

ROYSE CITY COMMUNITY DEVELOPMENT CORPORATION
REGULAR MEETING
March 24, 2015
7:00 A.M. CITY HALL
305 NORTH ARCH ST.
ROYSE CITY, TEXAS 75189

MINUTES

<u>Members Present</u>	<u>Employees Present</u>	<u>Other:</u>	<u>Not Present:</u>
Dena Elder	Larry Lott, CDC Director	Paula Morris, Main Street	
Clay Ellis	Tonya Brown, Secretary		
Bobby Gladu			
Charles Houk			
Richard Pense (7:07)			
Jesse Vaughn (7:10)			
Mike Gilbert (7:23)			

A. CALL TO ORDER

Announce the presence of a Quorum.

At 7:03 A.M. the meeting was called to order by Dena Elder and invocation was given by Clay Ellis.

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

Mr. Lott discussed the sales tax revenue for March 2015; for the year sales tax revenue increased by 8.7%. There were no questions or comments regarding minutes from 1-27-15.

ACTION

1. Charles Houk made a motion to approve minutes.
2. Clay seconded the motion.
3. The motion passed 4:0

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: CAR SHOW SPONSORSHIP

Mr. Lott discussed the options available for sponsorship. Main Street director Paula Morris notified the board she has two \$50 plaque sponsorships. Mrs. Elder suggested we support Main Street with a \$50 plaque sponsorship.

ACTION

1. Mr. Gladu made a motion for a \$50 plaque sponsorship.
2. Mr. Houk seconded the motion.
3. The motion passed 4:0.

E. DISCUSSION AND ACTION: BUDGET OVERRUN FOR REMODEL AND FURNITURE

Tonya Brown discussed the difference in costs between the initial quote and the actual costs for the Jack Palmer photographs. When Chamber Director, Julia Bryant and Mrs. Brown first discussed prices with Mr.

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Palmer they inquired about 20x30 laminated photographs. After viewing the samples provided by Mr. Palmer, they realized 20x30 was too small for the hallway; they decided 30x40 would be appropriate and opted for canvas instead of laminated photographs. The changes increased the price by \$365. They decided to use a laminated photograph for the reception area but changed the size from 20x30 to 20x40, the price increased by \$45. In regards to the desk budget for the reception office, Mrs. Brown said once she added delivery and set up, it put her over budget by \$58. The additional \$613 requested for furnishings includes the \$58 overrun plus \$555 for an occasional table and 4 chairs; the total amount of the overrun is \$994.88. Mrs. Brown felt the price she was given for the desk suite she chose was a good price when compared to same item where she had seen it for \$2,800- \$5,300 without the storage/wardrobe cabinet included in the unit she purchased.

- Mr. Houk asked if the Chamber had any money to contribute to the remodel.
 - Mr. Lott answered no the chamber doesn't have any money to put towards the remodel.
- Mr. Gladu said he felt Mrs. Brown did a good job and felt everything was reasonably priced. He went on to say that the board wants Royse City represented well. It's important to make a good first impression.
- Mr. Pense agreed.

ACTION

4. Mr. Ellis made a motion to approve the budget overrun.
5. Mr. Houk seconded the motion.
6. The motion passed 6:0.

**F. DIRECTOR'S REPORT WAS GIVEN TO INCLUDE:
THE CHURCH ROYSE CITY**

Pastor Bryan Sparks met with Mr. Lott and City Manager Carl Alsbrook to look at property. Mr. Sparks and his wife Crystal, who are from Sulphur Springs, began their church with one service at Fort Elementary. Eventually one service wasn't enough; they now hold two services at Occasions at Stoneriver. They are interested in finding or building a new sanctuary in Royse City. Mr. Lott will continue to help them find five acres on which they can build a new sanctuary.

WALMART UPDATE

Mr. Lott asked Mr. Gladu, whose company AA Granite and Limestone is doing some work for the Walmart facility, if he had any updates. Mr. Gladu said they should be laying the first block today for the parking area. Mr. Gladu said they should start going vertical this week. Mr. Lott notified the board that Walmart's timeline indicates they will complete construction in July.

D.R. Horton

- The Development Agreement has been held up due to disagreements surrounding the PID (Public Improvement District), however we believe the agreement will be finalized this week. We are asking for a Service and Assessment Plan (SAP) which they do not have to give at this point.
- Mr. Gladu asked if the property we want has been pulled out of the MUD yet.
 - Mr. Lott explained the process is a three step process they must go thru.
 - Step 1 is to get the Development Agreement signed.

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- Step 2 includes three parts which happen simultaneously once approved
 - Property is pulled out of MUD
 - It's annexed into the City
 - Water and Sewer CCN is pulled from the district and given to the City
- Step 3 is the creation of the PID
- Mr. Gladu asked if in negotiations we can ask D.R. Horton to fund the 12" sewerline.
 - Mr. Lott explained that the issue has already been addressed in the agreement. Because D.R. Horton only needs an 8" line they will not provide a 12" line. They will however incur the total cost of boring for the 12" line (most expensive part); the city will incur the difference in cost between an 8" line and 12" line from the subdivision across to the lift station.

FUNERAL HOME

Mr. Lott visited with Anthony Alvarado and his realtor who are looking for 5 acres to build a funeral home. They are interested in a piece of property near Country Friends. He has tried to buy Rest Haven from owner Dwayne Cain but Mr. Cain isn't interested in selling.

THE MEADOWS

This project has been dormant. We have a conference call scheduled for Monday morning and are hopeful it will get things moving.

- Mr. Pense asked if the developers own the land.
 - Mr. Lott said yes and they have sold a portion to the school district. Thomas Williams, one of the developers of The Meadows, stated that interest has picked up since selling that property to RCISD.
- Mr. Gladu asked what would happen if we weren't able to get a water park; would they start with retail.
 - Mr. Lott indicated that while they have not given us a definite plan, he believes they will begin phase one with one of the two multi-family facilities (apartments) and medical office space.

The developers plan to create a PID which will offset some of their development costs. In order for the city to agree to a PID, they need to ensure in the development agreement that they (city) get what they want; specifically, certain types of quality tenants within a reasonable time frame for completion. Mr. Lott asked for suggestions from the board for a way to word these requirements in the agreement.

- Mr. Gladu asked if it would fall under zoning. He also asked if we have the ability to dictate the quality thru design standards; meaning higher quality construction such as Frisco who specifies that buildings must be at least 75% masonry.
 - To the first question, Mr. Lott answered no it's not part of zoning, any retail facility allowed in Commercial 1 or 2 would be allowed. To the second question, Mr. Lott responded that Royse City's current standards require 80% masonry on commercial and residential.
- Mr. Gladu stated if building standards are higher and rent is higher it would help to attract higher end retail.

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- Mr. Lott stated he anticipates push back from the developers regarding quality of tenants as he hasn't had any commitments from anyone, making it difficult for them to agree to the standards we set or the specific tenants we require.

Mr. Lott reiterated that timing, quality and retail are the 3 issues he is focused on in the development agreement.

- Mr. Gladu stated he feels we need to demand more in our agreements to assure we are receiving quality tenants.
- Mr. Ellis echoed the sentiment and expressed that it needs to be across the board.

1001 BARGAINS

This is a new business to open soon downtown. Paula will speak about it more in her report.

PARK RIDGE

The property for this subdivision was purchased before the downturn and has sat dormant for years. The 100 acre preliminary plat has expired but the developers are trying to get it entitled again. The offsite costs for this subdivision will be high because the nearest water line is in the high school area; ½ mile from their location.

ASSISTED LIVING – BRENT CHANEY

Mr. Lott had a brief visit with Brent Chaney from Sulphur Springs. Royse City is one of the 3 cities in which he is interested in building an assisted living facility.

ROCKWALL MLS PRESENTATION

City Manager Carl Alsabrook and Mr. Lott held a presentation for Rockwall MLS whose attendance is comprised of title companies and realtors; they are very interested in Royse City's growth.

PCA UPDATE

PCA has built an attractive facility at the corner of FM 2642 & I-30 and will move in on April 6th.

JOE'S SEAFOOD

Mr. Lott received a call from the owner of Joe's Seafood in Dallas very interested in the Charlie's site. Mr. Lott informed him that it is under contract, but has a few ideas of other locations for his restaurant. He will be visiting this week to look at what we have to offer. He prefers to own the land and build, but is willing to lease if needed.

CHARLIE'S

Charlie's owner Chris Grupido has submitted all the plans to the city who in turn has submitted plans to an inspection group as we no longer have an in-house inspector. When Charlie's first began submitting their plans, we had an in-house inspector who made required changes to the Charlie's plans; now those corrections are no longer valid and Charlie's is being asked to make changes once again. The new inspector is requiring Charlie's to move a water hydrant back to its original location which based on the in-house inspector's recommendations, the CDC paid \$16k to move to its current location when Wing Dingers was built. In addition to that he is being asked to dig up the parking lot and put in a 16" waterline Charlie's doesn't need. They inspectors are implementing this requirement based on ultimate build out. Mr. Lott

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stated he is working with everyone involved to try to resolve the issue. Charlie's insists they will not move the fire hydrant.

- Mr. Pense asked if there were any requirements for the parking lot; it looks like a used car lot.
 - Mr. Lott said the development agreement allows the repair shop five parking spaces but they are using much more than that.
- Mr. Gladu asked if Charlie's is committed to start once the issues are resolved.
 - Mr. Lott said Charlie's is ready to start and their SBA loan has been approved. In addition, the developers in San Antonio are also urging Mr. Grupido to get started because of an approaching deadline for a digital sign on that lot. The three year deadline stated in the agreement is April 16th.

TIGER MART

Mike Tatari called Mr. Lott regarding some standing water issues he is having as a result of the contractor who tore up the parking lot for the city's upgraded water line, who did not level it back out. Mr. Tatari also spoke to Mr. Lott about Quizno's who will be leaving soon and indicated that a pie shop would replace it. He also mentioned that he has been speaking to Chicken Express to occupy the space once used by Kentucky Fried Chicken.

G. MAINSTREET DIRECTOR'S REPORT – Paula Morris

1001 BARGAINS: 1001 Bargains plans to open Thursday at 10:30.

CAR SHOW: The car show will take place Saturday May 9th, downtown Royse City. Mrs. Morris is working on sponsors and is in need of prizes; gift certificates are great. It's important to get the sponsorships done soon because we need to have things made for the sponsors. Last year there were 92 entries and entry fees are where we make our money, everything else goes towards paying for the event. There will be raffle items to help draw people to the event.

MEDICAL SPA: They should be open in the next couple of months. They are excited to come to Royse City and are putting a lot of work in to the building.

SWEET FACE SUGAR SHOP & BAKERY: They plan to open on Tuesday, March 31st and plan to be open daily from 11 a.m. until possibly 7 p.m. Tuesday – Saturday. They plan to join the chamber and have a ribbon cutting at a later date when their family can join them. They used the counters and will eventually use the yogurt machine as well that the CDC purchased for Frosted Whimsy. The owners of the business have a good relationship with the building owner who has helped them with getting the building to look like they want and may possibly have an agreement in the lease for the awning to be redone at a later date.

H. CHAIRMAN REPORT – DENA ELDER

Nothing to report.

I. RECESS INTO CLOSED EXECUTIVE SESSION

Recess into closed executive session at 7:52 A.M. in compliance with section 551.001 et seq., Texas Government Code to Wit:

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- a) *Section 551.087 Deliberation Regarding Economic Development Negotiation*
1. *Negotiate Buc-ee's*

J. CLOSE EXECUTIVE SESSION

Executive session closed at 7:57 A.M.

K. RECONVENE REGULAR SESSION AND TAKE ANY NECESSARY ACTION REGARDING EXECUTIVE SESSION DELIBERATION

Reconvene into regular session at 7:57 A.M. and take any action necessary as a result of deliberations in executive session.

ACTION

1. Mr. Gladu made a motion to accept the negotiation for the possible \$250k payout for the pump at the Verandah lift station, \$70k for the boring under F.M. 2642 for a water line and the ½ cent sales tax reimbursement from CDC to Buc-ee's for 20 years. (1/2 cent sales tax revenue will come from sales tax generated by Buc-ee's.)
2. Mr. Pense seconded the motion.
3. The motion passed 7:0.

[Mr. Ellis wanted to clarify that the ½ cent only applied to sales tax revenue generated by Buc-ee's and is not associated to sales tax revenue generated by surrounding pad sites.

Mr. Lott confirmed Mr. Ellis's statement. Mr. Lott went on to say there are three things that have to occur: The first is the overpass has to be improved and the Buc-ee's project will be time in accordance with the overpass completion; Buc-ee's will begin 10-11 months prior to overpass completion date. The second thing is Hunt County has to agree to a ¼ cent sales tax reimbursement from Hunt County. The third thing is we have to get the Development Agreement with D.R. Horton signed, to allow the CCN to be transferred to the city. Mr. Lott stated that Buc-ee's owner Arch "Beaver" Aplin, would like to start in 2015, but Mr. Lott doesn't feel the overpass at FM 2642 & I-30 would be complete in 2016.]

L. ADJOURNMENT

At 8:03 A.M. Clay Ellis made a motion to adjourn the meeting. Charles Houk seconded the motion. The motion passed 7:0.

NEXT MEETING

Next CDC board meeting will be Tuesday, April 28, 2015 - 7 A.M. at City Hall – 305 North Arch St. – Royse City, Texas - 75189.

ATTEST:

Secretary
Tonya Brown

President / Vice President
Dena Elder / Mike Gilbert