capacity; shifts in market demand; changes in commodity prices and commodity demand; uncertainty surrounding timing and volumes of commodities being shipped; inflation; geopolitical instability; changes in laws, regulations and government policies, including regulation of rates; changes in taxes and tax rates; potential increases in maintenance and operating costs; changes in fuel prices; disruption in fuel supplies; uncertainties of investigations, proceedings or other types of claims and litigation; compliance with environmental regulations; labour disputes; changes in labour costs and labour difficulties; risks and liabilities arising from derailments; transportation of dangerous goods; timing of completion of capital and maintenance

projects; sufficiency of budgeted capital expenditures in carrying out business plans; services and infrastructure; the satisfaction by third parties of their obligations; currency and interest rate fluctuations; exchange rates; effects of changes in market conditions and discount rates on the financial position of pension plans and investments; trade restrictions or other changes to international trade arrangements; the effects of current and future multinational trade agreements on the level of trade among Canada, the U.S. and Mexico; climate change and the market and regulatory responses to climate change; ability to achieve commitments and aspirations relating to reducing greenhouse gas emissions and other climate-related objectives; anticipated in-service dates; success of hedging activities; operational performance and reliability; customer, shareholder, regulatory and other stakeholder approvals and support; regulatory and legislative decisions and actions; the adverse impact of any termination or revocation by the Mexican government of Kansas City Southern de Mexico, S.A. de C.V.'s Concession; public opinion; various events that could disrupt operations, including severe weather, such as droughts, floods, avalanches and earthquakes, and cybersecurity attacks, as well as security threats and governmental response to them, and technological changes; acts of terrorism, war or other acts of violence or crime or risk of such activities; insurance coverage limitations; material adverse changes in economic and industry conditions, including the availability of short and long-term financing; and the pandemic created by the outbreak of COVID-19 and its variants, and resulting effects on economic conditions, the demand environment for logistics requirements and energy prices, restrictions imposed by public health authorities or governments, fiscal and monetary policy responses by governments and financial institutions, and disruptions to global supply chains.

We caution that the foregoing list of factors is not exhaustive and is made as of the date hereof. Additional information about these and other assumptions, risks and uncertainties can be found in reports and filings by CP and KCS with Canadian and U.S. securities regulators, including any proxy statement, prospectus, material change report, management information circular or registration statement to be filed in connection with the transaction. Reference should be made to "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Forward Looking Statements" in CP's and KCS's annual and interim reports on Form 10-K and 10-Q. Due to the interdependencies and correlation of these factors, as well as other factors, the impact of any one assumption, risk or uncertainty on FLI cannot be determined with certainty.

Except to the extent required by law, we assume no obligation to publicly update or revise any FLI, whether as a result of new information, future events or otherwise. All FLI in this news release is expressly qualified in its entirety by these cautionary statements.

ADDITIONAL INFORMATION ABOUT THE TRANSACTION AND WHERE TO FIND IT

This news release shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to appropriate registration or qualification under the securities laws of such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended. CP has filed with the U.S. Securities and Exchange Commission ("SEC") a registration statement on Form F-4, which includes a proxy statement of KCS that also constitutes a prospectus of CP. The registration statement has been declared effective. CP has filed with the SEC its prospectus and KCS has filed with the SEC its definitive proxy statement in connection with the proposed transaction. CP has filed a management proxy circular in connection with the transaction with applicable securities regulators in Canada. INVESTORS, STOCKHOLDERS AND SHAREHOLDERS OF KCS AND CP ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS AND MANAGEMENT PROXY CIRCULAR, AS APPLICABLE, AND ANY OTHER DOCUMENTS FILED OR TO BE FILED WITH THE SEC OR APPLICABLE SECURITIES REGULATORS IN CANADA IN CONNECTION WITH THE TRANSACTION WHEN THEY BECOME AVAILABLE (INCLUDING ANY AMENDMENTS AND SUPPLEMENTS THERETO), AS THEY CONTAIN AND WILL CONTAIN IMPORTANT INFORMATION ABOUT KCS, CP, THE TRANSACTION AND RELATED MATTERS. The registration statement and proxy statement/prospectus and other documents filed by CP and KCS with the SEC are available free of charge at the SEC's website at www.sec.gov. In addition, investors and shareholders may obtain free copies of the registration statement, proxy statement/prospectus, management proxy circular and other documents which have been filed with the SEC and applicable securities regulators in Canada by CP online at investor.cpr.ca and www.sedar.com, upon written request delivered to CP at 7550 Ogden Dale Road S.E., Calgary, Alberta, T2C 4X9, Attention: Office of the Corporate Secretary, or by calling CP at 1-403-319-7000, and may obtain free copies of the proxy statement/prospectus and other documents filed with the SEC by KCS online at www.investors.kcsouthern.com, upon written request delivered to KCS at 427 West 12th Street, Kansas City, Missouri 64105, Attention: Corporate Secretary, or by calling KCS's Corporate Secretary's Office by telephone at 1-888-800-3690 or by email at corpsec@kcsouthern.com.

You may also read and copy any reports, statements and other information filed by KCS and CP with the SEC at the SEC public reference room at 100 F Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-732-0330 or visit the SEC's website for further information on its public reference room.

ABOUT CANADIAN PACIFIC

Canadian Pacific is a transcontinental railway in Canada and the United States with direct links to major ports on the west and east coasts. CP provides North American customers a competitive rail service with access to key markets in every corner of the globe. CP is growing with its customers, offering a suite of freight transportation services, logistics solutions and supply chain expertise. Visit www.cpr.ca to see the rail advantages of CP. CP-IR

ABOUT KCS

Headquartered in Kansas City, Mo., Kansas City Southern (KCS) (NYSE: KSU) is a transportation holding company that has railroad investments in the U.S., Mexico and Panama. Its primary U.S. holding is The Kansas City Southern Railway Company, serving the central and south central U.S. Its international holdings include Kansas City Southern de Mexico, S.A. de C.V., serving northeastern and central Mexico and the port cities of Lázaro Cárdenas, Tampico and Veracruz, and a 50 percent interest in Panama Canal Railway Company, providing ocean-to-ocean freight and passenger service along the Panama Canal. KCS' North American rail holdings and strategic alliances with other North American rail partners are primary components of a unique railway system, linking the commercial and industrial centers of the U.S., Mexico and Canada. More information about KCS can be found at www.kcsouthern.com.

For more information, please contact:

Kansas City Southern

Media

C. Doniele Carlson

Tel: 816-983-1372

dcarlson@kcsouthern.com

Investment Community

Ashley Thorne

Tel: 816-983-1530

athorne@kcsouthern.com

Canadian Pacific and Kansas City Southern Close Into Voting Trust

December 14, 2021 / Calgary

CP provides updated outlook capturing transaction-related financial impacts

Canadian Pacific Railway Limited (TSX: CP, NYSE: CP) ("CP") today announced the completion of its acquisition of Kansas City Southern (NYSE: KCS) ("KCS"). The transaction represents an enterprise value of approximately US\$31 billion. KCS stockholders will receive 2.884 CP common shares and US\$90 in cash for each share of KCS common stock held and US\$37.50 in cash for each share of KCS preferred stock held.

Immediately upon the closing of the acquisition, the shares of KCS were placed into a voting trust with Dave Starling, former KCS President and CEO, appointed as the Voting Trustee. The Voting Trust, which ensures KCS will operate independently of CP, will remain in effect until the U.S. Surface Transportation Board ("STB") issues its decision on the companies' joint railroad control application. The STB's approval of CP's control of KCS would create Canadian Pacific Kansas City Limited ("CPKC"), the only single-line railroad linking the United States, Mexico and Canada. The STB review of CP's proposed control of KCS is expected to be completed in the fourth quarter of 2022.

"Today is a historic day for our two iconic companies," said Keith Creel, CP President and Chief Executive Officer. "CPKC will become the backbone connecting our customers to new markets, enhancing competition in the U.S. rail network, and driving economic growth across North America while delivering significant environmental benefits. We are excited to reach this milestone on the path toward creating this unique truly North American railroad."

"As a Board and management team, we are proud of the countless contributions and achievements of all those who work for Kansas City Southern," said Patrick J. Ottensmeyer, KCS President and Chief Executive Officer. "We are excited for the possibilities that will open to us through this combination with CP and we look forward to our next chapter."

Expected benefits from the business combination will not be realized until the STB approves CP's control of KCS' railroads. Upon obtaining control approval from the STB, the two companies expect to achieve full integration over the ensuing three years, unlocking the benefits of the combination.

For information on the benefits of a CP-KCS combination, visit [FutureForFreight.com](https://www.futureforfreight.com).

Financial Implications of Closing into Trust

To fund the cash consideration of the merger, CP's wholly-owned subsidiary, Canadian Pacific Railway Company sold new debt of C\$2.2 billion and US\$6.7 billion, both of which are guaranteed by CP. The debt transactions closed on Nov. 24, 2021 and Dec. 2, 2021, respectively. CP expects to incur approximately C\$21 million in interest expense in the quarter from the two issuances.

Today, CP issued 262,597,106 new common shares as the share consideration under the terms of the merger agreement resulting in approximately 721.4 million weighted average diluted shares outstanding in the quarter.

During the period that KCS is held in voting trust, CP will account for its ownership under the equity method of accounting. From Dec. 14, 2021, onward, CP will report KCS' earnings, adjusted for the amortization of the fair value write-up, on a single line of CP's consolidated statements of income.

Updated Outlook

Following the impacts of the accelerated timeline of the transaction closing into trust and the impacts of the extreme weather in British Columbia, CP now expects full-year growth in adjusted diluted EPS^{1,2} in 2021 to be in the high single digits. CP expects full-year volumes to be approximately flat in 2021, as measured in revenue ton-miles, compared to 2020.

CP's revised guidance assumes an updated effective tax rate of approximately 24.0 percent. CP now expects other components of net periodic benefit recovery to increase by approximately C\$45 million versus 2020 and continues to expect capital expenditures of C\$1.55 billion.

¹ CP's expectation for high single-digit growth in 2021 adjusted diluted EPS is relative to 2020's adjusted diluted EPS of C\$3.53. CP's reported diluted EPS was C\$3.59 in 2020.

² Although CP has provided a forward-looking non-GAAP measure (adjusted diluted EPS), management is unable to reconcile, without unreasonable efforts, the forward-looking adjusted diluted EPS to the most comparable GAAP measure (diluted EPS), due to unknown variables and uncertainty related to future results. These unknown variables may include unpredictable transactions of significant value. In recent years, CP has recognized acquisition-related costs (including legal, consulting and financing fees, and fair value gain or loss of foreign exchange (FX) forward contracts and interest rate hedges), the merger termination payment received, changes in income tax

rates and a change to an uncertain tax item. KCS has also recognized significant merger costs and FX gains and losses similar, large unforeseen transactions affect diluted EPS but may be excluded from CP's adjusted diluted EPS. Additional Canadian dollar FX rate is unpredictable and can have a significant impact on CP's reported results but may be excluded from CP's adjusted diluted EPS. In particular, CP excludes the FX impact of translating the Company's debt and lease liabilities from adjusted diluted EPS.

01/06/2022 Item DS1.

Advisors

BMO Capital Markets and Goldman Sachs & Co. LLC are serving as financial advisors to Canadian Pacific. Sullivan & Cromwell LLP, Bennett Jones LLP and the Law Office of David L. Meyer are serving as legal counsel. Creel, García-Cuellar, Aiza y Enríquez, S.C. are serving as Mexican legal counsel to Canadian Pacific. Evercore is serving as the Canadian Pacific Board's financial advisors and Blake, Cassels & Graydon LLP is serving as the Board's legal counsel.

BofA Securities and Morgan Stanley & Co. LLC are serving as financial advisors to Kansas City Southern. Wachtell, Lipton, Rosen & Katz, Baker & Miller PLLC, Davies Ward Phillips & Vineberg LLP, WilmerHale, and White & Case, S.C. are serving as legal counsel to Kansas City Southern.

FORWARD LOOKING STATEMENTS AND INFORMATION

This news release includes certain forward looking statements and forward looking information (collectively, "FLI") to provide CP shareholders and potential investors with information about CP, KCS and their respective subsidiaries and affiliates, including each company's management's respective assessment of CP, KCS and their respective subsidiaries' future plans and operations, which FLI may not be appropriate for other purposes. FLI is typically identified by words such as "anticipate", "expect", "project", "estimate", "forecast", "plan", "intend", "will", "target", "believe", "likely" and similar words suggesting future outcomes or statements regarding an outlook. All statements other than statements of historical fact may be FLI.

Although we believe that the FLI is reasonable based on the information available today and processes used to prepare it, such statements are not guarantees of future performance and you are cautioned against placing undue reliance on FLI. By its nature, FLI involves a variety of assumptions, which are based upon factors that may be difficult to predict and that may involve known and unknown risks and uncertainties and other factors which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by these FLI, including, but not limited to, the following: the realization of anticipated benefits and synergies of the CP-KCS transaction and the timing thereof; the success of integration plans; the focus of management time and attention on the transaction and other disruptions arising from the transaction; changes in business strategy and strategic opportunities; estimated future dividends; financial strength and flexibility; debt and equity market conditions, including the ability to access capital markets on favourable terms or at all; cost of debt and equity capital; potential changes in the CP share price which may negatively impact the value of consideration paid to KCS stockholders; the ability of management of CP, its subsidiaries and affiliates to execute key priorities, including those in connection with the transaction; general Canadian, U.S., Mexican and global social, economic, political, credit and business conditions; risks associated with agricultural production such as weather conditions and insect populations; the availability and price of energy commodities; the effects of competition and pricing pressures, including competition from other rail carriers, trucking companies and maritime shippers in Canada, the U.S. and Mexico; North American and global economic growth; industry capacity; shifts in market demand; changes in commodity prices and commodity demand; uncertainty surrounding timing and volumes of commodities being shipped; inflation; geopolitical instability; changes in laws, regulations and government policies, including regulation of rates; changes in taxes and tax rates; potential increases in maintenance and operating costs; changes in fuel prices; disruption in fuel supplies; uncertainties of investigations, proceedings or other types of claims and litigation; compliance with environmental regulations; labour disputes; changes in labour costs and labour difficulties; risks and liabilities arising from derailments; transportation of dangerous goods; timing of completion of capital and maintenance projects; sufficiency of budgeted capital expenditures in carrying out business plans; services and infrastructure; the satisfaction by third parties of their obligations; currency and interest rate fluctuations; exchange rates; effects of changes in market conditions and discount rates on the financial position of pension plans and investments; trade restrictions or other changes to international trade arrangements; the effects of current and future multinational trade agreements on the level of trade among Canada, the U.S. and Mexico; climate change and the market and regulatory responses to climate change; ability to achieve commitments and aspirations relating to reducing greenhouse gas emissions and other climate-related objectives; anticipated in-service dates; success of hedging activities; operational performance and reliability; customer, regulatory and other stakeholder approvals and support; regulatory and legislative decisions and actions; the adverse impact of any termination or revocation by the Mexican government of Kansas City Southern de Mexico, S.A. de C.V.'s Concession; public opinion; various events that could disrupt operations, including severe weather, such as droughts, floods, avalanches and earthquakes, and cybersecurity attacks, as well as security threats and governmental response to them, and technological changes; acts of terrorism, war or other acts of violence or crime or risk of such activities; insurance coverage limitations; material adverse changes in economic and industry conditions, including the availability of short and long-term financing; and the pandemic created by the outbreak of COVID-19 and its variants, and resulting effects on economic conditions, the demand environment for logistics requirements and energy prices, restrictions imposed by public health authorities or governments, fiscal and monetary policy responses by governments and financial institutions, and disruptions to global supply chains.

We caution that the foregoing list of factors is not exhaustive and is made as of the date hereof. Additional information about these and other assumptions, risks and uncertainties can be found in reports and filings by CP and KCS with Canadian and U.S. securities regulators, including any proxy statement, prospectus, material change report, management information circular or registration statement to be filed in connection with the transaction. Reference should be made to "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Forward Looking Statements" in CP's and KCS's annual and interim reports on Form 10-K and 10-Q. Due to the interdependencies and correlation of these factors, as well as other factors, the impact of any one assumption, risk or uncertainty on FLI cannot be determined with certainty.

Except to the extent required by law, we assume no obligation to publicly update or revise any FLI, whether as a result of new information, future events or otherwise. All FLI in this news release is expressly qualified in its entirety by these cautionary statements.

About Canadian Pacific

Canadian Pacific (TSX: CP) (NYSE: CP) is a transcontinental railway in Canada and the United States with direct links to major ports on the west and east coasts. CP provides North American customers a competitive rail service with access to key markets in every corner of

the globe. CP is growing with its customers, offering a suite of freight transportation services, logistics solutions and expertise. Visit www.cpr.ca to see the rail advantages of CP. CP-IR

01/06/2022 Item DS1.

Contacts:

Media

Patrick Waldron

Tel: 403-852-8005

Patrick_Waldron@cpr.ca;

Alert_MediaRelations@cpr.ca

Investment Community

Maeghan Albiston

Tel: 403-319-3591

investor@cpr.ca



SUBSCRIBE NOW 99¢ / week

FOOD AND DRINK EVENTS

<p>DEC 15 Central Market Cooking Classes Wed</p>  <p>REALLY INTO FOOD SPONSORED</p>	<p>DEC 16 Farmer's Market at the Sound Sound at Cypress Wa...</p>	<p>DEC 16 Deep Ellum Wine Walk: Holiday Soiree Deep Ellum Thu, 6:0...</p>
---	--	--

FOOD > RESTAURANT NEWS

Dallas County's first whiskey distillery sold to new owners, will move to Wylie

Herman Marshall is now owned by a new company named Dry County Distilleries.





SUBSCRIBE NOW 99¢ / week



By [Sarah Blaskovich](#)
9:16 AM on Dec 13, 2021



Listen to this article now



Powered by [Trinity Audio](#)

Two entrepreneurs from Wylie and Canton have purchased Herman Marshall Whiskey, the first small-batch distillery to operate in Dallas County since Prohibition.

President Clint Ecord and chief financial officer Ryan Hamar intend to keep the same recipes for the bourbon and rye, and to keep the name Herman Marshall on the bottles.

The company was created by Herman Beckley, the master distiller, in 2010. His stake has been bought out entirely by Ecord and Hamar under the new parent company name, Dry County Distilleries. The terms of the deal were not disclosed.

“I am proud of the legacy Herman Marshall created across Texas, Oklahoma and Louisiana, and the role we have played in the renaissance of Texas whiskey,” Beckley says. “Today marks a bold new era for HM.”

Since Herman Marshall launched more than a decade ago, Dallas-Fort Worth has become home to other well-known distilleries like Firestone & Robertson in Fort Worth (which makes the well-



Herman Marshall was Dallas County’s first whiskey — “or at least the first legal one in modern history,” The Dallas Morning News wrote in 2014. The company was sold in late 2021 to Dry Creek Distilleries. The new owners intend upon keeping the original Herman Marshall recipes, created by



SUBSCRIBE NOW 99¢ / week

Hamar says his team wants to “carry on that name, that legacy” from Herman Marshall. The bourbon won a silver medal in 2013 at the American Distilling Institute’s spirits competition and a **bronze at the International Whiskey Competition in 2015.**

“We’re really going to be able to pump some energy back into it,” Hamar says.

Founder Beckley has moved to California. He returns to Texas regularly to consult with the new distiller, Dan Tolle. They plan to move the headquarters from Garland to Wylie, where Hamar lives.



SPONSORED CONTENT

This holiday season, give the gift of cigars from Renegade Cigars



The move allows the Dry County team to “treat this like a startup distillery — but with shelf space in stores and brand awareness [already built in],” the CFO says.

They’ll feel successful if drinkers can’t tell the difference between the Herman Marshall bourbon on the shelf right now and the bourbon Tolle makes years down the road.



SUBSCRIBE NOW 99¢ / week

including the shutdown of the distillery for several months. With strict restrictions on distilleries located within Dallas County, Hamar says Herman Marshall’s sales took a hit and they “lost that fire.” Making hand sanitizer was a good thing to do for the community, but it wasn’t lucrative enough.

“I think they needed a little bit more youth and capital,” Hamar says, “and we came in at the right time.”

The distillery will eventually move into a former sports performance facility off of Highway 78 in Wylie. It will use the existing 6,000-square-foot building and build an additional 8,000-square-foot space. Hamar’s vision is to have an indoor-outdoor tasting room with tours.

The new owners don’t intend to build a kitchen; they’ll encourage customers to order from the restaurants nearby — and they’re close enough that neighboring business owners have agreed to walk the food over to the distillery.

For more food news, follow Sarah Blaskovich on Twitter at [@sblaskovich](https://twitter.com/sblaskovich).



Sarah Blaskovich, senior food reporter. Sarah writes about restaurants, bars and culture in Dallas. Follow @sblaskovich and ask her what to do, where to eat or where to drink in your area.

sblaskovich@dallasnews.com [/sarah.blaskovich](https://facebook.com/sarah.blaskovich) [@sblaskovich](https://twitter.com/sblaskovich)
 [@sarahblaskovich](https://instagram.com/sarahblaskovich)