

ROYSE CITY COMMUNITY DEVELOPMENT CORPORATION
 REGULAR MEETING
 7:00 A.M. – CITY HALL
 305 NORTH ARCH STREET
 ROYSE CITY, TEXAS 75189
 MINUTES - AUGUST 28, 2018

APPROVED 9-25-18 4:0

Members Present	Employees Present	Other:	Members Absent:
Charles Houk	Larry Lott, CDC Director	Julia Bryant (RC Chamber)	Jesse Vaughn
Clay Ellis	Tonya Brown, Secretary	Vanessa Stahl (Chamber Assistant)	
Dena Elder		Wendy Johnson (Realtor)	
Bobby Gladu		Elliot Gerstenhaber	
Richard Pense		Fire Marshall Tanner Dietz	
Mike Gilbert		Bailey Reed	

A. CALL TO ORDER

Announce the presence of a quorum.

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

B. DISCUSSION AND ACTION REGARDING MINUTES AND SALES TAX COMPARISON

Sales tax revenue for August 2018, in comparison to August 2017 increased by 18.4%. There was an overall increase of 10.65% over the last 12 months. No discussions were held regarding the July meeting minutes.

ACTION

1. Mr. Gladu made a motion to approve the July 24, 2018 meeting minutes and August financials.
2. Mr. Pense seconded the motion.
3. The motion carried 6:0.

C. DISCUSSION REGARDING INCENTIVE DOLLARS SPENT AND ENCUMBERED

Since January 2017, the CDC has spent \$145,316.00 in incentive dollars; \$693,570.00 are still encumbered. The majority of the encumbered incentive money is for the Buc-ee’s lift station. Completion of the lift station pump installation is projected for the end of September.

D. 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.

- No citizen participation

E. DISCUSSION AND ACTION REGARDING SPONSORSHIP OF ROTARY GOLF TOURNAMENT

In the past, the CDC has sponsored the Rotary Golf Tournament at the \$500 Bronze Sponsorship Level. The golf tournament is Rotary’s main fundraiser and takes place on October 8. Sponsorship includes the CDC name on all marketing materials associated with the golf tournament including hole signs but does not include a team. Mr. Gilbert, Chairman of the Rotary Golf Tournament, asked if the CDC board would consider putting together a team as they are short on teams so far this year.

ACTION

1. Mr. Pense made a motion to sponsor the Rotary golf tournament at the \$500 Bronze sponsorship level.
2. Mr. Houk seconded the motion
3. The motion passed 6:0

F. DISCUSSION AND POSSIBLE ADJUSTMENTS REGARDING FY19 BUDGET

Mr. Lott presented the board a draft budget for FY19. For FY18 we came in over budget with projected sales tax revenues of \$782,437.77; our budget for FY18 was \$745,000. We’re projecting a 7% increase in sales tax revenue for FY19. In regard to our expenses for FY18, we budgeted \$291,488.00 and are projecting to come in at \$275,000.00, which will be approximately \$16,000 under budget. The marketing and rent budgets may need to be adjusted due to an increase in rent and the need to update our aerial maps.

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G. REQUEST FOR INCENTIVE BY ELLIOT GERSTENHABER

Mr. Gerstenhaber made a presentation to validate his request for a \$100,000 incentive grant to a prospective tenant that will occupy a space located in the second shopping center he plans to build. The new shopping center will be located off the north service road of I-30 & Erby Campbell.

H. RECESS INTO CLOSED EXECUTIVE SESSION

At 7:32 A.M., regular meeting recessed into closed executive session in compliance with Texas Government Code to Wit:

- Section 551.087: Deliberation regarding economic development negotiation.
 1. Elliot Gerstenhaber
 2. The Compound Royse City
- Section 551.074: Personnel Matters: Evaluation and potential salary adjustments for CDC Employees
 1. Assistant Tonya Brown
 2. Director Larry Lott

I. CLOSED EXECUTIVE SESSION

Executive session closed at 8:14 A.M.

J. RECONVENE REGULAR SESSION

At 8:15 A.M., regular session reconvened and any action necessary as a result of executive session deliberations was taken.

ACTION

- Section 551.087: Deliberation regarding economic development negotiation.
 1. Elliot Gerstenhaber, potential tenant in a new 9,200SF strip center
 - Mr. Gladu made a motion to grant \$100,000 to Elliot Gerstenhaber contingent on the Performance Agreement.
 - Mr. Houk seconded the motion
 - The motion passed 6:0
 2. The Compound RC
 - Mr. Houk made a motion to deny the revised incentive request by The Compound RC
 - Mr. Ellis seconded the motion
 - The motion passed 6:0
- Section 551.074: Deliberation regarding personnel matters: Evaluation and possible salary adjustments:
 1. Tonya Brown
 - Mr. Houk made a motion to increase Tonya Brown's salary by \$5k (\$49,998.72)
 - Mr. Ellis seconded the motion
 - The motion passed 6:0
 2. Larry Lott
 - Mr. Houk made a motion to give Larry Lott a one-time \$10k bonus, net of all deductions.
 - Mr. Ellis seconded the motion
 - The motion passed 6:0

(Salary adjustment and bonus is effective on the first pay period of the new fiscal year)

K. DIRECTOR'S REPORT WAS GIVEN TO INCLUDE

CYPRESS CREEK GRAND OPENING

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Cypress Creek held a joint Rockwall/ Royse City Chamber open house and ribbon cutting on August 23. It was well attended and included representatives from the state and local level as well as the COO of Bonner Carrington. Cypress Creek has well-served a need in Royse City; it is 96% occupied.

JOE GAMPLER

Mr. Gamppler, a developer from Dallas, has a contract on 29 acres of land located on Erby Campbell, south of the railroad tracks. He wants to develop a mixed-use project on the property. It would consist of commercial businesses on the front side, single-family homes and townhome type residences on the back side. Mr. Gamppler has put together an outstanding team; Jim Gandy, former EDC director of Frisco is one of the members of his team; they are working with P&Z and City Council to develop this project. We have looked at some of Mr. Gamppler's previous projects and they are all high-quality projects.

OUTER LOOP DISCUSSION

There is a lot of confusion in regard to the outer loop south of the interstate. Due to the uncertainty of whether or not the outer-loop will extend south of the interstate, Rockwall County Commissioners Court decided they would not acquire right-of-way or platting south of the interstate. This means the City of Royse City is now able to focus on the future development of this area instead of trying to reserve it for the outer-loop.

KWIK KAR GRAND OPENING

Kwik Kar had their grand opening and ribbon cutting. It is a nice facility, professionally run and the owner is great to work with.

BALLPARK UPDATE

We should have more information about the ballpark at the end of this week in terms of when they plan to close on the property. The 19-acre ballpark is pertinent to developing the 107-acre project sooner rather than later. The CDC board previously approved a significant grant for the development.

SALES TAX TRAINING

Sales tax training is required every other year. City Manager Carl Alsabrook, CDC Administrative Assistant Tonya Brown and CDC Director Larry Lott attended the training to keep current with this requirement.

[Mr. Pense asked if we had an estimate of the payment the CDC will incur for the bonds. (referencing the ballpark incentive grant)]

- Mr. Lott explained that we will not be able to determine the amount of the payment until the bonds are sold because interest rates will fluctuate. Mr. Lott also explained that we did not allocate money for the bond payment in the FY19 budget draft because he does not believe we will incur that cost in FY19.]*

L. ADJOURNMENT

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- At 8:23 a.m., Mr. Houk made a motion to adjourn the meeting.
 - Mr. Pense seconded the motion.

ATTEST:

Secretary
Tonya Brown

President / Vice President
Dena Elder / Mike Gilbert