

ROYSE CITY COMMUNITY DEVELOPMENT CORPORATION

REGULAR MEETING
7:00 A.M. – CITY HALL
305 N. ARCH STREET
ROYSE CITY, TEXAS 75189
MINUTES – AUGUST 27, 2019

APPROVED 9-24-19, 6:0

Members Present	Employees Present	Other:	Members Absent:
Charles Houk	Larry Lott, CDC Director	Vanessa Stahl (RC Chamber Director)	
Richard Pense	Tonya Brown, Secretary	Ashlee Burke (RC Chamber)	
Dena Elder		Tennille Johnson – Resolute Compliance	
Clay Ellis		Grant McAfee – Resolute Compliance	
Jesse Vaughn		Jennifer Long – Ebby Halliday	
Bobby Gladu		Colleen Aldstadt – Ebby Halliday	
Michael Holder			

A. CALL TO ORDER

Announce the presence of a quorum.

At 6:59 A.M., Ms. Elder called the meeting to order; Mr. Ellis gave the invocation.

B. INTRODUCTION OF NEW BOARD MEMBER MICHEAL HOLDER AND NEW CDC EXECUTIVE DIRECTOR CHARLES HOUK

Mr. Lott welcomed and introduced Mr. Holder and Mr. Houk.

C. DISCUSSION AND ACTION REGARDING MINUTES AND SALES TAX COMPARISON

Sales tax revenue for August 2019 in comparison to August 2018 increased by 13.6%. There was an overall increase of 14.8% over the last 12 months. No discussion took place regarding the minutes.

ACTION (7:03 A.M.)

- i. Special Called Meeting 7-19-19
 - a. Mr. Pense made a motion to approve the July 19, 2019 meeting minutes.
 - b. Mr. Vaughn seconded the motion
 - c. The motion passed 7:0
- ii. Regular Meeting July 23, 2019
 - a. Mr. Pense made a motion to approve the July 23, 2019 meeting minutes.
 - b. Mr. Vaughn seconded the motion.
 - c. The motion passed 7:0
- iii. Special Called Meeting August 15, 2019
 - a. Mr. Gladu made a motion to approve the minutes.
 - b. Mr. Ellis seconded the motion.
 - c. The motion passed 7:0
- iv. Special Called Meeting August 19, 2019
 - a. Mr. Vaughn made a motion to approve the August 29, 2019 meeting minutes.
 - b. Mr. Gladu seconded the motion.
 - c. The motion carried 7:0.
- v. Current Financials
 - a. Mr. Pense made a motion to approve the current CDC financials.
 - b. Mr. Gladu seconded the motion
 - c. The motion passed 7:0

D. DISCUSSION REGARDING INCENTIVE DOLLARS SPENT AND ENCUMBERED

The report did not change from last month. July report stated: {As of today, we have \$22,984 encumbered for Collin county Rd 1031, we have spent over \$255K since January 1, 2018, and have 5 incentives that are not included in the encumbered amounts because we do not have a signed Performance Agreement.}

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E. 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.

F. RECESSED REGULAR SESSION TO OPEN PUBLIC HEARING AT 7:05 A.M.

- Mr. Lott reviewed the details for the incentive grant to Native Station. This is the second Public Hearing for the Native Station incentive grant for \$125,000 to help offset the costs of building the new \$2MM restaurant in downtown Royse City.
- Mr. Lott also spoke about the incentive grant to SGRE (Elliot Gerstsenhaber) to incentivize Starbucks to sign a lease agreement at their proposed shopping center to be built off the north service road of I-30 west of Erby Campbell in Royse City.

G. ADJOURNED PUBLIC HEARING at 7:08 A.M.

H. RECONVENED OPEN SESSION AT 7:08 A.M.; ANY ACTIONS TAKEN AS A RESULT OF PUBLIC HEARING ARE LISTED BELOW

Native Station:

- No action was taken

SGRE - Starbucks:

- No action was taken

I. DISCUSSION REGARDING GOLF CART SPONSORSHIP AT RC CHAMBER'S FUNFEST EVENT

Chamber Director Vanessa Stahl went before the board to request sponsorship at their 30th Annual FunFest Event at the \$500 Golf Cart Sponsorship level. The Golf Cart Sponsorship includes the CDC logo on all marketing materials including 2 banners: one on the main stage and one on the Main Street Emporium building, as well event t-shirts and the golf cart which is driven around during the event.

ACTION

- At 7:09 A.M, Mr. Ellis made a motion to sponsor the 30th annual FunFest event at the \$500 Golf Cart Sponsorship level.
- Mr. Pense seconded the motion.
- The motion passed 7:0

J. DISCUSSION AND ACTION REGARDING CDC FY20 BUDGET

The only change made to the budget draft previously presented during the July meeting was removing the estimated sales tax revenue for August and replacing it with the actual revenue; September's sales tax revenue remains an estimate. If approved by the CDC board today, the budget will be presented to council for approval tonight.

ACTION

- At 7:11 A.M., Mr. Ellis made a motion to approve the CDC FY20 Budget.
- Mr. Gladu seconded the motion.
- The motion passed 7:0.

J. DISCUSSION AND ACTION REGARDING RECOMMENDING A NEW CDC BOARD MEMBER

MR. LOTT RECOMMENDED THAT THIS AGENDA ITEM BE DISCUSSED IN CLOSED EXECUTIVE SESSION

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K. INCENTIVE REQUEST FOR RESOLUTE COMPLIANCE BY GRANT MCAFEE AND TENNILLE JOHNSON

Mr. McAfee and Mrs. Johnson presented to the board their intent to open a new business in Royse City. The proposed business, Resolute Compliance, will sign a five-year lease at the Firewheel Realty building located off FM 35- and FM 2453. The current estimated cost for the finish out is \$132,000. They are requesting a \$66,000 incentive grant from the CDC to help offset those costs. The benefit they provide to the City of Royse City will be high paying, professional jobs. Their current business model includes 8 full-time professional positions. Six of those employees are local, the other two will be relocating to Royse City – one from Dallas and one from Colorado.

L. RECESSED INTO CLOSED EXECUTIVE SESSION

At 7:29 A.M., regular session recessed into closed executive session in compliance with the Texas Government Code to Wit:

- i) Section 551.074 – Personnel
 - 1. Deliberation regarding the upcoming vacancy on the CDC Board.
 - 2. Deliberation regarding current CDC Director review and possible bonus.
- ii) Section 551.087 – Deliberation regarding economic development negotiations
 - 3. Deliberation regarding incentive request from Resolute Compliance.

M. ADJOURN CLOSED EXECUTIVE SESSION

At 8:14 A.M., Ms. Elder adjourned the closed executive session.

N. RECONVENED OPEN SESSION AND TOOK ANY NECESSARY ACTION AS A RESULT OF EXECUTIVE SESSION DELIBERATIONS

At 8:15 A.M., Ms. Elder reconvened open session.

ACTION

Section 551.074 – Personnel:

- 1. The upcoming vacancy on the CDC Board
 - No action.
- 2. Yearly review for current CDC Director and possible bonus
 - Mr. Gladu made a motion to give the current director a net \$15,000 bonus to be paid on September 13, 2019.
 - Mr. Ellis seconded the motion.
 - The motion passed 7:0.

Section 551.087 – Deliberation regarding Economic Development Negotiations:

- 3. Incentive request from Resolute Compliance
 - Mr. Pense made a motion to pay 25% of net buildout costs, not to exceed \$33,000 contingent on an executed Performance Agreement.
 - Mr. Gladu seconded the motion.
 - The motion passed 6:0
 - Mr. Ellis, the landlord of the building where Resolute Compliance will lease their space, recused himself.

O. DIRECTOR'S REPORT: LARRY LOTT

WYNNE JACKSON

Mr. Lott, Mayor Nichol, and Mayor Pro Tiem Clay Ellis recently met with the developers of the Wynne Jackson subdivision. The developers have agreed to build 4 regulation-sized soccer fields in addition to the extension of Shaw Drive as discussed in previous board meetings. David Weekly and Highland Homes are two

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of the home builders who will build in this subdivision. We are currently working on zoning for this subdivision and anticipate that the developers will go before council for approval in September.

HINES DEVELOPMENT UPDATE

We have worked extensively to draft an agreement that all parties will agree to; the Development Agreement will go before council tonight for approval. This large subdivision will be comprised of approximately 1,300 homes with 40’, 50’, and, 60’ lots and multiple amenity centers. It will also provide additional development opportunities to the city from all the offsite infrastructure they will bring in.

UPDATE REGARDING PERFORMANCE AGREEMENTS

We currently have 5 outstanding Performance Agreements: 1) Native Station has been drafted and submitted to the city attorney for review, 2) SGRE/Starbucks Performance Agreement is currently awaiting a signature; Mr. Gerstenhaber has been on a two-week cruise, we expect to have a signed agreement soon after he returns. Today was the first of two required public hearings for this incentive; the next public hearing will occur at our September meeting currently scheduled for September 24, 2019, 3) Hair Junkie, whose new location is just south of the granary, has received a copy of their Performance Agreement; once we have an executed agreement, we can move forward with this agreement 4) The Smoke Sessions’ Performance Agreement has been reviewed by council, we will work on finalizing the agreement with his recommendations this coming week. We are still waiting for the land transfer from the city to the CDC. This needs to be done before we can execute an agreement with Smoke Sessions, 5) Thirsty Bro, which involves the transfer of the fire station has not been drafted but we plan to start drafting the agreement within the week. As of today, we have an additional Performance Agreement: Resolute Compliance.

JUSTIN HOLLAND TOUR 8/1019

State Representative, Justin Holland was doing a tour and recording a video. He requested that Mayor Nichol, City Manager Carl Alsabrook, and Mr. Lott meet him on his tour for an interview at Buc-ee’s (his favorite place to shop) on Saturday, August 10th, 2019.

SHEIK TRACT UPDATE

This 80-acre piece of property is south on FM 548. Its consists of two pieces of property with a flood plain running through them. We are working with them to develop a plan to make the two properties developable.

L. ADJOURNMENT

- At 8:25 A.M., Mr. Ellis made a motion to adjourn the meeting.
- Mr. Houk seconded the motion
- The motion passed 7:0

ATTEST:

Secretary
Tonya Brown

President		Vice President
Dena Elder		Bobby Gladu