

Economic Development Commission
April 17, 2020

An emergency meeting of the Mayor and City Council of the City of Waxahachie, Texas and Economic Development Commission was held via teleconference at City Hall, 401 S. Rogers on Friday, April 17, 2020 at 9:00 a.m.

Councilmembers Present: David Hill, Mayor

Via Teleconference: Mary Lou Shipley, Mayor Pro Tem (phone)
Chuck Beatty, Councilmember (phone)
Kevin Strength, Councilmember (phone)
Melissa Olson, Councilmember (phone)

Others Present: Michael Scott, City Manager
Albert Lawrence, Assistant City Manager
Tommy Ludwig, Assistant City Manager
Robert Brown, City Attorney (via Teleconference)
Amber Villarreal, Assistant City Secretary

Economic Development
Commission Members Present: David Hill, Mayor

Via Teleconference: Mackey Morgan, President
Mary Lou Shipley, Mayor Pro Tem
Rick Keeler
Rhyan Phillips

Ex-officio Members Present: Michael Scott, City Manager

Via Teleconference: Dr. Bonny Cain, WISD Superintendent (phone)

1. Call to Order

Mayor David Hill called the meeting to order.

2. Identification of a quorum (roll call)

Mayor Hill did a roll call for Council Members in attendance: David Hill, in person, Mary Lou Shipley, Chuck Beatty, Kevin Strength, and Melissa Olson were present by phone.

Mayor Hill did a roll call for Economic Development Commission Members in attendance: David Hill, in person, Mackey Morgan, Mary Lou Shipley, Rick Keeler, and Rhyan Phillips were present by phone.

3. Consider resolution to adopt Chapter 380 COVID-19 Emergency Loan for Small Business Program

City Manager Michael Scott reviewed the proposed Local Stimulus Program for Small Businesses. He explained the purpose is to create a no-interest short-term loan program to assist small businesses who are adversely impacted by the COVID-19 crisis. The purpose of the program is to

assist qualifying businesses in continuing to meet payroll and basic operating expenses in an effort to minimize the layoff of employees and continuation of its operations. Additionally, these funds are not intended to sustain a business long-term, but to instead provide bridge funding until funding from other sources is identified. The program will offer loans up to \$50,000 per business that applies to the City for assistance. The Loan Review Committee will be comprised of the Mayor, City Manager and Chamber of Commerce CEO and will review the applications and support documentation and award funding as it deems appropriate. The criteria for the award will be based on need, business' investment in the community, and funding availability. The short-term loans are being made to provide the business additional working capital to navigate through this uncertain time. The loan first payment will come due 6 months after the loan is granted and will be repaid over a period of up to 24-months without interest and without penalty for prepayment.

Waxahachie Chamber of Commerce CEO Sandy King explained she surveyed Chamber members and non-Chamber members regarding current needs. She received 73 responses noting 93% of small businesses would benefit from this proposed program.

The City Council and Economic Development Commission discussed the positive impact of the program for local small businesses.

City Attorney Robert Brown asked if the local businesses would be negatively affected to receive forgivable loans by the Federal Government and Ms. King noted at this time the Federal Loan Applications do not inquire about local funding received.

Mayor Pro Tem Mary Lou Shipley asked if the survey reflects businesses that have been in business less than one year and Ms. King noted that was not included but that information can be used when reviewing applications.

Councilmember Melissa Olson asked if the Loan Review Committee has experience with risk analysis to review the applications. Mr. Scott noted he does not have underwriting experience; however, the Committee will have input from the Economic Development Department. Mr. Brown noted the resolution does not prohibit the use of additional consulting for reviewing the applications.

Councilmember Olson asked what actions would be taken if a business defaults on their loan. Mr. Brown noted the business would be required to sign a promissory note and would allow the city to explore legal options for defaulted loans.

Ms. King noted she does not have underwriting experience but has experience with financial assistance programs.

Action:

Mayor Pro Tem Mary Lou Shipley moved to recommend approval of the resolution to adopt Chapter 380 COVID-19 Emergency Loan for Small Business Program. Mr. Rick Keeler seconded, All Ayes.

RESOLUTION NO. 1283

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
WAXAHACHIE, TEXAS, ADOPTING A CHAPTER 380 COVID-19
LOCAL STIMULUS PROGRAM FOR SMALL BUSINESSES.**

Action:

Councilmember Kevin Strength moved to approve Resolution No. 1283 as presented. Mayor Pro Tem Mary Lou Shipley seconded, the vote was as follows: Ayes: David Hill, Mary Lou Shipley, Chuck Beatty, and Kevin Strength. Noes: Melissa Olson.

The motion carried.

4. Adjourn

There being no further business, the meeting adjourned at 9:35 a.m.

Respectfully submitted,

Amber Villarreal
Assistant City Secretary