

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

MINUTES

August 25, 2015

<u>Members Present</u>	<u>Employees Present</u>	<u>Other:</u>	<u>Not Present:</u>
Dena Elder	Larry Lott, CDC Director	Jim Hardin (RCHeraldBanner)	
Bobby Gladu	Tonya Brown, Secretary		
Mike Gilbert			
Charles Houk			
Richard Pense			
Jesse Vaughn			
Clay Ellis			

A. CALL TO ORDER

Announce the presence of a Quorum.

At 7:01 A.M., Dena Elder called the meeting to order and Clay Ellis gave the invocation.

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

Ms. Elder asked if anyone had any questions regarding last month's minutes.

- *Mr. Pense said he had questions regarding the ad for the Chamber Directory.*
 - *Mr. Lott handed out a draft of the ad and asked if anyone had comments or changes to make. The board made suggestions regarding wording and placement of graphics.*

Mr. Lott discussed the sales tax revenue for August 2015. In comparison to August 2104, sales tax revenue increased by 14%. For the year as a whole, sales tax revenue increased by 12.4%.

ACTION

1. At 7:10 A.M., Mr. Pense made a motion to approve minutes.
2. Mike Gilbert seconded the motion.
3. The motion passed 7:0

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.

No citizen participation.

D. EXECUTIVE SESSION

1. Recess into closed executive session at 7:10 A.M. in compliance with section 551.074 et seq., Texas Government Code to Wit:
 - a. Section 551.074 – Discussing Personnel Matters
 - i. Discuss evaluation and potential FY2016 salary adjustments for RCCDC employees:
 1. Director, Larry Lott
 2. Administrative Assistant, Tonya Brown

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E. CLOSE EXECUTIVE SESSION

At 7:29 A.M., executive session closed

F. RECONVENE REGULAR SESSION

At 7:29 A.M. reconvene regular session and take any action necessary as a result of executive session deliberations.

ACTION

1. At 7:29 A.M., Mr. Gladu made a motion to increase Administrative Assistant, Tonya Brown's salary to \$37,500 (just under 23%)
2. Mr. Houk seconded the motion
3. The motion passed 7:0
4. Mr. Pense made a motion to increase Director, Larry Lott's salary to \$112,000 (just under 5%).
5. Mr. Vaughn seconded the motion.
6. The motion passed 7:0
7. These increases are to be effective the first pay period in FY16.

G. DISCUSSION REGARDING REGIONAL ICSC IN DALLAS

Mr. Lott stated this years' regional ICSC would take place on November 4-6. RCCDC will attend on November 5 & 6 for "Deal Making." Mr. Lott asked the board if they were interested in attending.

1. Mr. Vaughn announced he would like to go.
2. Mr. Gladu announced, tentatively, he would like to go.
3. Mr. Gilbert announced he would like to go as well.

Mr. Lott stated that Mr. Gilbert and Mr. Vaughn are already members but Mr. Gladu would need to be added to the membership. He asked Mr. Gladu to confirm his participation within the week, so we could start the process of signing up.

H. DISCUSSION AND ACTON REGARDING PROPOSED FY2016 BUDGET

Mr. Lott explained that he and Mrs. Brown worked with Royse City CFO, Shannon Raymond, to insure the numbers the CDC projected were consistent with the city's, relative to sales tax increase. The estimated sales tax revenue for the CDC is \$484,950.00. In conjunction with the city, we projected a 7% base increase (\$33,947.00) plus additional sales tax revenue from Walmart and CVS (\$113,438.00 & \$7,500.00 respectively) assuming they open in November. Added to our estimated FY2015 sales tax revenue, the total projected sales tax revenue for FY2016 is \$639.835.00.

Our estimated operating expense for FY2016 is as follows. We estimated \$400,000.00 in incentives based on incentive amounts encumbered in FY2015 including Buc-ee's, Collin Co. Rd 1031, Stonebrook Learning Center and Dairy Queen. We added that amount to our estimated expense \$220,150.00 (not including salary adjustments for personnel) bringing our total estimated operating expense to \$620,150.00.

It was understood that the salary adjustments mentioned above would be reflected in the budget submitted to council for approval. (The total expense with that adjustment is \$635,933.00.)

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1. Mr. Houk asked if the board would have to come back to adjust the budget, since incentive budget for FY2016 is so close to what we already have encumbered, if a business approached us for an incentive and we approved that incentive.
 - a. Mr. Lott said it is highly unlikely we would fund in FY2016, all the incentives encumbered in FY2015. However, in the unlikely case that we do fund all those incentives in FY2016, yes, we would have to adjust the budget for any new incentives granted; however, we could do so at the same time we approve the new incentive request.

ACTION

1. At 7:43 A.M., Mr. Gladu made a motion to accept the budget with the salary adjustments voted on for Mr. Lott and Mrs. Brown for FY2016
2. Mr. Ellis seconded the motion.
3. The motion passed 7:0

DIRECTOR'S REPORT

WALMART UPDATE

Walmart is in the hiring stage. They will hire 300 people by November 11, some of which will train at other locations. They estimate stocking shelves by October 5th to prepare for a Grand Opening, November 11, 2015.

CHARLIE'S OLD FASHIONED BURGERS

All the necessary paper work with the city is complete and they have closed on their loan.

THE MEADOWS

We have had a difficult time negotiating incentives. According to a letter received from The Meadows' attorneys, they have decided to forgo incentives from the city, but are moving "forward with the development" "under a standard developer-incurred-cost" concept. The CDC has agreed to assist them in applying for a Texas Capital Fund Grant once they have a commitment from a potential tenant who will create jobs.

1. Mr. Houk asked if this obligates the CDC to fund the new lift station at Verandah, since it is likely, Buc-ee's would occur before The Meadows.
 - a. Mr. Lott answered "yes," if Buc-ee's builds before the Meadows, we would fund the new lift station at Verandah.
2. Mr. Gladu asked if the water park is still a possibility.
 - a. Mr. Lott explained that the city has made clear to The Meadows, our requirement for some sort of entertainment venue. If there is a water park, it will be on a much smaller (7-10 acres) scale than we had hoped for when we were speaking to Hawaiian Falls (25-30 acres), who does not finance any of their own water parks.

BUC-EE'S

Buc-ee's will close on September 8, 2015. They have spent a lot time with TxDOT to get drive-cuts approved. They have received three drive-cuts off the I-30 service road and one off F.M. 2642. Public Works Director Dario Lopez and Mr. Lott have been working with Buc-ee's and TxDOT to get a drive-cut for the Shaw Drive Extension as well as the main road coming out of the D.R. Horton subdivision.

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PROPERTY ON/NEAR F.M. 1565

According to Bobby Crowell, Developer Dave Tucker just closed on this 200-acre property, adjacent to our city limits, previously owned by Mr. Crowell. Mr. Tucker plans to build estate-type homes, starting at \$300,000 and up. The city may annex this property and provide water to them.

RIDGE PARK SUBDIVISION

This property sits off F.M. 35 within city limits. This subdivision seems to be progressing. Homes will start at \$225K and up. We have high expectations for this subdivision; a developer, who has built quality homes in Rockwall, is considering developing this subdivision.

BONNER CARRINGTON

Bonner Carrington has submitted their plans; barring any issues with the two easements still needed, they should be near the permitting stage. They are set to close on their property in September.

1. Mr. Vaughn asked about the senior apartments.
 - a. Mr. Lott said they did not get state approval for the senior apartments they wanted to build on Old Greenville Rd., but they have extended the contract on the property for another year to apply for the grant again next year.

DAIRY QUEEN

Dairy Queen called Mr. Lott to ask for a specific schedule of the I-30 Overpass and Erby Campbell completion. He hopes it is an indication that they plan to start scheduling construction. According to a representative at Webber Construction, the Erby Campbell Overpass should be complete in November.

DON WATTS PROPERTY/ANNEXATION

Don Watts has 200 acres just outside the city limits, contiguous with the city limit. He would like to develop \$200,000.00-\$300,000.00 homes at that site. We are researching our ability to provide water and sewer to them. As with many other projects developing in our community, we have to find creative ways to finance offsite infrastructure costs to undeveloped land. This subdivision, approximately one-quarter mile down the road from Ridge Park, will likely connect to the same water line the high school uses.

F.M. 2642 DRIVE PERMITS

As discussed earlier, we are looking into drive permits for D.R. Horton and Buc-ee's.

COMP PLAN

The main goal of yesterday's meeting held by Verdunity and attended by City Manager Carl Alsbrook, CFO Shannon Raymond, Director of Development Services Janet McPherson and CDC Director Mr. Lott, was to figure out where we think the community is politically and financially regarding future needs. They also wanted to get an understanding of our ability to finance the comp plan. Verdunity scheduled a meeting for next Monday involving the CPAK committee and others.

JOHN RATCLIFFE VISIT

Mr. Lott invited the board to hear Congressman John Ratcliffe speak. He will visit Rotary at 7 A.M. and will take questions. He will also meet with city staff at 8 A.M. at City Hall.

[Mr. Ellis asked if Mr. Lott knew who purchased a specific piece of property on F.M. 35.

- *Mr. Lott's answer was "no" but he is trying to find out.]*

[Mr. Gladu asked if the financing for the F.M. 2642 overpass had been finalized.

- *Mr. Lott said it had not, but the TxDOT representative he spoke to felt confident enough to move forward with preliminary work. Also, Buc-ee's has had a lot of input with TxDOT.]*

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[Mr. Gladu asked what would happen to Buc-ee's if the overpass were not built.

- *Mr. Lott said Buc-ee's told us upfront, they will not build here if the overpass is not built.]*

[Ms. Elder left the meeting at 7:54 A.M.]

ADJOURNMENT

1. At 8:07 A.M., Mr. Ellis made a motion to adjourn the meeting.
2. Mr. Gladu seconded the motion.
3. The motion passed 6:0.

NEXT MEETING

The next CDC board meeting will be Tuesday, September 22, 2015 - 7 A.M. at City Hall – 305 North Arch St.

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Royse City, Texas - 75189.

ATTEST:

Secretary
Tonya Brown

President / Vice President
Dena Elder / Mike Gilbert