

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

MINUTES – SEPTEMBER 25, 2018

APPROVED 10-23-18 5:0

<u>Members Present</u>	<u>Employees Present</u>	<u>Other:</u>	<u>Members Absent:</u>
Charles Houk	Larry Lott, CDC Director	Fire Marshall Tanner Dietz	Richard Pense
Clay Ellis	Tonya Brown, Secretary	Vanessa Stahl (Chamber Assistant)	Mike Gilbert
Dena Elder		Wendy Johnson (Realtor)	
Bobby Gladu		Elliot Gerstenhaber	
Jesse Vaughn (7:05)			

**A. CALL TO ORDER**

Announce the presence of a quorum.

At 7:03 A.M., Dena Elder called the meeting to order; Mr. Ellis gave the invocation.

**B. DISCUSSION AND ACTION REGARDING MINUTES AND SALES TAX COMPARISON**

Sales tax revenue for September 2018, in comparison to September 2017 increased by 15.2%. There was an overall increase of 13.01% over the last 12 months.

**ACTION**

1. At 7:04 A.M., Mr. Ellis made a motion to approve the August 28, 2018 meeting minutes and September 2018 financials.
2. Mr. Houk seconded the motion.
3. The motion carried 4:0.

**C. DISCUSSION REGARDING INCENTIVE DOLLARS SPENT AND ENCUMBERED**

For dates January 2017 through September 28, 2018, the CDC has spent \$148,016.93 in incentive dollars; \$690,870.34 is still encumbered. We estimate that we will incur the remainder of the Buc-ee's incentive (\$263,470.94) for the lift station this calendar year. Completion of the lift station pump installation is projected for the end of September. We also expect to incur the cost of the 1001 Bargain's incentive (\$25,000); owner, Jack Alexander stopped by to give an update on the renovations; he expects to be open in time for FunFest.

**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 CDC BUDGET**

Mr. Lott reviewed the budget information provided to the board. If approved by the board, the budget will go before council for ratification. For FY2018, expenses came in under budget and income exceeded budget. In FY2019 we anticipate spending a minimum of \$371,000.00 in incentives and earning \$44,298.00 in interest from the bank. Additionally, we estimate income for FY2019 at \$886,598.00; expenses at \$710,000, leaving us with a surplus of \$176,000.00.

**ACTION**

1. Mr. Houk made a motion to approve the proposed budget for FY2019
2. Mr. Vaughn seconded the motion
3. The motion passed 5:0

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**F. DIRECTOR'S REPORT: LARRY LOTT**

*BEARPEN CREEK UPDATE*

The 982-acre subdivision that wraps around the high school wants to develop 2,700 - 2,800 lots. They have asked if they can start Phase I by taking sewer from the Bearpen Creek Basin and tie it into the existing Sabine Creek Basin. They want to sell lots (phase 1/phase 2) to generate capital for infrastructure costs. Our concern is overloading the Sabine Creek Basin. We indicated to them that we'd like them to begin some of the infrastructure work immediately, regardless of the number of lots we are able to accommodate in another basin; they have agreed to do that. This will allow them to spread the cost of development instead of having to incur it all at once.

*CRISWELL COLLEGE PROPERTY UPDATE*

Carter Kendall along with the Hines Development group is developing this property. They want to develop 1,100 lots and have identified a site they want to dedicate to RCISD for a school. They are asking the city to approve 40ft, 50ft and 60ft front lots. Build out will be developed in 4-6 phases over 5-7 years; houses will start between \$230,000 - \$270,000 up to \$300,000. Developers anticipate lots will be available by mid-2020.

*MARK JOHNSON PROJECT UPDATE*

Mr. Johnson owns 65 acres south of FM 548 just before the curve at Stonebrook Learning Center. The property faces two issues: 1) 10 acres are in the floodplain, 2) a power line runs right through the center of the property. Mr. Johnson presented a plan to Mr. Lott, Mayor Janet Nichol, and Mayor Pro Tem Clay Ellis. The plan consists of developing 182, 45-foot lots. Mr. Johnson feels that regardless of the size, he can still build homes valued at \$300,000. Due to the size of the lots, Mr. Johnson is open to discussing a multi-family, garden-home concept.

*BALLPARK UPDATE*

Mr. Lott had lunch with ballpark developer Mark Schuster. Mr. Schuster indicated that he has his private financing in place. His plans for the stadium are aggressive; he anticipates the stadium will be open for games in June of 2019. He stated that the contractor for the stadium assures him the stadium can be built in six months. He plans to close in early October. However, he also indicated that he has alternate plans for playing in Royse City if necessary. Mr. Schuster stated that he has six teams committed. The four Texas cities are Royse City, Bell Mead, Dallas, and Fort Worth. He also has two Missouri cities, Columbia and Joplin. We are waiting for Mr. Schuster to: 1) close on the property, 2) provide the city with a contract stipulating how our funds will be used and how we will be protected and 3) a development agreement outlining his development plans including but not limited to: water, sewer, infrastructure, parking lots, roads, etc. The CDC will not issue bonds until those three things are complete.

*CLARENCE JORIF PROJECT UPDATE*

Mr. Lott discussed with Mr. Jorif the concerns expressed by the board in regard to the "kid's zone" project: 1) placing it near a facility with weapons training and 2) his lack of experience in running this type of facility. Mr. Jorif stated that he intends to move forward with the kid's zone project and has identified another piece of property to develop this project on. He also stated that he would hire experienced staff to run the facility and intends to use the funds generated from the facility to develop The Compound RC.

*WATERSCAPE UPDATE*

Waterscape is located off FM 548 near Crenshaw Road. The Huffines development has built nearly 100 homes since March. We recently met with Collin Huffines to discuss the development of Phase 2 which will be located off of Crenshaw Rd. Improving Crenshaw Rd. is essential to this project; the Huffines group is responsible for constructing two of the four lanes.

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*FM 2642 UPDATE*

We have had two meetings with TxDOT regarding this project. TxDOT is approximately 50% complete with the design of FM 2642. It will be a four-lane, divided, concrete road. They anticipate beginning construction in 2022 and completing construction in 2024. The city has been instrumental in providing the necessary right-of-way for this project. We are hopeful that our assistance will help to expedite the completion.

*ANYTIME FITNESS UPDATE*

Mr. Lott and Development Services Director Rob Cooper met with Barbie Bayless, franchise owner of Royse City Anytime Fitness to discuss in depth the processes, timing, and fees associated with the construction and completion this project.

*JOSH BRAY PROJECT*

Mr. Bray has a contract on the 16 acres located on Erby Campbell where Bonner Carrington had once considered developing multi-family housing. Mr. Bray would like to build single story duplexes. After reviewing the plans, Planning and Zoning voiced their concerns about monotony; they want to see a variety of designs. Mr. Bray is re-designing the project to include 86 single-story units. Two small lots at the front of the property will contain neighborhood-type commercial businesses.

*ELLIOT GERSTENHABER UPDATE*

Due to the tenant slotted for Mr. Gerstanhaber's second strip center, additional parking will be required. This will cause the overall size of the building to be reduced from 9,200SF to 7,900SF. Mr. Gerstenhaber, who requested and was granted an incentive, assures us that the projected sales tax revenue and ad valorem taxes for this building will not be reduced by this change.

*TML ECONOMIC DEVELOPMENT TRAINING*

Mr. Lott asked the board members who were interested in attending the conference to confirm their availability. The training will take place on November 15 and 16 at Lost Pines Hyatt in Bastrop, Texas. Ms. Elder, Mr. Houk, Mr. Gladu, Mr. Vaughn, and Mr. Gilbert all expressed interest in attending.

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

*NEW BUSINESSES*

- Studio 122 - located at 122 East Main St., opened in August; it is a boutique similar to Anchored Bliss.
- Tin Roof Cottage - located at 302 West Main St. is undergoing renovations and will be opening soon. This will also be a boutique, similar to Anchored Bliss.

*UPCOMING EVENTS:*

- Clean Up Day will be Saturday, October 6 from 8 A.M. until 12 P.M. We want to clean up downtown before all the October events. Emails and letters have been sent out to Main Street business owners and civic organizations.
- Pumpkin Patch will be located in front of the water tower. We are using Sign-up Genius to organize volunteers for all aspects of the event. It will be open from October 9-31. Clean up will take place on November 1 at 10 A.M. We are still trying to find individuals or organizations that can utilize the good and/or rotted pumpkins that are sometimes left over.
- Homecoming Pep Rally will take place on Wednesday, October 17 from 6 P.M. to approximately 7 P.M. on Downtown Main Street; we will close the street at 5 P.M.
- Holiday Movies on Cookston Court (hosted by Parks and Rec) will begin on October 18 at 7 P.M. The movies will continue thru December.
- Trick or Treat on Main Street takes place on October 24 from 6 P.M - 8 P.M.

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- FunFest takes place on October 20.

*RENOVATIONS:*

- 1001 Bargains continues to renovate their building. We are excited about the work they have done and the progress they have made.
- 137 East Main has received a permit to begin renovations but the permit has not been picked up, and work has not begun.

**H. ADJOURNMENT**

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- At 7:45 A.M., Mr. Ellis made a motion to adjourn the meeting.
  - Mr. Houk seconded the motion.

**ATTEST:**

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Secretary  
Tonya Brown

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President / Vice President  
Dena Elder / Mike Gilbert