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**ROYSE CITY COMMUNITY DEVELOPMENT CORPORATION**

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REGULAR MEETING  
7:00 A.M. – MELODY ROOM  
MELODY ROOM  
CITY HALL  
305 N. ARCH STREET  
ROYSE CITY, TEXAS 75189  
MINUTES – AUGUST 25, 2020  
**APPROVED 9-22-20, 5:0**

<b>Members Present</b>	<b>Employees Present</b>	<b>Other:</b>	<b>Members Absent:</b>
Dena Elder	Charles Houk, CDC Director	Tanner Dietz, Fire Marshall	Lee Loveless (resigned)
Bobby Gladu	Tonya Brown, Secretary	Wendy Johnson (Realtor)	
Richard Pense (Zoom) left at 8:01		Jason Claunch (Catalyst-Zoom)	
		Jason Day (City Attorney-Zoom)	
Michael Holder (left at 8:46)			
Clay Ellis			
Jesse Vaughn (Zoom @ 7:13)			

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**A. CALL TO ORDER**

Announce the presence of a quorum.

At 7:06 A.M., Ms. Elder called the meeting to order and Mr. Ellis gave the invocation.

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

August 2020 (\$119,943) sales tax revenue increased by 36.3% over August 2019; the change for the rolling 12-month period was a 26.9% increase.

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**ACTION (at 7:07 a.m.)**

- Mr. Gladu made a motion to approve the July 28, 2020 Regular meeting minutes, the August 13, 2020 Special Called meeting minutes and the current financial report;
- Mr. Holder seconded the motion;
- The motion passed 5:0.

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**C. 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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**D. DISCUSSION REGARDING CURRENT INCENTIVES**

- ELLIOT GERSTENHABER (STARBUCKS): Starbucks opened last week. We anticipate that Mr. Gerstenhaber has incented Starbucks as agreed upon, will provide the CDC certified proof of payment and will request reimbursement before the end of this fiscal year.
- SMOKE SESSIONS: Construction is moving along. They are making changes to the parking lot so that a larger amount of parking spaces are along HWY 66, to allow for more picnic tables near the creek.
- NATIVE STATION: Work has stopped due to the need for an additional beam. Construction should resume by September 8. Mr. Sanders has offered an incentive to complete the work by the October deadline.
- THIRSTY BRO: Mr. Gordon has had the building painted to meet Heritage guidelines. He is working to open the brewhouse. The next visible addition should be a sign. He remitted all his lease payments and is current on his lease agreement.
- COLLIN CO. RD. 1031: Collin County has made no indication of when this project will begin. We should consider removing it from our encumbered incentive dollars.

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**E. DISCUSSION AND ACTION REGARDING AMENDING THE CDC FY20 BUDGET AND APPROVING THE FY21 BUDGET**

1. **FY20 Budget Amendment:** Our FY20 Budget was greatly altered by the resolution passed to create the Disaster Relief Fund Program in the sum of \$300,000. Without an amendment, our FY20 budget will be over-budget by approximately \$100,000, with the amendment, our budget will be under-budget by approximately \$200,000.
2. **FY21 Budget:**

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- a. **Projected Revenue** We combined our FY20 sales tax revenue, expected lease payments, and added a conservative 5% increase to arrive at our **projected combined revenue of \$1,232,258.47.**
- b. **Projected Expenses:** We combined our FY20 expenses plus the new budget items for FY21 to arrive at our **projected expense of \$907,969.75.**
- c. **Projected Surplus:** Assuming a .10% interest rate on our projected revenue, we **project a surplus of \$327,117.18.**

### **ACTION (8:26 a.m.)**

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#### **1. FY20 Budget Amendment**

- Mr. Gladu made a motion to amend the CDC FY20 budget to include \$300,000 for the Disaster Relief Fund Program
- Mr. Ellis seconded the motion.
- The motion carried 6:0

#### **2. FY21 Budget**

- Mr. Gladu made a motion to adopt the CDC FY21 budget as presented
- Mr. Ellis seconded the motion
- The motion passed 6:0

### **F. DISCUSSION AND ACTION REGARDING RETAINING CATALYST COMMERCIAL FOR PROFESSIONAL SERVICES**

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Jason Claunch made a presentation to the board on behalf of Catalyst Commercial. The RCCDC has worked with Catalyst over the last five months to assist in our marketing efforts including conducting a marketing assessment of our community, creating site books, tenant packages, demographic materials that truly represent our retail trade area as well as an aerial map (still in review). Mr. Claunch talked about the groups experience, expertise and relationships with retailers. He also discussed the game plan for Royse City. Catalyst seeks to enter into a one-year agreement with the RCCDC to retain their professional services.

### **ACTION (8:22)**

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3. Mr. Ellis made a motion to table the item until the next meeting
4. Mr. Gladu seconded the motion
5. The motion carried 5:0

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

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At 8:22 A.M., Ms. Elder recessed open session to enter into closed executive session in compliance with the Texas Government Code to Wit:

- i) Section 551.074 – Personnel Matters
  1. Discuss possible contract for CDC Executive Director

### **H. ADJOURN CLOSED EXECUTIVE SESSION**

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At 8:42 A.M., Ms. Elder adjourned the closed executive session.

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

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At 8:43 A.M., Ms. Elder reconvened open session.

### **ACTION**

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Section 551.074 – Personnel:

1. contract for CDC Executive Director
  - Mr. Ellis made a motion to offer a contract to the CDC Executive Director but table the contract until our next meeting.
  - Mr. Holder seconded the motion
  - The motion passed 5:0

### **K. DIRECTOR'S REPORT: CHARLES HOUK**

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#### **❖ RCCDC DISASTER RELIEF FUND PROGRAM**

- To date: we have expended \$261,882 of the \$300,000 allotted for the program;
  - We have had one new round 1 request that has been approved and paid;
  - We have \$38,000 left in the DRFP fund.

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❖ **CDC BY-LAWS REVIEW**

- We plan to create a by-law review committee to assist in amending the current RCCDC by-laws, including changing our name from Community Development Corporation to Economic Development Corporation.

❖ **THE MEADOWS**

- The Meadows project was a proposed, large, mixed-use development that would've included multi-family housing, senior housing, a waterpark, a school site, residential commercial and retail businesses. A new developer is interested in purchasing the property previously sold to the RCISD. The new developer is proposing a high-density residential development and some retail. The new developer stated they would dedicate a portion of the property to the City of Royse City and the RCCDC for use as an incentive.

❖ **MCCROAN PROPERTY**

- This property is located across the street from Waterscape off of FM 548. The developer who initially proposed the development to the city did not pursue the project. D.R. Horton now has the development agreement; we expect they will review and modify the agreement, before moving forward with the development.
  - Mr. Gladu asked if any movement has been made with TXDOT towards the widening of FM 548, to accommodate the new residential developments planned for that area.
    - Mr. Houk said it would take a large bond, which would increase taxes, to pay for the expansion of FM 548 and mentioned an alternate route is now available: the extension of Erby Campbell to Elm Grove Rd. is now complete; as well as Elm Grove Rd. to FM 548.
  - Mr. Gladu also asked if any discussions were taking place regarding the addition of an exit near Buc-ee's.
    - Mr. Houk stated that it was discussed at the last council meeting; City Engineer Lacy Rogers is working with Council to find a solution.

❖ **ALEJANDRO'S:**

- Alejandro's was very pleased with their opening; it surpassed their projections.

❖ **102 E. MAIN ST**

- Mr. Houk is working with a restaurateur to open a scratch-Italian type restaurant.

❖ **TACO BUENO**

- Taco Bueno has acquired property west of Popeyes and has submitted their development plans to the city's Development Services Department.

❖ **STARBUCKS**

- The Royse City Starbucks Manager indicated (like Alejandro's) they too are ahead of revenue projections in Royse City.

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### L. ADJOURNMENT

- At 8:53 A.M., Mr. Gladu made a motion to adjourn the meeting.
- Mr. Ellis seconded the motion.
- The motion carried. 4:0

**ATTEST:**

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Secretary  
Tonya Brown

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President | Dena Elder  
Vice President | Bobby Gladu