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**ROYSE CITY COMMUNITY DEVELOPMENT CORPORATION**

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REGULAR MEETING  
7:00 A.M. – CITY HALL  
305 N. ARCH STREET  
ROYSE CITY, TEXAS 75189  
MINUTES – JULY 23, 2019

<b><u>Members Present</u></b>	<b><u>Employees Present</u></b>	<b><u>Other:</u></b>	<b><u>Members Absent:</u></b>
Charles Houk	Larry Lott, CDC Director	Tanner Dietz (Fire Marshall)	
Richard Pense	Tonya Brown, Secretary	Ashley Burke (RC Chamber Director)	
Dena Elder		Dan McReynolds	
Clay Ellis		Wendy Johnson	
Jesse Vaughn		Mike Gilbert	
Bobby Gladu		Tom Shelton	

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**A. CALL TO ORDER**

Announce the presence of a quorum.

At 7:02 A.M., Ms. Elder called the meeting to order; Mr. Ellis gave the invocation.

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**B. DISCUSSION AND ACTION REGARDING MINUTES AND SALES TAX COMPARISON**

Sales tax revenue for July 2019 in comparison to July 2018 increased by 7.7%. There was an overall increase of 15.2% over the last 12 months.

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**ACTION (7:13 A.M.)**

1. Mr. Ellis made a motion to approve the June 24<sup>th</sup> Special Called Meeting minutes, the June 25<sup>th</sup> Regular Meeting minutes as amended (two names which were duplicated needed to be removed from the attendance table) and July 2019 financials.
2. Mr. Vaughn seconded the motion.
3. The motion carried 6:0.

*[order of agenda was changed]*

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**H. DISCUSSION REGARDING ROTARY GOLF TOURNAMENT SPONSORSHIP**

Rotarians Mike Gilbert, Dan McReynolds, and Tom Shelton requested that the CDC sponsor the Rotary Golf Tournament. The sponsorship includes advertising at the event, on social media sites and other advertising benefits.

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**ACTION**

- At 7:07, Mr. Pense made a motion to sponsor the Rotary Golf Tournament at the \$500 level and sponsor a CDC Golf Team at \$300.
- Mr. Vaughn seconded the motion.
- The motion passed 6:0

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**C. DISCUSSION REGARDING INCENTIVE DOLLARS SPENT AND ENCUMBERED**

As of today, we have \$22,984 encumbered for Collin county Rd 1031, we have spent over \$255K since January 1, 2018, and have 5 incentives that are not included in the encumbered amounts because we do not have a signed Performance Agreement.

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**D. CITIZENS PARTICIPATION**

This period is reserved for citizens to discuss items not listed on the agenda. Persons may have three (3) minutes to address the board, however, by law, no action or discussion will be taken on these items.

- No citizen participation

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**E. RECESSED OPEN SESSION TO OPEN PUBLIC HEARING**

Mr. Lott reviewed the details for the incentive grant to Hair Junkie and Native Station.

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**F. ADJOURNED PUBLIC HEARING at 7:14 A.M.**

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**G. RECONVENED OPEN SESSION; ANY ACTIONS TAKEN AS A RESULT OF PUBLIC HEARING ARE LISTED BELOW**

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Hair Junkie:

- No action was taken

Native Station:

- No action was taken

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**I. DISCUSSION AND ACTION REGARDING RESCINDING THE ANYTIME FITNESS INCENTIVE**

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Mr. Lott informed the board that franchisee Barbie Bayless lost her franchise rights in Royse City due to the amount of time that had passed. There were several factors and extenuating circumstances that contributed to the project not moving forward in a timely manner.

**ACTION**

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- At 7:17 A.M., Mr. Gladu made a motion to rescind the incentive.
- Mr. Ellis seconded the motion.
- The motion passed 6:0.

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**J. DISCUSSION AND ACTION REGARDING RECOMMENDING A NEW CDC BOARD MEMBER**

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MR. LOTT RECOMMENDED THAT THIS AGENDA ITEM BE DISCUSSED IN CLOSED EXECUTIVE SESSION

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**K. DISCUSSION AND ACTION REGARDING APPOINTING NEW VICE PRESIDENT FOR CDC BOARD**

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**ACTION:**

- At 7:19 A.M., Mr. Vaughn nominated Mr. Gladu to serve as Vice President.
- Mr. Pense seconded the motion.
- The motion passed 6:0

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**L. DISCUSSION AND ACTION REGARDING UPDATING CDC ASSISTANT COMPUTER AND SOFTWARE**

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Mrs. Brown reviewed the quote provided by Bill Hair with My Computer Guy. The upfront costs for the equipment and software upgrades were under \$2800 but did not include firewall options since the CDC is a two-person office. Mr. Hair also included quotes for new internet service which included switching from AT&T to Suddenlink.

**ACTION**

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- At 7:28 A.M., Mr. Pense made a motion to allow up to \$3,000 for upgrading the computer equipment and software plus allow for faster internet service.
- Mr. Ellis seconded the motion and added that a firewall should be included as well.
- The motion passed 6:0.

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**M. DISCUSSION REGARDING CDC BUDGET FOR FY20**

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Mr. Lott reviewed the details of the budget. The projected FY19 sales tax revenue is \$896,990. With a 7% increase and an estimated \$90K sales tax revenue generated solely from Buc-ee's sales, we project FY20 revenue to be \$1,049,779. With Buc-ee's projected sales of \$18MM, the city/county would receive 2 percent (\$360K); of that 2%, the CDC would receive one-quarter (or 1/2 cent which equals \$90K). As part of our incentive to Buc-ee's, we will pay them, on a quarterly basis, for a 20 year period, the 1/2 cent sales tax revenue (generated solely from Buc-ee's sales) that we receive monthly. We came in close to our FY19 budgeted Total Operating Expense (T.O.E.). Our budget was set at \$310,156; we project our actual T.O.E. to be \$317,203.35, a difference of \$5,967.62 (we had several unexpected items come up in 2019; the largest of those

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being the search for a new executive director which will cost a total of \$24,900 plus a few building maintenance expenses.). Of the \$400,000.00 we budgeted for Incentives, we spent \$186,683.24. Our T.O.E. budget for FY20 is \$323,950 and \$490,000 for incentives which include the estimated \$90k to Buc-ee's. No action necessary at this time. We will present the FY20 budget in final form for approval at our Regular Meeting in August so that we may present it to the City Council in September to be effective October 1, 2019.

### **N. INCENTIVE REQUEST FROM TERRY GORDON WITH THIRSTY BRO**

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Mr. Gordon had not received the information he needed for the meeting and asked that his request be tabled until our August meeting.

#### **ACTION**

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- At 7:40 A.M., Mr. Ellis made a motion to table the request by Mr. Gordon
- Mr. Pense seconded the motion.
- The motion passed 6:0

### **O. RECESSED INTO CLOSED EXECUTIVE SESSION**

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At 7:40 A.M., open session recessed into closed executive session in compliance with the Texas Government Code to Wit:

- i) Section 551.087 – Deliberation regarding Economic Development Negotiations
  1. Terry Gordon - TABLED
- ii) Section 551.074 – Personnel
  1. Evaluation and potential salary adjustments for CDC employee:
    - a. Assistant: Tonya Brown
  2. Appointment of new CDC Board Member

### **P. ADJOURN CLOSED EXECUTIVE SESSION**

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At 8:23 A.M., Ms. Elder adjourned the closed executive session.

### **Q. RECONVENED OPEN SESSION AND TOOK ANY NECESSARY ACTION AS A RESULT OF EXECUTIVE SESSION DELIBERATIONS**

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At 8:23 A.M., Ms. Elder reconvened open session.

#### **ACTION**

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Section 551.087 – Deliberation regarding Economic Development Negotiations:

1. Terry Gordon – TABLED

Section 551.074 – Personnel:

1. Evaluation and potential salary adjustments for CDC employee
  - a. Assistant Tonya Brown
    - At 8:24 A.M., Mr. Houk made a motion to increase Mrs. Brown's salary to \$54,600.
    - Mr. Ellis seconded the motion.
    - The motion carried 6:0.
2. Appointment of new CDC Board Member+
  - At 8:24 A.M., Mr. Ellis made a motion to appoint Micheal Holder as a CDC Broad Member to serve the remainder of Mike Gilbert's term.
  - Mr. Vaughn seconded the motion.
  - The motion passed 6:0.

### **R. DIRECTOR'S REPORT: LARRY LOTT**

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WYNNE JACKSON

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Planning and Zoning (P&Z) liked the concept plan Wynne Jackson presented to them two weeks ago. Wynne Jackson has requested a Public Improvement District (PID) for the project but we don't have the numbers for the PID as this point. As part of the PID, they will need to provide us with a Personal Services Agreement outlining that they will place money in escrow to pay for the use of our PID experts. In addition, they need a Community Improvement Agreement stipulating the deal points for the project. This project, which will contain between 700-750 homes, is located between FM 35 & I-30. An important part of this project is that they will extend Shaw Drive from where it ends today (behind Buc-ee's) and connect to FM 2453.

## *HINES DEVELOPMENT*

Hines Development is a large development (approximately 1,100 lots). We have made comments on the development agreement, now we are awaiting their comments on the development agreement.

## *SHEIKH PROPERTY*

We recently had a meeting with Meritage regarding an 80-acre property in Royse City on which they would like to develop 150-175, 40ft-50ft lots. They would be a new builder in our community.

## *POTENTIAL DAYCARE FACILITY*

Mr. Lott recently met with a man who is interested in building a 13,000SF daycare on 2 acres at FM35 and FM2453.

## *RETAIL FUEL STOP OPPORTUNITY*

An individual has purchased 43 acres at Old Greenville and Joe Baily where he would like to develop a Valero-branded retail fuel stop. Two of the issues he faces are 1) a large part of 43 acres is in the flood plain and 2) drive cuts off of FM 35 will be an issue.

## **L. ADJOURNMENT**

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- At 8:30 A.M., Mr. Houk made a motion to adjourn the meeting.
- Mr. Ellis seconded the motion
- The motion passed 6:0

### **ATTEST:**

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Secretary  
Tonya Brown

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President / Vice President  
Dena Elder / Mike Gilbert