

ROYSE CITY COMMUNITY DEVELOPMENT CORPORATION  
REGULAR MEETING  
August 26, 2014  
7:00 A.M. CITY HALL  
305 NORTH ARCH ST.  
ROYSE CITY, TEXAS 75189

MINUTES

**CALL TO ORDER**

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*Announce the presence of a Quorum.*

*At 7:11 A.M. the meeting was called to order by Mike Gilbert and invocation was given by Clay Ellis.*

**SALES TAX COMPARISON OVERVIEW**

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*Larry Lott discussed the sales tax revenue for August 2014, which shows an increase in sales tax revenue over August of 2013. For the year, as a whole, sales tax revenue has increased by 10.3%.*

**ACTION ITEM**

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*Take any action necessary regarding approval of Minutes.*

- a) Charles Houk made a motion to approve the minutes and financials of the previous month's meeting.*
- b) Clay Ellis seconded the motion.*
- c) The motion passed 5:0.*

**CITIZEN PARTICIPATION**

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*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 may be taken on these items.*

- a) Citizens were present*
  - 1. Sharon & Ron Roddy – Citizens- for observation and information.*
  - 2. No citizen participation*

**INCENTIVE REQUEST PRESENTATION – SOUTHERN ROOTS**

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*A presentation was made by Morgan Daws and Jennifer Dixon of Southern Roots. Mrs. Daws is requesting an incentive in the amount of \$6434.00 to redesign the interior of the business to carry an exclusive product line and purchase a custom air brush salon system.*

*Mrs. Daws and Mrs. Dixon explained what improvements have already been made to the business and talked about the exclusive product line; Toni and Guy, she will carry. They also spoke about the new jobs she will create, her commitment to Royse City and the predicted increase in sales tax revenue for the city.*

- (1) Mr. Pense asked how long her business has been opened.*
  - (a) Mrs. Daws answered she has been opened since June. Mrs. Dixon clarified that Mrs. Daws has been in business in Royse City for 7 years. Before opening her own business, she was employed by Two Friends Beauty Salon.*
- (2) Mr. Houk asked for clarification on the new jobs she would create.*

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- (a) Mrs. Daws explained that she would hire 4 more employees, a full-time receptionist, 2 (two) retail sales jobs, and one to run the tanning salon, to add to the 3 (three) including herself, she currently employees, bringing her total of employees to 7.
- (3) Mr. Pense inquired about what kind of commitment she makes to the retail company whose product line she will carry.
- (a) Mrs. Daws and Mrs. Dixon explained that Toni and Guy have a non-compete clause which allows her company to be the only company within a 30 mile radius to carry the product. She also said stores like Walmart can carry the product line, but their product is approximately 10 years old, and her product is guaranteed to be new. They went on to discuss the perks of carrying this exclusive line such as a Toni and Guy hair stylist/barber from California who came to Southern Roots in Royse City last week to put on a class. Once he announced his visit on social media there were people curious about where Royse City is. In addition, Southern Roots will be listed on Toni and Guy's website as a location to purchase their product. Mrs. Dixon also explained, the contract with Toni and Guy is a 5 (five) year commitment. Southern Roots also plan to carry Burt's Bees for those customers who prefer organic products.
- (4) Mr. Gladu asked Mrs. Daws how long her lease is with the landlord and if she has received any incentives on rent in lieu of renovations she is making to the building.
- (a) Mrs. Daws stated, she took over the previous tenants lease, didn't have to give a deposit to move in, and she just signed a new two year lease.
- (5) Mr. Gladu asked about the integrity of the building including the façade.
- (a) Responses were given by Mrs. Daws, Mr. Lott and Mr. Ellis saying the building wasn't built too long ago, it is in good condition and the landlord has applied for the façade grant for an awning and that once it is known how the awning will look, Mrs. Daws will apply for the sign grant.
- (6) Mr. Ellis asked if the Versa Spray Tan is a spray tan machine.
- (a) Mrs. Dixon answered, yes. Currently a person operates the spray tan equipment, but not every customer is comfortable being exposed to the person spraying them. The machine would alleviate that issue. Having this machine would keep customers in Royse City instead of going elsewhere. Also, customers under the age of 18 are no longer allowed to use tanning beds because of the dangers of skin cancer. This machine allows them to get a tan without putting their health at risk.

**CLOSED EXECUTIVE SESSION**

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*Recess into closed executive session at 7:30 A.M. in compliance with section 551.001 et seq., Texas Government Code to Wit:*

- a) Section 551.087 Deliberation Regarding Economic Development Negotiation  
b) Executive Session closed at 7:46 A.M.

**ACTION ITEM**

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*Take any action necessary as a result of deliberations in executive session.*

- a) Bobby Gladu made a motion to grant \$6,434.00 to Southern Roots

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- b) Clay Ellis seconded the motion.
- c) The motion passed 5 to 0.

**DISCUSS BUDGET AND TAKE ANY ACTION NECESSARY**

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*Mr. Lott discussed the FY2015 Budget and estimated a conservative 4% increase in sales tax revenue, due to the fact that Walmart and other large retailers will not be open most likely until FY 2016. The CDC receives a half (1/2) cent out of the two (2) cent sales tax the city receives. The CDC's total estimated revenue for FY 14 is \$440,107. This number is derived by the actual deposits made plus an estimated amount for September. Mr. Lott projects the total estimated revenue for FY2015 to be \$457,711.00, which leaves an estimated surplus of \$91,581.00 after total estimated expenses.*

*FY 2014 incentive budget was much greater than FY2015 because we knew we committed to pay \$250,000.00 for the Pond Branch sewer line upgrade.  
-Please see attached budget.*

**ACTION ITEM**

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*Take any action necessary as a result of budget discussion.*

- a) Clay Ellis made a motion to approve the budget.
- b) Charles Houk seconded the motion.
- c) The motion passed 5:0.

**DIRECTOR'S REPORT WAS GIVEN TO INCLUDE:**

**BONNER CARRINGTON**

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They have been officially approved to build the 180-220 unit, tax credit apartments. The facility will be located on the west end of town on the north side of I-30. Construction should begin around March of 2015 and take approximately a year to complete. The projected date of completion will be spring of 2016. Mr. Lott, City Manager Carl Alsbrook, and council members Tom Crowley and Clay Ellis visited some of their complexes in Austin that were approximately 10 years old and were very impressed with the "like new" condition the facilities were still in.

**CHARLIE'S OLD FASHIONED HAMBURGERS**

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Mr. Lott speaks with Chris Grupido, owner of Charlie's Old Fashioned Burgers, monthly to stay apprised of Mr. Grupido's progress. At this point all we know is he is close to having everything he needs to acquire the building permits.

**FIT LIFESTYLE AND NUTRITION**

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Last year, we gave them a small grant for equipment. With that grant they signed a performance agreement requiring them to stay for a minimum of three (3) years. They have decided to move to Wylie to pursue and opportunity there. As per the performance agreement, we have asked them to pay back a pro-rated amount based on the time left of the three (3) year agreement.

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**CROSS FIT TRAINING**

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Mr. Lott was visited by Don Jamison of Cross Fit who is interested in buying the former FIT building, and inquired about the procedure to receive a Certificate of Occupancy (CO). He was introduced to Janet McPherson who explained the permitting process to him.

**BLACKLAND CORRIDOR**

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Blackland Corridor will be a 100% privately funded, east to west toll road built to ease traffic on I-30. According to North Texas COG the newly proposed route will touch the northern boundary in Royse City, which could have potential ramifications for us. We will continue to follow the progress of this project.

**107 ACRES ON NW CORNER OF I-30 & F.M. 2642- OWNED BY BRAD CRAWFORD**

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This property could be a significant prime retail spot. Mr. Lott took an interested party to this property and introduced them to Mr. Crawford.

**HUNT COUNTY TRANSPORTATION CONSORTIUM**

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Hunt County has seen the progress Rockwall County has made with their transportation consortium and hopes to have the same success with theirs. Mr. Lott attended the first meeting and Mr. Alsabrook attended their most recent meeting.

We are experiencing a lot of growth in eastern Royse City which is in Hunt County. The FM 2642 bridge is terrible and needs a lot of work. We hope that our ability to participate in this consortium will aid in getting some much needed work done.

**THE MEADOWS**

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Mr. Lott and Mr. Alsabrook spend a lot of time with the developers of The Meadows working on this project where they are consistently updated on its progress. Together with the developers of The Meadows, Mr. Lott and Mr. Alsabrook will attend ICSC Dallas.

By next week we should be receiving some information on the Tax Increment Financing (TIF) Agreement

1. Mr. Gladu asked Mr. Lott if the contract on the water park has been finalized.
  - a. Mr. Lott replied, "No." It is his gut feeling that the water park will be delayed by a year.

**STONEBROOK LEARNING CENTER**

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Now that Stonebrook has been annexed into the city, the city is requiring them to pave Hicks road. This is too costly for Stonebrook and they are working with the city to see if there is any way to get a variance. The CDC had previously approved an incentive grant to aid in that expansion.

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**PCA**

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PCA is starting at F.M. 2642 and I-30. They will build an 8,500 sq. ft. building. They believe they will open March of 2015.

**OPEN MEETINGS TRAINING IN LUBBOCK**

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Carl Alsabrook, Tonya Brown and Larry Lott attended the required course which discusses the Open Meetings Act and Public Information Act. It was a good course to attend and offers opportunities to network with others. Mr. Alsabrook and Mr. Lott spoke to one of the lawyers who taught one the segments of the course regarding the upcoming TIF with The Meadows.

**MAINSTREET DIRECTOR'S REPORT –Paula Morris**

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1. **FROSTED WHIMSY:** We discussed with her the rumor that her business is for sale, the lack of use of the yogurt machine and her hours of operation. After our discussion she decided to run the yogurt machine at the Back to School Bash where she handed out over 250 samples.
  - a. Mr. Lott spoke about the discussion and said he felt she understood our concern with the incentive we gave her for the yogurt machine and seemed to take our conversation seriously. He went on to say, "We want to give her the opportunity to get back on track." Since our conversation she has advertised that she is hiring.
2. **Main Street Boutique:** They are having a soft opening on September 4<sup>th</sup> for city employees, CDC Board, City council and friends and family.
3. **Main Street Cafe:** They have recently done a rendering and have now applied for a façade grant. Mrs. Morris passed out the rendering and announced the Main Street Board will have a special meeting regarding the grant. She also gave details about the changes the building owners plan to make to the façade.
4. **Back to School Bash** – It was a successful event. We had an estimated 1,500-2,000 attend so we closed down a larger portion of Main Street to support the crowd. We stayed open until 8:30 p.m. this year and received help from over 30 volunteers and the schools. Because of the success of this event we will continue to have it in the future.
5. **Main Street Benches** – Payments are due soon. We have 5 more left but Clay Ellis has agreed to buy one so has Larry Lott.

**CHAIRMAN REPORT – Dena Elder**

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*Nothing to report.*

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**ADJOURNMENT**

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*At 8:38 A.M. Mike Gilbert adjourned the meeting.*

**NEXT MEETING**

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*Next CDC board meeting will be Tuesday, September 23, 2014 at 7 A.M. at City Hall, Royse City, Texas.*

Members Present:

Clay Ellis  
Mike Gilbert  
Bobby Gladu  
Charles Houk  
Richard Pense

Employees Present:

Larry Lott, Executive Director  
Tonya Brown, Secretary

Not Present:

Dena Elder  
Jesse Vaughn II

Other:

Paula Morris, Main Street Director  
Morgan Daws - Southern Roots  
Jennifer Dixon – Southern Roots  
Joslyn Sandlin - Royse City Herald Banner  
Ron & Sharon Roddy - Citizens

**ATTEST:**

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Secretary  
Tonya Brown

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President / Vice President  
Dena Elder / Mike Gilbert