

ROYSE CITY COMMUNITY DEVELOPMENT CORPORATION
REGULAR MEETING
January 27, 2015
7:00 A.M. CITY HALL
305 NORTH ARCH ST.
ROYSE CITY, TEXAS 75189

MINUTES

A. CALL TO ORDER

Announce the presence of a Quorum.

At 7:01 A.M. the meeting was called to order by Dena Elder and invocation was given by Larry Lott.

B. DISCUSS AND ACT ON MINUTES AND SALES TAX COMPARISON OVERVIEW

Mr. Lott discussed the sales tax revenue for January 2015, which shows a significant increase of 24% in sales tax revenue over January of 2014. For the year, as a whole, sales tax revenue increased by 11.6%. There were no questions or comments regarding minutes from 11-25-14.

ACTION

1. Bobby Gladu made a motion to approve minutes.
2. Richard Pense seconded the motion.
3. The motion passed 5:0

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 may be taken on these items.

- a) No citizen present

D. DISCUSSION AND ACTION REGARDING ELECTION OF NEW OFFICERS FOR 2015

Mr. Lott stated every year a President and Vice President are elected at the January meeting. The current officers are Dena Elder, President and Mike Gilbert, Vice President.

Richard Pense asked if the board wanted to make any changes.

Dena Elder expressed that she was content remaining President of the board but she was also okay with someone else having the position.

Mr. Lott notified the board of the current members with check signing privileges which are Clay Ellis, Charles Houk, Richard Pense and himself. He asked if anyone had any opposition to leaving them as they are. There was no opposition.

ACTION

1. Bobby Gladu made a motion to have Dena Elder continue as President.
2. Charles Houk seconded the motion.
3. The motion passed 5:0.
4. Richard Pense nominated Mike Gilbert to remain Vice President
5. Bobby Gladu seconded the motion
6. The motion passed 5:0

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E. DISCUSSION AND ACTION REGARDING BOARD MEMBER TO ATTEND ICSC 2015

Mr. Lott reviewed the members who have attended ICSC Recon Las Vegas: Charles Houk, Dena Elder and Clay Ellis. He suggested the impartial choice would be order of seniority since all existing board members (Mike Gilbert, Richard Pense, Jesse Vaughn II & Bobby Gladu) who have not attended, would like to attend. In order of seniority, this year Mr. Gilbert would attend, next year Mr. Pense, and so on. Mr. Lott opened the discussion to the board for suggestions other than seniority

- a. Mr. Pense said although he really wants to go, he will defer to Mr. Gilbert's seniority.
- b. Mr. Lott conveyed to the members the importance of making reservations now and the ability to commit from whomever chooses to go, due to availability, cost and inability to make changes once reservations have been made.

ACTION

1. Mr. Gladu made a motion to nominate Mr. Gilbert to attend ICSC 2015.
2. Mr. Houk seconded the motion.
3. The motion passed 5:0.

F. DISCUSSION AND ACTION REGARDING SCHEDULING FEBRUARY MEETING

Mr. Lott asked the board if they would be willing to move the date of our next meeting from Tuesday, February 24th to possibly Thursday the 26th, as his attendance at Rockwall County Days in Austin would overlap with our next regularly scheduled meeting.

ACTION

1. Mr. Pense made a motion to move the next meeting to Thursday, February 26, 2015.
2. Mr. Gladu seconded the motion.
3. The motion passed 5:0.

G. DISCUSSION OF BYLAWS REGARDING ABSENCES FROM BOARD MEETINGS

Mr. Lott discussed the bylaws surrounding absences from the CDC board meetings and the importance of regular attendance.

- a) Exhibit B, Bylaws of the Royse City Community Development Corporation, Article III, Section 4, Attendance, states: "Directors must be present in order to vote at any meeting. Regular attendance at the Board meetings is required of all directors. The following number of absences shall constitute the basis for replacement of a director. Three (3) consecutive unexcused absences from meetings of the Board shall cause the position to be considered vacant. In addition, the position of any director who has four (4) unexcused absences in a twelve (12) month period shall also be considered vacant."

Mr. Lott stated that the attendance bylaws would be followed more closely this year. It is an inconvenience to those members who show for a meeting only to have it canceled due to the lack of a quorum. While being aware that emergencies occur occasionally, Mr. Lott asked the board to notify

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him or Board Secretary Tonya Brown in advance when they become aware of their inability to attend a meeting so that we may make any necessary changes in regards to the meeting. He asked the board members to be cognizant of their attendance.

H. DISCUSSION AND ACTION REGARDING EXPENDING FUNDS FOR OFFICE UPDATE

Mr. Lott stated that we have occupied our office for approximately 10 years without any updates. Board Secretary Tonya Brown and Chamber Director Julia Bryant would like to update the office to make it look more professional. The reception area and hallway are the areas we plan to update by repairing cracks, painting walls, and adding crown & base. Mr. Lott pointed out to the board that the bid for the repairs came from Mrs. Brown's husband who has years of experience and does a great job. The repairs including four extra-large, framed, professional photographs from photographer Jack Palmer will not exceed \$1,500.

1. Mr. Pense asked if the Chamber was going to contribute any funds to the project.
 - a. Mr. Lott stated they would not because they don't have the funds.
2. Mr. Pense and Mr. Gladu agreed that first impressions are important and the amount isn't very much.
3. Mr. Gilbert asked about the condition of the furniture.
 - a. Mr. Lott said the furniture isn't bad and it has been decided we would use what we have but we plan to purchase photographs of Royse City from Jack Palmer.
 - b. Mr. Lott also stated he and Mrs. Brown disagree on the whether or not the furniture should be replaced, but new furniture is not included in the bid being presented today.
 - c. Mr. Houk suggested new furniture be considered and asked for more specific details of the "not bad" description of the furniture.
 - i. Mrs. Brown stated the hutch and doors on the hutch sag in the center.
 - ii. Mr. Lott suggested to the board, if they felt the furniture should be considered for replacement that we do it in a separate bid at our next meeting.
 - d. Questions were asked regarding the state of Mr. Lott's office and the ability to accommodate meetings there.
 - i. Mr. Lott answered by saying he is able to accommodate up to four visitors in his office; larger meetings are held in the conference room at City Hall.
 - e. Mr. Vaughn asked if Mr. Lott would get any "push backs" regarding Mr. Brown doing the work.
 - f. Mr. Houk asked if it was normal procedure to find one person to do a job.
 - i. Mr. Lott said on the larger jobs we would get 3 bids, but on the smaller jobs it's not required, however we could do so if the board felt it was necessary.
 - ii. Mr. Gladu said it's typically a job of \$25,000+ that requires a city to go out for bid; "We are dealing with such a low number and getting a great deal."
 - iii. Mr. Houk stated that he doesn't have an issue with Mr. Brown doing the work and felt it was a good deal.

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1. Mr. Gilbert made a motion to accept the bid and expend funds up to \$1,500 for office improvements.
2. Mr. Vaughn seconded the motion.
3. The motion passed 6:0.

Mr. Gilbert inquired about the state of the carpet.

- a. Both Mr. Lott and Mrs. Brown agreed that the carpet isn't in bad shape and doesn't need to be replaced.

DIRECTOR'S REPORT WAS GIVEN TO INCLUDE:

Mr. Lott briefly made mention of an article provided to the board regarding progressive cities such as Pflugerville which use incentives to attract commercial business and asked that they read it at their leisure.

CHARLIE'S

Charlie's is progressing. Until recently, communication from the engineer has been non-existent. Charlie's owner Chris Grupido, Mr. Lott and the developer each placed a call to the engineer to find out the status of the drawings for Charlie's. Mr. Grupido is using the same engineer used by Taco Bell because of his familiarity with the drainage issues surrounding the property. Finally on Friday Mr. Grupido received his civil and mechanical drawings. Landscape requirements are still being worked on, but the city should receive his entire packet by next week. He will also submit a request for a permit and updated SUP as the previous one has expired. He will close on the property in February, he has already selected a builder and he is updating his underwriting loan. We hope to see something start in that area within the next 30 to 60 days.

BONNER CARRINGTON – SENIOR APARTMENTS

Casey Bump, CEO of Bonner Carrington, who is building the Tax Credit Apartments, made a presentation to City Council in January to build active living apartments for seniors, approximately 180 units, for those fifty five years and over. They have contracted on 35 acres owned by Bill Ellis, 19 of which would be used for the apartments; the remaining property upfront, next to Old Greenville Road, would possibly be used for commercial and retail. We expect they will submit their permit and plat to the city by mid-February. Bonner Carrington has to work within strict timeframes because they have to be approved by the state and the US Department of Housing and Urban Development (HUD). If approved, they will begin in February of 2016. It takes a year for all the procedures to take place followed by a sixteen month construction period. In order to be approved by HUD, revitalization has to be in progress and the plan must be provided to HUD. We will be spending a good amount of time working with Casey on the revitalization plan. Things like the overpass, Walmart, Charlie's, etc. will be part of the revitalization plan. The property where the senior apartments are planned for is located on the south side of I-30 service road and Old Greenville Road, next to the storage units.

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Mr. Bump feels Royse City is ripe for these apartments, because we have such a young community; younger communities have young children whose grandparents want to be closer to their children and grandchildren and don't want to have to worry about taking care of a yard anymore.

Contract went out two weeks ago and is contingent upon everything else happening. Permitting and platting phase should be complete by the time we meet again.

D.R. HORTON PROJECT

This subdivision will be on approximately 131 acres across from the high school, bordering F.M. 35 and F.M. 2642. City manager Carl Alsbrook, City Attorney Jason Day and Mr. Lott have been spending a lot of time working on a trying to get a development agreement finalized. That property is part of the Verandah Municipal Utility District (MUD). In order to annex this property it must be pulled out of the MUD and traded for acreage equal in value which is then added back in to the existing MUD on the Northside of I-30. Lastly, it must be approved by the attorney general. If the state approves the swap, we can then annex the property.

D.R. Horton is being very aggressive with this project which will be a Public Improvement District (PID), meaning the developer will pay for all the infrastructures; a PID assessment will then be associated with each lot and home. They anticipate development in as little as three years on the 500 lot development with home prices at \$170,000+. One of the issues being faced in the development agreement deals is home size. D.R. Horton wants to build 1,700 S.F. homes. As it stands, the city's code requires 1,800 S.F. The city's suggestion is 10% between 1,700-1,800 S.F., 10% at 2,300 S.F. and above, the remaining 80% somewhere in between. It will have amenities such as a club house, swimming pool, trails, 3-4 enclosed pocket park areas, a circulation road, and two exits. In a PID, the infrastructure costs are spread across the number of lots; if you have a large number of lots, the PID tax is smaller per lot than if you had a smaller number of lots which would cause the tax to be higher per lot. D.R. Horton is insistent on a large number of lots so that the PID tax for each lot is affordable and competitive with other lots in the area.

WALMART GROUNDBREAKING

Walmart Groundbreaking is today at 3p.m. We will have guest speaks including the Mayor, City Manager, a Walmart representative and County Commissioner David Magness. We would like to have a groundbreaking picture with the members of the board so please try to be there.

ROYSE CITY PHARMACY

Michael Crawford visited with Mr. Lott regarding a drive thru at the Royse City Pharmacy. Mr. Lott advised him to try to get it approved by council before coming to the CDC for an incentive, to make sure he is able to do what he wants.

HOLIDAY INN DISCUSSION

The owner is concerned that someone just driving thru doesn't know they are there. There was a sign alerting oncoming traffic of the hotel up ahead, but it has been removed. Mr. Lott contacted Jason Eiland of

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Webber Construction to ask about the sign. Mr. Eiland notified him that the batteries were continually being stolen. At Mr. Lott's request, Mr. Eiland said he would check to bring back the sign that had been removed. Mr. Lott stated that the hotel owner requested 2 billboards funded by the CDC because their business is being affected by the construction.

1. Mr. Gladu asked if a sign exists stating restaurants and a hotel are up ahead.
 - a. Mr. Lott answered "yes" and stated that the hotel is on the sign which was paid for by the CDC.
2. Mr. Lott notified the board the F.M. 548 exit ramp in front of Sonic should be open in approximately 6 months.
3. The overpass should be complete in August.

OPEN SPACES UPDATE

There is a major county wide project in progress, funded by the county for open spaces (bike trails, walking trails, etc...) being planned by Verdunity. A meeting was scheduled last Friday but was canceled due to a lack of participants.

Bobby Gladu asked about the status of the comp plan.

- a. Mr. Lott said it is a slow process. The same group doing the open spaces plan is also doing the comp plan. It will be a year process. Citizens, business owner and others in the community will be involved.

PRESENTATION TO LEADERSHIP ROCKWALL

Mr. Lott and Mr. Alsbrook made a presentation at the annual meeting to the future leaders in Rockwall County. They formed new relationships and gave information regarding the progress and growth in Royse City. Former participants in Leadership Rockwall include Chamber Director Julia Bryant, Executive Director of Community Services Janet McPherson, and Jeff Stapleton.

DISCUSSION WITH ROYSE CITY POSTMASTER

Mr. Lott met with the new postmaster to discuss growth. She is out of room and needs a larger post office. She will take all the information we provided her with to the planners in Washington and would like us to participate in a presentation to them. We would love to have a larger post office and look forward to hearing from her and participating in the presentation.

1. Mr. Gilbert inquired as to whether or not the person who opposed a new post office in the past, was still around.
 - a. Mr. Lott said it was a previous police chief who was a Council member; he opposed the new post office from a safety stand point due to the dangerous curve at Hwy. 66 where it was proposed to be built. In addition to that, Hurricane Katrina hit and took any available funding.

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ANNUAL REPORT TO STATE

Mrs. Brown and Mr. Lott submitted the required annual report to the state. We reported revenue of \$433,701, incentives totaling \$277,800 and total expenditure of \$472,391. We had a very good year. Revenue for 2014 is the most we've ever brought in. The amount we gave in incentives is the largest we've ever given and caused us to dip into our reserves, which wasn't an issue as we have \$1M+ in reserves.

ROAD BOND ISSUE

The last time we met, the city had been discussing road bonds. After looking at all the numbers and taking into account how high the city's taxes currently are, it was decided by a 5 to 2 vote to delay road bonds by at least a year.

MEETING WITH QUINLAN CDC RERESETNTATIVES

Mr. Lott was visited by a group from Quinlan comprised of the CDC Chairman, City Administrator and a local business owner. They do not have a director and are unsure of how or where to spend their money; an amount nearly equal to what we have. Mr. Alsbrook also sat in on the meeting where he and Mr. Lott shared how the city and the CDC inter-relate. They answered questions and discussed projects they have worked on and how they have focused not only on building "big box" businesses on the interstate but focus on downtown business as well.

In the last five years our CDC has been approached by 5 different CDC's including Lavon, Josephine, Nevada, Caddo Mills and Quinlan seeking advice and direction.

MAINSTREET DIRECTOR'S REPORT –Paula Morris

There are several vacancies downtown.

- The Consignment store will be leaving their 3200 S.F. lease at the end of February to relocate in Rockwall. This building has parking on the side and the rear.
- Cedar Ridge Church has sold their building. Although they have contacted the permit department, it's not known at this point if they will lease or put a business in.
- FIT Building (129 E. Main St.) is for sale; Mrs. Elder (listing agent) says it is in negotiations right now.
- 224 Main Street (Coda Building) previously owned by Jeremy Smith sold to current owner by Colleen Davis in September 2014 is vacant. Have not been able to get a response from the owner regarding her plans.
- The Tea Room, vacant for a year, leasing for \$1,500 but owner is very particular about who can lease.
- Heart of Texas building owned by Jeremy Smith is available. Mr. Smith plans to sell the building.
- The vacant Flower Shop is still vacant, but previous owner claims it has been sold and the new owners plan to put in a flower shop but nothing has been done to the building that would substantiate that claim.

Mr. Houk asked what happened to the Dead Cowboy micro-brewery once proposed for Royse City and if the zoning issues surrounding a micro-brewery had been resolved.

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- a. Mr. Lott said he believes they have been resolved but doesn't recall the specifics.
 - b. Mr. Houk added that with such a young demographic, a micro-brewery would do well.
 - c. Mr. Lott feels it would be a good idea and will reach out to them.
 - d. Mr. Gladu added that The Well is trying to get their liquor license.
 - e. Mr. Houk suggested that we contact Daynor Stinson who is familiar with the micro-brewery scene.
- Winter Wonderland - We still need one volunteer for the snow hill, but the rest of the event is taken care of including volunteers for clean up after the event. Mrs. Morris pointed to map that was drawn on board showing the different areas of Winter Wonderland including vendors, rides, train, etc.

[Mrs. Elder said that the members should all work together to come up with ideas for Main Street and Mr. Lott to help better our community. She impressed upon the board, as board members of the CDC they should be reaching out to businesses in an effort to bring them here.]

[Mr. Gladu gave an update of the old city jail restoration stating that he is meeting with Janet today, he is going to have a structural engineer look at the jail and he has had a rendering done. He is meeting with Mary who would like to ask the city and other entities within the community to contribute financially. The cost for the east and west side of the building is estimated at \$40,000.]

[Mr. Gladu asked who was going to demo the area behind Jimmy's near the railroad and if it will be made into a parking area.

- a. Mrs. Morris stated that she is no longer involved with the project; she believes it has been taken over by the Heritage Board who wants to save the back portion of it.
- b. Mr. Gladu asked about the boundaries of the Heritage Board.
- c. Mr. Lott answered by saying that Heritage Board goes all the way to Greenville.
- d. Mr. Lott and Mrs. Morris explained that due to a change in the city's ordinances, if a business goes thru the state's Texas Historical Commission for their rendering, it no longer has to be approved by the Heritage Board; it would only need approval by the city's permitting department. However, a rendering is not acquired thru the Texas Historical Commission would need to be approved by the Heritage Board and the City's permitting department.
- e. Mr. Gladu asked if the state had carte blanche with the rendering.
- f. Mrs. Morris assured him that the when filling out the paper work from the state for the rendering, the building owner specifies the changes he/she wants to make; the state then produces two to three historically correct designs based on the owners requests. As long as those recommendations are followed, there is no need to go to the Heritage Board it would only need to be approved by permitting.
- g. *(Mr. Gladu asked if the old city jail needed to go thru the state.*
- h. *Mrs. Morris replied that when a building is that bad, their response is to have a structural engineer look at it; get the building sound and then resubmit to the state a request for rendering.)*
- i. Mr. Gilbert said the Heritage Board has looked at the building already

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- j. Mr. Lott pointed out that it's important to make sure nothing else can be done with that building before it's torn down; the building sits on railroad property and will never be replaced once it's torn down.
- k. Mr. Gladu reiterated the importance of more parking spaces downtown.
- l. Mrs. Morris said Mr. Lott had brought some numbers to the board in the past upwards of \$80,000 for two different parking options.]

CHAIRMAN REPORT – DENA ELDER

Nothing to report.

ADJOURNMENT

At 8:25 A.M. Mike Gilbert adjourned the meeting.

NEXT MEETING

Next CDC board meeting will be Thursday, February 26, 2015 - 7 A.M. at City Hall – 305 North Arch St. – Royse City, Texas - 75189.

Members Present:

Dena Elder
Mike Gilbert
Bobby Gladu
Charles Houk
Richard Pense (left at 7:41)
Jesse Vaughn II (arrived at 7:11)

Not Present:

Clay Ellis

Other:

Paula Morris, Main Street Director

Employees Present:

Larry Lott, Executive Director
Tonya Brown, Secretary

ATTEST:

Secretary
Tonya Brown

President / Vice President
Dena Elder / Mike Gilbert