

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

MINUTES

September 27, 2016

<u>Members Present</u>	<u>Employees Present</u>	<u>Other:</u>	<u>Members Absent:</u>
Clay Ellis	Larry Lott, CDC Director	Jim Hardin (RCHeraldBanner)	
Dena Elder	Tonya Brown, Secretary	Paula Morris	
Mike Gilbert		Michelle Munn	
Bobby Gladu (7:07 am)		Michael William	
Richard Pense		Kevin Smith	
Jesse Vaughn II (7:15)		JoNell Mellody	
Charles Houk			

**A. CALL TO ORDER**

Announce the presence of a quorum.

At 7:05 A.M., Ms. Elder called the meeting to order and Mr. Ellis gave the invocation.

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

Mr. Lott discussed the sales tax revenue for September 2016. In comparison to September 2015 sales tax revenue increased by 32%. For the year as a whole, sales tax revenue increased by 22.5%. No discussion required regarding minutes.

**ACTION**

1. At 7:06 A.M., Mr. Pense made a motion to approve minutes.
2. Mr. Ellis 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 will be taken on these items.

1. Citizens present did not wish to participate.

**D. RECESS CDC MEEETING AND OPEN PUBLIC HEARING**

At 7:07 A.M., Mr. Lott discussed the incentive for new water line for businesses on the south side of Main Street. The CDC approved an incentive not to exceed \$150K.

**E. CLOSE PUBLIC HEARING AND TAKE ANY ACTION NECESSARY AS A RESULT OF PUBLIC HEARING**

At 7:08 A.M., public hearing closed. No action necessary.

**F. DISCUSSION AND ACTION REGARDING CONTRACT FOR OFFICE RENTAL FOR THE PERIOD FY17 THROUGH FY20**

Mr. Ellis, part owner of the building leased by CDC, recused himself during the discussion and the action taken on the matter. Mr. Lott made a recommendation to the board that we enter into a three year contract with the building owner with a \$50 (fifty dollar) monthly increase, raising the rent from \$550 to \$600, to be signed by CDC President Dena Elder.

**ACTION**

- Mr. Gilbert voted to approve the recommendation of a three year contract including rent at \$600.
- Mr. Pense seconded the motion
- The motion passed 6:0

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---

**G. DISCUSSION AND ACTION REGARDING CONTRACT BUSINESS PHONE CELL PHONE FOR ADMINISTRATIVE ASSISTANT**

Mr. Lott and Mrs. Brown discussed the need and costs of a business cell phone. The business cell phone would replace Mrs. Brown office land line and would reduce the monthly phone expense. Mrs. Brown discussed the various financial options for the cell phone. The board suggested that we check with the city first to see if we can add on to their plan.

**ACTION**

- Mr. Gladu made a motion to check with the city first regarding a new business cell phone for CDC Administrative Assistant, if not available, Mrs. Brown can move forward with opening a new business cell phone line in lieu of the land line.
- Mr. Houk seconded the motion.
- The motion passed 7:0.

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**H. DISCUSSION AND ACTION REGARDING YOGURT MACHINE REPAIR**

The board discussed the options for selling, repairing or giving it to Sweet Face Sugar Shoppe & Bakery and having them fix it.

**ACTION**

- Mr. Houk made a motion to not fix the yogurt machine.
- Mr. Ellis seconded the motion.
- The motion passed 7:0.

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**I. DISCUSSION AND ACTION REGARDING APPROVAL OF BUDGET FOR FY17**

Mr. Lott discussed the changes to the budget as recommended by the board in our September meeting regarding rent and personnel. We estimate a 7% increase in sales tax revenue for a total revenue generation in FY17 of \$643,441.00. We project a surplus of \$199,000.00 assuming we spend \$200,000.00 in incentives, leaving us with \$1.8M at the end of FY17.

**ACTION**

Mr. Gladu made a motion to approve the FY17 Budget.

Mr. Pense seconded the motion.

The motion passed 7:0.

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**J. EXECUTIVE SESSION**

At 7:29 A.M.,

- Recess regular session and entered into closed executive session in compliance with Texas Government Code to wit:
  - a. Section 551.087 – Deliberation regarding economic development negotiations:
    1. Legal cost for contract with Ventura Sports Group
    2. Planning cost for project with Ventura Sports Group

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**K. CLOSE EXECUTIVE SESSION AT 7:50 A.M.**

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**L. RECONVENE REGULAR SESSION AND TAKE ANY ACTION NECESSARY AS A RESULT OF EXECUTIVE SESSION DELIBERATION**

At 7:57, reconvene regular session.

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---

**ACTION**

Regarding Section 551.087 – Economic Development:

1. Legal cost for contract with Ventura Sports Group:
  - a. Mr. Gladu made a motion to approve up to \$15k to outside counsel for contract with Ventura Sports Group
  - b. Mr. Ellis seconded the motion
  - c. The motion passed 7:0
2. Planning cost for project with Ventura Sports Group:
  - a. Mr. Vaughn made a motion to approve up to \$7k to Verdunity for planning costs
  - b. Mr. Gladu seconded the motion
  - c. The motion passed 7:0

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**DIRECTOR'S REPORT: LARRY LOTT**

*Tractor Supply*

Tractor supply, which had to change general contractors two weeks ago, is still scheduled to open in November. The cross access road, which provides access from Walmart to Tractor Supply to provide access to Erby Campbell, is being limed and concrete should be poured next week, if we can get 5 days of dry weather.

*Ridge Park*

This subdivision is located on FM 35. The developer is working with home builder, Cheldan Homes to buy the lots. Cheldan Homes is asking the city to concede on a few items such as the use of septic systems on their one acre-lot home tracts. The city is working with them to identify how we can get higher value, higher quality home for the concessions we will give them.

*Panda Express*

Panda Express has closed on the last Walmart pad site. They will occupy the pad site between Whataburger and Dairy Queen.

*Waterscape*

The Huffines Group will develop Waterscape, a subdivision on south FM548 that borders Crenshaw Rd. They are in the final stages of getting a Public Improvement District (PID) with the city.

*Bonner Carrington Apartments*

Bonner Carrington is still making a lot of progress. They still plan to open by the end of the year and will have most if not all units open by then.

*Brian Connel Project*

This project is a subdivision located at Erby Campbell and Circle Drive is roughly about 100+ acres. We have a meeting is set with them tomorrow at 10 A.M. We believe we they will close on the property soon.

*Hasan Pirkul Project*

Mr. Lott has a meeting with Mark Johnson who wants to purchase 80 acres on a piece of property south on FM 548 at the curve before the Stonebrook site.

*Tractor Supply Pad Sites*

These pad sites will be on the interstate side between Walmart and Tractor Supply. There will be 6 pad sites. They have not been platted, but two have already been purchased. The CDC will not incentivize for these pad sites because we have already given an incentive by way of a 380 Agreement on the entire tract of land.

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*Frost Farms*

The City is asking them to re-plat the property because there are some changes that need to be made to the original plat that was done in 2007, before the financial crisis hit in 2008. Sumeer Homes will be the builder and developer.

*Jeff Adamcik - Sandy Sue's BBQ*

Mr. Adamcik has a contract to put a BBQ restaurant at the former Z's Quick Stop site. TECQ will need to give the property a clean bill of health, meaning no contamination remains, before Mr. Adamcik can close on the property. Mr. Adamcik purchased a food truck and is working with the city to allow him to sell his food in Royse City while he is waiting for the property to be ready

*Host Economic Development Workshop*

Janie Havel, the Economic Development Representative for North Texas for the Governor's Office, has asked us to host an Economic Development Workshop on November 16, 2016. It will be held for Economic Development personnel east of the metroplex.

*TML Economic Development Course*

TML will host an Economic Development Course on November 17 and 18, that Mrs. Brown and Mr. Lott are considering attending as it will address some of the issues we face today such as Chapter 380 Agreements and enforcement of Economic Development Agreements.

*[Mr. Gladu asked about the progress of the widening of FM 548.*

*Mr. Lott said the project has been let. TXDOT started on the far south end by widening the bridges, for the entire length from FM 205 to about I-30. It is a \$18M project that should take approximately 2 years to complete. We don't believe the project will be sufficient to accommodate the future growth of Royse City in that direction, but will certainly help in the near term.]*

**K. MAIN STREET DIRECTOR'S REPORT: PAULA MORRIS**

*Pocket Park*

We are in phase one of the pocket park update. All the asphalt has been removed, conduit is being added in for future electrical needs and then it will be resurfaced. We will also get bollards so it can be roped off and people will not be able to park there. We will hold off on any further updates so that Pumpkin Patch can be held there.

*Pumpkin Patch*

Pumpkins will be delivered on October 11 at 4 P.M. The Pumpkin Patch will be open from October 12 thru the 31. It is important to have volunteers as no one is paid to work it. Mrs. Morris encourages businesses to help.

*Businesses on Main Street*

- a) 133 Main Street: previously Beverly's Flowers, has a new owner. Mrs. Morris has been working with the owners and was able to get them a rendering from the state who suggest they remove the Texas Brick from the facade put up in the 80's and restore it to its natural state. Serenity Creations, an embroidery, screen printing shop will occupy the building.
- b) 130 East Main Street: Mrs. Morris spoke with Dorothy Spradlin who plans to work with Linda from Lyndie's Boutique to open a boutique at this location. However, plans are unofficial until paper work has been submitted. At this time, no paper work has been submitted.
- c) 137 East Main Street: The small building (less than 1000sqft) between Komerica Donuts and where Beverly's used to be is the only vacant building. It's difficult to find a tenant because of its size.
- d) 114 East Main Street: The new occupants are 2 Ready 4 Sports. It is a recreation center that opened last week who also sells retail sporting goods.

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**L. ADJOURNMENT**

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At 8:17 A.M., Mr. Pense made a motion to adjourn.  
Mr. Ellis seconded the motion.  
The motion passed 7:0.

**ATTEST:**

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Secretary  
Tonya Brown

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President / Vice President  
Dena Elder / Mike Gilbert