



MINUTES SPECIAL COUNCIL MEETING

Tuesday, December 13, 2016 – 5:30 pm
Police and Courts Building, 100 West Main Street
Royse City, Texas

A. CALL TO ORDER 5:30 PM BY MAYOR NICHOL

Announce the presence of a quorum.

Members Present: Mayor, Janet Nichol
Council Member Place 1, Charles Houk
Mayor Pro Tem, Council Member Place 2, Clay Ellis
Council Member Place 3, Bruce Bradley
Council Member Place 4, Matt Wheatley
Council Member Place 5, James Branch
Council Member, Place 6, Tom Crowley

Staff Present: City Manager, Carl Alsabrook
City Secretary, Deborah Sorensen
City Attorney, Jason Day
Director of Finance, Shannon Raymond
Executive Dir. of Development & Community Services, Janet McPherson
Fire Chief, Rickey Bell
Executive Director of Community Development Corp., Larry Lott

B. INVOCATION AND PLEDGE OF ALLEGIANCE

Council Member Bradley gave invocation and led the Pledge of Allegiance.

C. PRESENTATION

- 1. Presentation by Bonner Carrington regarding proposed senior living project in Royse City, and any matters related thereto.

Carl Alsabrook introduced Stuart Shaw, founder and CEO of Bonner Carrington.

Stuart stated we are doing the best we can with Cypress Creek Apartment Homes, that is well under way. He introduced Emily Protine, Community Outreach Liasion for Bonner Carrington. She is going to come and give a little report about Cypress Creek, and also about our proposed Mariposa. Stuart added he would like for City Council to consider their Mariposa proposal, which is a retirement community.

Emily Protine gave an update on the status of Cypress Creek Parker Boulevard. As of Friday, November 9th, we have 477 prospects on our list, which just from a couple of weeks ago is up over a hundred. Our sources are coming from, number one, drive-by, they are mostly just seeing us right on the road right there; followed by word of mouth, Chamber of Commerce referrals, zillow.com, apartmentguide.com, and bonnercarrington.com. Our prospects are mostly coming from Royse City, Greenville, Garland, Quinlan, Rockwall, Caddo Mills, and Allen.

Estimated occupancy date is the first quarter of 2017. We have hired a community manager, Megan Riddle, who is a current Royse City resident. She has been here for quite a few years and she knows the market very well. Also, Cypress Creek Park Blvd. has received a higher rate of inquiries than any of our other Dallas/Fort Worth leases ups. So, it is going very well.

Emily stated she would like to address the there need for senior housing in Royse City or the surrounding areas. She did a market survey herself. She did an internet search for independent senior housing in, or around, Royse City. The first community it took her to was Orion Rockwall, eight miles from Royse City, rents ranging \$940.00 to \$2600.00. There are 220 units and they are ninety-eight percent occupied. The community manager there stated that thirty to forty percent of the inquiries that come through there cannot afford the rents there. Next, she went to Liberty Heights Luxury Retirement that is also in Rockwall nine miles away. Their rents are running \$2,000 to \$4,500 a month. One-hundred and eighteen units; and, they are 100% occupied. They currently have a waitlist. Next, she went to Evergreen at Rockwall, also nine miles from Royse City. Rents there are ranging from \$750.00 to \$900.00. One-hundred and forty units; 100% occupied and they have a waitlist of one to two years. Brookdale Club Hill in Garland; twenty miles from Royse City, has memory care assisted living, but they also have what is called Club Hill. And, that is there independent section of the community. Rents ranging from \$2,000 to \$3,600. There are 150 units there; they are ninety-nine percent occupied. And, the marketing director she spoke to said they receive calls daily for prospects who cannot afford those rents. Primrose at Park Place Garland; twenty-seven miles from Royse City, have rents ranging \$650.00 to \$775.00. Two-hundred and four units; ninety-nine percent occupied. This community is 10 years old and the community managers says they consistently stay over ninety-eight percent occupied. All of these communities are independent senior living. So, this is no assisted living, this is completely independent, 55 and up.

Stuart stated that of all the developers in the state of Texas that do this we are easily in the top three, and he would say we are number one because of our execution and our long term commitment. Remember, we do not plan to ever sell. We plan to be here longer than the neighbors. We have a succession plan. So, we do not plan to sell any of these communities. We have the ability to hold them and manage them for good things. And, we hope to make cash flow because we want to stay in business, but we are going to manage them for good things. Some of those rates we cannot raise very much. We are going to continue to serve your community forever. So, we know there is a market. We know that our product is superior. And, just like you can see at our Cypress Creek, I hope you can see it; I think it looks really good. We are going to build something of that quality and caliber. We want to serve people and we are going to make money while we are doing it. And, we have a reputation for that now. That is what we want to do in your community. So, if you are going to choose somebody, we recommend you choose us. Your choice, but we recommend that. If we do not do this, then somebody else will. The senior population will still be served and that is the ultimate goal. But, if you think you might like to have it in your city, we do not want to miss the opportunity for us, or for you.

Mayor Nichol asked for rent cost. We do not know for sure here, but it is going to be close to what we are doing in Burleson. For the Burleson community, Mariposa Alpha Drive, our one-bedrooms are ranging from \$586.00 to \$1,015.00; two-

bedrooms are \$710.00 to \$1,650.00. The \$1,650, I think there are four of them and they are really huge, about 1200 square feet.

Council Member Branch asked how many units. We are proposing 200 unit. We like to use a rectangular or square-ish designs of a two or three-thousand year old design, called "courtyard". It is real popular. Half of the residents have an interior courtyard view, and the other half look out. The halves that are looking out are waiting for a unit that looks in, because people prefer that interior courtyard view. It is a very popular design. Three-story elevator service; sometimes we do four story, here we probably do three. That is the general idea. Just like Mariposa in Burleson. We do a couple of different designs. We did a different one in Saginaw than the one we did in Burleson. The one-bedrooms there are a slight variation in the units. We have got a little more variation in the two-bedroom. More amenities than what we have at Cypress Creek. The reason why is because our average age will start out in the 60's and then it kind of moves a little higher as you go along.

So, we will have ten different amenity areas inside of Mariposa, including a hair salon, a really nice wifi computer area, a big activity room, a big great room, a movie theater, fitness area, a card room with pool table. There will be a couple more amenities. Then we will have four or five out on the grounds because there is a lot of life that goes on at a Mariposa where people are living there; and so, they are doing things, having Bible study, fitness class and swim-fitness class in the summer, in the pool. There is a lot of communal stuff and then small groups.

Mayor Nichol asked about any issues with family staying with the residents. Stuart responded that we cannot allow children to live at a Mariposa, and we are allowed by the federal government to discriminate against children. We have to do it because, what you will find in an active senior adult community, is that people do not want to be around other people's children. You can have your adult children visit, for a night or two; and, you can have grandchildren a day. Three nights is the max per any thirty day period. We manage it. Every now and then somebody breaks the rules and we just have to let them know that is in default of their lease and if you continue to do that, they you will have to leave.

Council Member Crowley asked about having enough parking for RVs or 5th wheels for the residents. Stuart stated we are trying in our latest designs to account for RV parking. It is just a nice thing. You know you do not want it up front but you want to have it towards the back. It is part of the plan.

Council Member Branch asked about time line to get started. Stuart responded that we have to make application for it and keep it a competitive process for some of the funding that we get that turns into equity for us. We get federal tax credits for our affordable side. We syndicate those to people like JP Morgan Chase and they become our partner. JP Morgan Chase will be our partner, and we will go to a bank and get a loan. We take JP Morgan Chase's equity and they are our partner for 15 years and then they exit. It is decided in July. It will take us another eight to ten months to close. After it is decided, we start spending four or five-hundred thousand dollars for a full set of plans. Then I come to you for a permit. All of which we have to have before we can close. Debt and equity allows us to buy the land and building the building. It is about a fifteen to sixteen month process before we go under construction, and then another year and a half after that before it is finished.

We are looking at sites right now. We have gotten a great recommendation from your staff and questioning if that site will work. We are still looking at it. We are also

looking at other sites. We are going to vet those and let you know about those as we go along.

If we are allowed to, we would like to come back. We respectfully request the opportunity to come back before you in January. When we do will have that narrowed down to one or two sites. We are going to do the best we can. We have to go through a scoring matrix to make sure that we score well. The next step for us would be for us to finish up our site selection, contract these properties and come back and see you. We will make application regardless, because we do not want to foreclose the opportunity. We will make an early January application, just so we have checked that box, we have made the application; we know we are in the hunt. We will come back to you, if you will all let us. You will say yes or no. If it is yes, then we continue on a succession of events to do due diligence on the land; you know environmental studies. We will be talking to the State Representative. We will have to have a resolution of support from you and we will have to have a resolution of support from the State Representative. We will be going through that process during those months of January, February, and March. There is a succession of deadlines we have with on the scoring matrix with all those things. Then we get to about March or April and we see who wins.

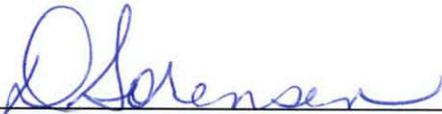
City Council is okay with them coming back.

Mayor Nichol thanked Stuart for sponsoring the Chamber Luncheon and for coming out tonight.

D. ADJOURN AT 5:56 PM

Council Member Branch made a motion to adjourn. Council Member Crowley seconded the motion. **Motion passed 7-0.**

ATTEST:


Deborah Sorensen, TRMC, City Secretary


Janet Nichol, Mayor



The seal is circular with a dotted border. The text 'CITY OF ROYSE CITY TEXAS' is written around the perimeter. In the center, the word 'SEAL' is written in a bold, serif font.