



ROYSE CITY COMMUNITY DEVELOPMENT CORPORATION
 REGULAR MEETING – THURSDAY MAY 23, 2024 – 7 A.M.
 CONFERENCE ROOM – CITY HALL – 305 N. ARCH ST. – ROYSE CITY

CDC STAFF IN ATTENDANCE:
 CDC DIRECTOR LARRY LOTT - PRESENT
 CDC SECRETARY TONYA BROWN - PRESENT

BOARD IN ATTENDANCE:
 PRESIDENT, RICHARD PENSE – PRESENT
 MEMBER, MAYOR CLAY ELLIS – PRESENT
 TREASURER BLAIR JOHNSON – PRESENT
 MEMBER, COUNCILMAN MICHAEL HOLDER – PRESENT
 VICE PRESIDENT, RUSSELL THOMAS – PRESENT
 (LEFT @ 7:35 A.M.) MEMBER CRAIG LAWRENCE SR. – PRESENT
 MEMBER DAN MCREYNOLDS – PRESENT

AGENDA TOPICS:

- A. CALL TO ORDER AND INVOCATION – AT 7:00 AM, MR. PENSE CALLED THE MEETING TO ORDER. MAYOR ELLIS GAVE THE INVOCATION.
- B. DISCUSS CURRENT FINANCIAL STATUS – MR. LOTT ANNOUNCED A DROP (4.2%) IN SALES TAX REVENUE FOR THE MONTH OF MAY 2024 OVER MAY 2023. THE STATE OF TEXAS WAS DOWN BY 3.2%. THE ROLLING 12-MONTH PERIOD STILL SAW A 10.3% INCREASE. MR. LOTT DISCUSSED WHERE WE ARE IN REVENUE GENERATION VS. WHAT WE’RE SPENDING AND COMMITTED TO. AS OF TODAY, WE PROJECT OUR FISCAL YEAR 2024 REVENUE TO BE \$2.250M, EXPENSES INCLUDING BOND PAYMENTS AND OTHER COMMITTED FUNDS TOTALING APPROXIMATELY \$1.450M, LEAVING APPROXIMATELY \$800K UNENCUMBERED.
- C. DISCUSS AND CONSIDER APPROVAL OF THE APRIL 23, 2024, REGULAR MEETING MINUTES, AS AMENDED AND THE MAY 7, 2024 SPECIAL MEETING MINUTES.
 - MR. JOHNSON MADE A MOTION TO APPROVE THE MINUTES.
 - MR. MCREYNOLDS SECONDED THE MOTION.
 - THE MOTION PASSED 7:0
- D. CITIZENS PARTICIPATION: BYRON AND KRISTIN ALDREDGE SPOKE ABOUT THE POSITIVE EXPERIENCE THEY HAVE HAD WORKING WITH THE CDC AND THE CITY AS WELL AS THE HIGHS AND LOWS OF OPERATING ANVIL BREWING OVER THE LAST YEAR. CONSTRUCTION COSTS SKYROCKETED FROM THE TIME CONVERSATIONS BEGAN ABOUT THIS PROJECT TO THE TIME CONSTRUCTION BEGAN. THE COST OF FOOD AND MAINTENANCE OF EQUIPMENT CONTINUE TO RISE AND THEY ARE EXPERIENCING SOME FINANCIAL CHALLENGES. *[THE PERFORMANCE AGREEMENT WITH THE CDC ALLOWS FOR AN ADDITIONAL \$75,000 TO BE MADE AVAILABLE TO THEM AFTER THIRTEEN MONTHS ASSUMING COMPLIANCE OF ALL OPERATIONAL STANDARDS.]* MR. ALDREDGE SAID THEY HADN’T PLANNED ON ASKING FOR THE ADDITIONAL \$75,000 BUT HAVE FOUND THEMSELVES IN A DIFFICULT POSITION. HE ALSO DISCUSSED THE DIFFICULTY THEY ARE EXPERIENCING IN ACQUIRING LIQUOR LIABILITY INSURANCE AND ANSWERED QUESTIONS FROM THE BOARD.
 - 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.
- E. DISCUSS AND ACT REGARDING AN OPEN INVOICE FROM PYE BARKER FOR FIRE SPRINKLERS AT 232 E. MAIN ST.
 THE INVOICE IS FOR THE FIRE SPRINKLER SYSTEM AT THE CDC-OWNED BUILDING LOCATED AT 232 E. MAIN ST. THE WORK HAS BEEN COMPLETED SATISFACTORILY, AND THE BOARD WAS IN AGREEMENT TO PAY THE INVOICE.
 - MR. THOMAS MADE A MOTION TO PAY THE OPEN INVOICE.
 - MR. HOLDER SECONDED THE MOTION.
 - THE MOTION PASSED 7:0
- F. DISCUSS AND ACT REGARDING REMOVING CHECK SIGNERS FROM OR ADDING CHECK SIGNERS TO THE CDC OPERATING ACCOUNT.
 MR. LOTT DISCUSSED THE NEED TO REMOVE CHARLES HOUK AS A CHECK SIGNER AND THE NEED FOR AN ADDITIONAL CHECK SIGNER. IT WAS SUGGESTED THAT MR. HOLDER, WHO IS NEARBY, BE ADDED.
 - MR. MCREYNOLDS MADE A MOTION TO ADD MR. HOLDER AS A CHECK SIGNER.
 - CITY ATTORNEY, JASON DAY ADVISED ALSO HAVING THE DIRECTOR AS A CHECK SIGNER.
 - MR. MCREYNOLDS AMENDED HIS MOTION TO INCLUDE INTERIM DIRECTOR MR. LOTT AS A CHECK SIGNER.
 - MR. ELLIS SECONDED THE MOTION.
 - MOTION PASSED 7:0.
- G. DISCUSS AND ACT REGARDING THE JOB DESCRIPTION AND ADVERTISING FOR THE CDC EXECUTIVE DIRECTOR POSITION.
 - MRS. BROWN DISCUSSED THE VARIOUS OPTIONS FOR ADVERTISING THE POSITION OURSELVES VS. USING A SEARCH FIRM. SHE WORKED WITH THE CITY’S HR DIRECTOR TAUNA RATLIFF FOR DIRECTION. MRS. RATLIFF OFFERED USING THE CITY’S ACCOUNT WITH SGR, ONE OF THE LARGEST LOCAL GOVERNMENT EXECUTIVE SEARCH FIRMS IN THE NATION, TO ADVERTISE THE POSITION. IT OFFERS VARIOUS LEVELS OF PARTICIPATION FROM SELF-SERVICE TO FULL-SERVICE. THE BOARD WAS NOT IN FAVOR OF HIRING A FULL-SERVICE SEARCH FIRM. MRS. BROWN RECOMMENDED A MOTION TO USE ALTERNATE METHODS TO FIND A CANDIDATE (SELF-ADVERTISING VS. USING A SEARCH FIRM).
 - MAYOR ELLIS MADE A MOTION TO PROCEED AS RECOMMENDED BY MRS. BROWN.

- MR. PENSE CONFIRMED THE MOTION TO EMPOWER CDC STAFF TO POST THE JOB POSITION.
 - MR. MCREYNOLDS SECONDED MR. ELLIS'S MOTION.
 - THE MOTION PASSED 7:0
- I. RECESS INTO CLOSED EXECUTIVE SESSION IN COMPLIANCE WITH TEXAS GOVERNMENT CODE TO WIT: AT 7:27 A.M.
- i. SECTION 551.087 – ECONOMIC DEVELOPMENT NEGOTIATION
1. DELIBERATE REGARDING THE ANVIL BREWING PERFORMANCE AGREEMENT: REQUEST FOR ADDITIONAL LOAN PAYMENT
 2. DELIBERATE REGARDING THE SMOKE SESSIONS PERFORMANCE AGREEMENT: LAND CONVEYANCE
 3. DELIBERATE REGARDING NATIVE STATION PERFORMANCE AGREEMENT
 4. DELIBERATE REGARDING THE PATIO PROJECT
- J. ADJOURN CLOSED EXECUTIVE SESSION. AT 8:16 A.M.
- K. RECONVENE THE REGULAR SESSION AND TAKE ANY ACTION NECESSARY AS A RESULT OF EXECUTIVE SESSION DELIBERATIONS. AT 8:17 A.M.
1. ANVIL BREWING PERFORMANCE AGREEMENT: REQUEST FOR ADDITIONAL LOAN PAYMENT
 - MR. THOMAS MADE A MOTION TO DENY THE \$75,000 REQUEST DUE TO NONCOMPLIANCE.
 - MR. HOLDER SECONDED THE MOTION.
 - THE MOTION PASSED 6:0.
 2. SMOKE SESSIONS PERFORMANCE AGREEMENT: LAND CONVEYANCE
 - MR. ELLIS MADE A MOTION TO HAVE MR. LOTT VISIT WITH THE BUSINESS TO GET AN UNDERSTANDING OF THEIR VISION AND TO GET THEIR FINANCIALS TO CONFIRM COMPLIANCE.
 - MR. PENSE CONFIRMED THE ITEM WAS TABLED TO ALLOW MR. LOTT TIME TO ADDRESS THE ITEMS.
 - MR. JOHNSON SECONDED THE MOTION.
 - THE MOTION PASSED 6:0.
 3. NATIVE STATION PERFORMANCE AGREEMENT
 - NO ACTION.
 4. PATIO PROJECT
 - NO ACTION.
- H. DIRECTOR'S REPORT: LARRY LOTT
1. RESULTS FROM ICSC: WE RECEIVED POSITIVE FEEDBACK FROM THE 32 BUSINESSES WE SPOKE TO IN VEGAS. TWO CONCLUSIONS FROM THEIR MEETINGS WERE THE IMPORTANCE OF MERCANTILE BLVD. EXTENSION AND THE CONSTRUCTION OF ROADS AT ANDERSON CROSSING WHERE THE DEVELOPER ASSURES US HE IS CLOSE TO HAVING SIGNED CONTRACTS FROM TWO, BIG-BOX USERS. WE WILL BE FOLLOWING UP WITH EVERYONE THIS WEEK. AARON FARMER WITH THE RETAIL COACH WAS A TREMENDOUS HELP. MR. ELLIS DISCUSSED THE POSITIVE MEETING THEY HAD WITH CARTER KENDALL WHO INDICATED HE ANTICIPATED THE TWO BIG BOX USERS AT THE OCTOBER COUNCIL MEETING.
 2. FY24 BUDGET AMENDMENT AND FY25 BUDGET- WE WILL REQUIRE AN AMENDMENT TO THE BUDGET FOR FY24 TO INCLUDE ANY ADJUSTMENTS INCLUDING THE ADDITION OF MR. LOTT'S SALARY. WE PLAN TO PRESENT THE DRAFT BUDGET IN JULY, AND THE FINAL IN AUGUST FOR CITY COUNCIL'S APPROVAL IN SEPTEMBER.
 3. ROAD BOND UPDATE: BOND SCHEDULE: MR. LOTT REVIEWED THE REMAINING SCHEDULED STEPS FOR THE ROAD BOND. PUBLIC NOTICE WAS GIVEN THURSDAY MAY 9, 2024. ON JULY 10, 2024, SPFI WILL POST THE POS FOR THE BONDS, AND ON JULY 16, 2024 THE NEGOTIATED SALE OF THE BONDS. THE FUNDS WILL BE AVAILABLE TO US ON AUGUST 15, 2024. DUE TO TIMING ISSUES, WE MAY HAVE TO PAY FOR SOME OF THE COSTS OUT OF OUR OPERATING ACCOUNT WHICH MAY OR MAY NOT BE REFUNDED.
 4. CRICKET/SOCCER FIELDS: A PROPERTY OWNER WHO OWNS PROPERTY NORTH OF KERALA, MET WITH US RECENTLY AND IS INTERESTED IN BUILDING CRICKET FIELDS THAT WILL ALSO SERVE AS SOCCER FIELDS. HE WANTED TO KNOW IF WE CAN PROVIDE WATER AND SEWER AND WHAT KIND OF PERMITTING IS NEEDED.
 5. CURRENT INCENTIVE UPDATES
 - a. PERFORMANCE AGREEMENTS STILL IN REVIEW WITH ATTORNEY: NE DALLAS SURGERY CENTER, NEXCORE GROUP, PROVIDENT I-30 ADDITION, & DUST FREE AMENDMENT.
 - i. MR. LOTT WILL WORK WITH CITY ATTORNEY JASON DAY ON THESE AGREEMENTS
 - b. LISCOTTI & MERCANTILE BLVD EXTENSION (SUMMIT): DARRELL LAKE UPDATE.
 - i. THEY ANTICIPATE ROAD CONSTRUCTION WILL TAKE 4-6 MONTHS.
- I. ADJOURN:
- MR. PENSE MADE A MOTION TO ADJOURN.
 - MR. ELLIS SECONDED THE MOTION.
 - THE MEETING ADJOURNED AT 8:33 A.M.

PASSED AND APPROVED BY THE CITY OF ROYSE CITY COMMUNITY DEVELOPMENT CORPORATION BOARD OF DIRECTORS ON THE 25TH DAY OF JUNE 2024.

RICHARD PENSE – PRESIDENT

ATTEST: TONYA BROWN SECRETARY