



ROYSE CITY COMMUNITY DEVELOPMENT CORPORATION  
 REGULAR MEETING – TUESDAY, JUNE 25, 2024 – 7 A.M.  
 CONFERENCE ROOM – CITY HALL – 305 N. ARCH ST. – ROYSE CITY

<p><b><u>CDC STAFF IN ATTENDANCE:</u></b>                  CDC DIRECTOR LARRY LOTT - PRESENT                  CDC SECRETARY TONYA BROWN - PRESENT</p> <p><b><u>OTHER:</u></b>                  CITY ATTORNEY JASON ATTORNEY</p>	<p><b><u>BOARD IN ATTENDANCE:</u></b>                  PRESIDENT, RICHARD PENSE – PRESENT                  MEMBER, MAYOR CLAY ELLIS – PRESENT                  TREASURER BLAIR JOHNSON – ABSENT                  MEMBER, COUNCILMAN MICHAEL HOLDER – PRESENT                  VICE PRESIDENT, RUSSELL THOMAS – PRESENT                  MEMBER CRAIG LAWRENCE SR. – PRESENT                  MEMBER DAN MCREYNOLDS – PRESENT</p>
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**AGENDA TOPICS:**

**A. CALL TO ORDER AND INVOCATION: QUORUM PRESENT. AT 7:00 A.M., MR. PENSE CALLED THE MEETING TO ORDER. MR. ELLIS GAVE THE INVOCATION.**

**B. DISCUSS AND CONSIDER APPROVAL OF THE MAY 23, 2024 REGULAR MEETING MINUTES AND CURRENT FINANCIAL STATUS.**

**NO DISCUSSION TOOK PLACE REGARDING THE MEETING MINUTES. MR. LOTT STATED THE SALES TAX REVENUE FOR JUNE INCREASED BY 27.4% OVER JUNE OF 2023 AND 10.7% OVER THE ROLLING 12-MONTH PERIOD.**

- **AT 7:02 A.M., MR. MCREYNOLDS MADE A MOTION TO APPROVE THE MAY 23, 2024 REGULAR MEETING MINUTES.**
- **MAYOR ELLIS SECONDED THE MOTION.**
- **THE MOTION CARRIED 6:0**

**C. CITIZENS PARTICIPATION: N/A**

- i. **Persons may have three (3) minutes to address the board. By law, the board: (1) may not deliberate on items not listed on the item agenda and (2) may only respond with a statement of fact, state policy regarding the issue, or propose placing the item on a future agenda for deliberation.**

**D. PRESENTATION BY BYRON ALDREDGE TO DISCUSS INSURANCE REQUIREMENTS AND REPAYMENT FOR ANVIL BREWING.**

**MR. AND MRS. ALDREDGE DISCUSSED THE DIFFICULTY THEY’VE HAD IN ACQUIRING LIQUOR LIABILITY INSURANCE AND THE FINANCIAL HARDSHIPS THE BUSINESS IS EXPERIENCING. THEY FEAR THEY MAY NOT MAKE IT THROUGH THE SUMMER SLOWDOWN WITHOUT THE ADDITIONAL \$75,000 LOAN THAT WAS TO BE MADE AVAILABLE TO THEM AS PART OF THE ORIGINAL PERFORMANCE AGREEMENT, ASSUMING COMPLIANCE WITH ALL REQUIREMENTS OUTLINED IN THE AGREEMENT. THEY INDICATED THEY NEEDED THE MONEY TO HELP MAKE IT THROUGH THE THREE-MONTH SLOWDOWN, TO PAY FOR SOME NEEDED REPAIRS, A NEW AC, INSURANCE PAYMENTS, AND RENT/LOAN PAYMENTS TO THE RCCDC. BECAUSE THEY HAVE NOT BEEN ABLE TO ACQUIRE THIS INSURANCE THEY ARE ASKING THE RCCDC TO FOREGO THE REQUIREMENT.**

**E. DISCUSS AND ACT ON RESCINDING THE INCENTIVE GRANT AND ANY RELATED AGREEMENTS FOR N.E. DALLAS SURGERY CENTER.**

**MR. LOTT SPOKE TO A REPRESENTATIVE FOR THIS PROJECT WHO INDICATED THEY NO LONGER NEEDED THE INCENTIVE; THE ENGINEER THEY HIRED ADVISED AGAINST THIS LOCATION DUE TO FLOODPLAIN ISSUES.**

- **MR. THOMAS MADE A MOTION TO RESCIND THE INCENTIVE.**
- **MR. HOLDER SECONDED THE MOTION.**
- **THE MOTION CARREID 6:0**

**F. DISCUSS AND ACT ON SELECTING A SUB-COMMITTEE TO REVIEW AND REVISE THE EXISTING BYLAWS.**

- **MR. THOMAS MADE A MOTION TO APPOINT MR. LAWRENCE AS CHAIR OF THE SUB-COMMITTEE TO REVIEW AND IMPROVE THE EXISTING BYLAWS.**
- **MR. MCREYNOLDS SECONDED THE MOTION.**
- **THE MOTION CARRIED 6:0**

**G. DISCUSS AND ACT ON UPDATING THE SIGNATURE CARD TO REMOVE CHECK SIGNER.**

MRS. BROWN EXPLAINED THAT IN OUR MAY MEETING WHEN WE ADDRESSED REMOVING A CHECK SIGNER AND ADDING OTHER ANOTHER CHECK SIGNER, THE DISCUSSION WAS TO REMOVE MR. HOUK AND ADD MR. HOLDER, HOWEVER, THE MOTION DID NOT INCLUDE REMOVING MR. HOUK SO WE ARE ADDRESSING THE ITEM AGAIN.

- MR. ELLIS MADE A MOTION TO REMOVE CHARLES (HOUK) AS A CHECK SIGNER.
- MR. HOLDER SECONDED THE MOTION.
- THE MOTION CARRIED 6:0

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

**1. SMOKE SESSIONS AND ANVIL FOLLOW-UP:**

- **SMOKE SESSIONS:** MR. LOTT AND CITY ATTORNEY JASON DAY HAVE DISCUSSED THE NEED FOR AN ADENDUM TO ADDRESS THE FOLLOWING: MR. SESSIONS HAS AGREED TO DELINIATE THE PARKING LOT WITH A BORDER, GIVE A PARK TRAIL EASEMENT, AND ENTER INTO A PARKING LOT AGREEMENT WITH THE CITY OF ROYSE CITY, IN RETURN, THE RCCDC WILL FOREGO THE 40 ADDITIONAL OUTDOOR SEATS HE IS REQUIRED TO HAVE AS STATED IN THE ORIGNAL PERFORMANCE AGREEMENT TO MEET THE REQUIREMENTS FOR THE LAND CONVEYANCE. MR. SESSIONS WILL ALSO PROVIDE ALL NECESSARY DOCUMENTATION TO SHOW HE HAS MET THE ADDITIONAL REQUIREMENTS OF THE AGREEMENT. WE ARE WAITING FOR CITY ENGINEER LACEY RODGERS TO PROVIDE EASEMENT DIMENSIONS AND DESIGN OF THE PARK TRAIL EASEMENT.
  - **ANVIL –** WE MET WITH ANVIL AFTER OUR LAST MEETING. WE TOLD THEM THE BOARD DENIED THE ADDITIONAL \$75,000 LOAN AT THIS TIME. THEY WILL NEED TO ACQUIRE, MAINTAIN, AND PROVIDE PROOF OF ALL INSURANCE COVERAGES AS STATED IN THE PERFORMANCE AGREEMENT. THE BOARD HAS AGREED TO RECONSIDER THE MATTER IN SIX MONTHS (NOVEMBER). ADDITIONALLY, AT THE MEETING, WE VERBALLY AGREED TO ALLOW THEM TO PAY THEIR RENT WEEKLY INSTEAD OF MONTHLY. THEY AGREED TO SET UP AUTOMATIC DEPOSITS TO THE RCCDC BANK ACCOUNT FROM THEIR BANK ACCOUNT EACH FRIDAY, FOR THE FIRST FOUR FRIDAYS OF THE MONTH, TO SATISFY THE MONTHLY RENT PAYMENT.
2. **BUDGET TIMING:** WE PLAN TO PROVIDE A DRAFT BUDGET TO THE BOARD IN JULY. WE WILL REQUEST APPROVAL OF THE BUDGET FROM THE BOARD IN AUGUST AND APPROVAL FROM THE CITY COUNCIL IN SEPTEMBER.
  3. **LAND SALE – ANDERSON CROSSING:** WE WORKED DILLIGENTLY WITH REPUBLIC TITLE TO CLOSE ON THIS PROPERTY. OUR NET PROCEEDS FROM THE SALE WERE \$1,989,485.40. THE FUNDS WERE DEPOSITED INTO OUR INVESTMENT ACCOUNT.
  4. **PRE-CON MEETING FOR MERCANTILE ROAD:** THIS MEETING TOOK PLACE TWO WEEKS AGO. THE START DATE IS JULY 8, 2024 AND THE FINISH DATE IS PROJECTED TO BE JANUARY 3, 2025.
  5. **SUMMIT DEVELOPMENT UPDATE:** MR. LOTT HAS SOME CONCERNS ABOUT THE POSSIBILITY OF THIS PROJECT EXCEEDING OUR BOND. HE ASKED CITY ENGINEER LACEY RODGERS TO BE DILIGENT WITH ANY CHANGE ORDER REQUESTS TO AVOID EXCEEDING OUR NOT-TO-EXCEED CONTRACT PRICE. CITY ATTORNEY JASON DAY RECOMMENDED DISCUSSING THIS PROJECT FURTHER IN EXECUTIVE SESSION.
  6. **ICSC FOLLOW-UPS:** WE SPOKE TO COMPANIES SUCH AS JIMMY JOHNS, PANERA BREAD, TROPICAL SMOOTHIE CAFÉ, FIREHOUSE, ORANGE FITNESS AND MANY OTHERS. THE MAJORITY OF THE PEOPLE WE SPOKE TO HAD SOME LEVEL OF INTEREST IN ROYSE CITY BUT INDICATED THEY NEEDED ENDCAPS WITH DRIVE-THRUS. UNFORTUNATELY, THEY

AREN'T AVAILABLE AT THIS TIME. WE NEED TO ADDRESS THIS NEED WITH THE DEVELOPERS TO ADDRESS THE SHORTAGE.

7. **RETAIL UPDATE – RETAIL COACH:** MR. LOTT WORKED WITH AARON FARMER WITH THE RETAIL COACH. HE HOPES TO SPEAK TO MR. FARMER FURTHER TO DISCUSS ADDITIONAL PROSPECTS SINCE RETURNING FROM THE CONFERENCE.
8. **CDC DIRECTOR SELECTION PROCESS:** MR. LOTT AND OTHER MEMBERS OF THE HIRING COMMITTEE ARE REVIEWING APPLICATIONS AND RESUMES AS THEY COME IN. TO DATE, WE HAVE 21 APPLICANTS. THE DEADLINE TO RECEIVE APPLICATIONS IS JULY 15, 2024.
9. **INCENTIVE PROJECT UPDATES:**
  - **LISCOTTI – LAND OWNER DARRELL LAKE DOES NOT HAVE A SIGNED AGREEMENT WITH THIS DEVELOPER FOR THE USER IDENTIFIED IN OUR AGREEMENT WITH THE DEVELOPER. LISCOTT'S CAPITAL INVESTMENT IS TO PROVIDE THE FACILITY. THE RCCDC IS COMMITTED TO PAYING A \$250,000 INCENTIVE GRANT. THE COMPLETION DEADLINE FOR THIS PROJECT IS JULY 1, 2025. THEIR BROKER STATED THEY ANTICIPATE SIGNING THE AGREEMENT ON JULY 1, 2024.**
  - **MARKET PLACE WEST:** THE RCCDC WILL BE HELPING TO FUND A PORTION OF THIS ROAD WHICH WILL BE ADJACENT TO LOWES. WE ARE COMMITTED TO PAYING \$1.6M FOR WATER AND SEWER. WE HAVE ALSO COMMITTED TO \$100,000 WHEN THE C.O. FOR LOWES IS ISSUED PLUS OTHER FACILITIES THAT WILL TRIGGER AN INCENTIVE TO THE DEVELOPER.
  - **NUTEX – THIS IS THE ER HOSPITAL AT ERBY CAMPBELL AT I-30. WE HAVE PAID THE \$100,000.00 TO SATISFY THEIR COMPLETION GRANT. WE ARE COMMITTED TO PAYING THEM \$50,000 ANNUALLY ON JANUARY 30TH FOR THE NEXT FIVE YEARS.**
  - **PROVIDENT I-30:** THE RCCDC IS COMMITTED TO PAYING UP TO \$300,000 TO WIDEN THIS INTERSECTION WHERE CIRCLE K IS GOING. CITY ATTORNEY JASON DAY REQUESTED THIS ITEM BE DISCUSSED FURTHER IN CLOSED EXECUTIVE SESSION.
  - **NEXCORE (HUNT REGIONAL):** THIS PROJECT IS 35% COMPLETE. WE ARE COMMITTED TO PAYING THEM \$300,000 WITHIN 30 DAYS OF COMPLETION. WE ARE COMMITTED TO PAYING \$125,000 ANNUALLY ON JANUARY 30<sup>TH</sup> FOR THE NEXT FIVE YEARS.
10. **DOCUMENTS IN REVIEW**
  - **NEXCORE (HUNT REGIONAL HOSPITAL) PERFORMANCE AGREEMENT – THIS PERFORMANCE AGREEMENT IS STILL IN REVIEW WITH CITY ATTORNEY JASON DAY**
  - **DUST FREE PERFORMANCE AGREEMENT AMENDMENT:** THE BUSINESS OWNER HAS REQUESTED AN AMENDMENT BECAUSE THEY ONLY PURCHASED ONE OF THE TWO PIECES OF EQUIPMENT ORIGINALLY IN THE PERFORMANCE AGREEMENT. WE ARE COMMITTED TO PROVIDING A \$35,000 REIMBURSEMENT FOR EQUIPMENT PLUS UP TO \$30,000 ANNUAL REIMBURSEMENT FOR PROPERTY TAX. WE ALSO NEED TO TIGHTEN UP THE TIME FRAME FOR THE ANNUAL PAYMENTS.
  - **PROVIDENT 30 ADDITION:**
    - **DEVELOPMENT AGREEMENT: DISCUSSED EARLIER AND WILL CONSULT FURTHER WITH ATTORNEY IN EXECUTIVE SESSION.**
    - **IMPACT FEE REIMBURSEMENT AGREEMENT WE WILL RECEIVE HALF OF THE IMPACT FEES TO OFFSET OUR \$300,000 INCENTIVE GRANT TO THE DEVELOPER.**
  - **SMOKE SESSIONS PARKING LOT AGREEMENT: THIS WAS DISCUSSED EARLIER.**

- **MERCANTILE ROAD IMPACT FEE REIMBURSEMENT AGREEMENT: THIS AGREEMENT WILL REIMBURSE US FOR IMPACT FEES ASSOCIATED WITH OUR PORTION OF THE CONSTRUCTION OF THIS ROAD.**
- I. **RECESS INTO CLOSED EXECUTIVE SESSION IN COMPLIANCE WITH TEXAS GOVERNMENT CODE TO WIT: AT 7:59 A.M.**
  - i. **SECTION 551.087 – ECONOMIC DEVELOPMENT NEGOTIATION**
  - ii. **SECTION 551.071 – CONSULTATION WITH ATTORNEY**
    - 1. **DELIBERATE REGARDING ANVIL BREWING’S REQUEST**
    - 2. **CONSULTATION WITH ATTORNEY REGARDING SUMMIT DEVELOPMENT**
    - 3. **CONSULTATION REGARDING PROVIDENT I-30**
    - 4. **CONSULTATION WITH ATTORNEY REGARDING NATIVE STATION**
- J. **ADJOURN CLOSED EXECUTIVE SESSION AT 8:44 A.M.**
- K. **RECONVENE REGULAR SESSION AND TAKE ANY ACTION NECESSARY AS A RESULT OF EXECUTIVE SESSION DELIBERATIONS**
  - 1. **ANVIL BREWING**
    - **MR. THOMAS MADE A MOTION TO ALLOW MR. LOTT TO NEGOTIATE WITH ANVIL BREWING AS DISCUSSED IN EXECUTIVE SESSION.**
    - **MR. HOLDER SECONDED THE MOTION.**
    - **THE MOTION PASSED 6:0**
- L. **ADJOURN: MR. PENSE ADJOURNED THE MEETING AT 8:45 A.M.**

**PASSED AND APPROVED BY THE CITY OF ROYSE CITY COMMUNITY DEVELOPMENT CORPORATION BOARD OF DIRECTORS ON THE 23TH DAY OF JULY 2024, 7:0.**

**ATTEST:**

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**RICHARD PENSE – PRESIDENT**

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**TONYA BROWN SECRETARY**